

**WHEATLEY HOMES GLASGOW  
BOARD MEETING**

**Friday 16 August 2024 at 10.30am  
Wheatley House, 25 Cochrane Street, Glasgow**

**AGENDA**

1. Apologies for absence
2. Declarations of interest
3. a) Minute of meeting held on 17 May 2024 and matters arising  
b) Action list  
c) Approval of urgent action – lease to SAMH

**Main business and approvals**

4. New Build and regeneration update (Presentation)
5. Repairs update
6. Homelessness update
7. Performance report
8. 2023/24 Financial Statements
9. Annual Internal Audit Report and opinion

**Other business**

10. Finance report
11. [redacted]
12. Governance update
13. AOCB

Date of Next Meeting: 13 September 2024

## Report

**To:** Wheatley Homes Glasgow Board

**By:** Frank McCafferty, Group Director of Repairs and Assets

**Approved by:** Steven Henderson, Group Chief Executive

**Subject:** Repairs update

**Date of Meeting:** 16 August 2024

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### 1. Purpose

- 1.1 To provide the Board with an update on the following:
- Progress with repairs service enhancements;
  - Ongoing customer engagement to inform future service enhancements; and
  - The repairs budget update for 2024/25.

### 2. Authorising and strategic context

- 2.1 Under its Terms of Reference the Board is responsible for the oversight and scrutiny of service delivery and for monitoring our performance. Repairs are a key driver for our overall tenant satisfaction and a key priority for our tenants.

### 3. Background

- 3.1 As part of the June Board strategy workshop the Board discussed the work underway to evolve our repairs service, based on a wide range of customer insight. This was set within the wider context of Board discussions on how we use customer insight to inform the Board and make service changes based on what our customers tell us.
- 3.2 It was agreed at the workshop that this refined approach and focus responded clearly to the views of tenants, and we should reflect this in our strategy, with strong Board oversight of delivery during this year.

### 4. Discussion

#### Service enhancements

- 4.1 Tenant feedback continues to indicate that communication and improving the management and timescales associated with complex repair works i.e. multi-trade works are their key priorities and impact how satisfied they are with the service.

- 4.2 To date our response to this has focussed on:
- The introduction of Book It, Track It, Rate It in May 2023 to improve communication;
  - Ongoing monitoring of customer experience, to identify areas for improvement; and
  - The re-design and introduction of a new service delivery model to improve the customer experience.

#### *Customer communication and satisfaction*

- 4.3 As noted in earlier updates to the Board, Book It, Track It, Rate It was introduced in May 2023 and has since been extended to all appointed repairs. Customer feedback to date on the 'Track It' functionality remains positive, with customers continuing to indicate that the text message reminders and updates are an improvement in communication.
- 4.4 'Rate it' seeks customer feedback on a scale of 1-5 and includes the option for customers to receive a call back. Up until the end of June 2024 we have received c5800 customer ratings with an average score of 4.5/5, the equivalent of 90%. This level of satisfaction has been consistently high since 'Rate It' was introduced for appointed repairs. The response rate has also risen, from 17.6% initially to 19.3% overall year to date.
- 4.5 This continues to highlight the achievement of very strong satisfaction levels since the introduction of Book It, Track It, Rate It.
- 4.6 Our Annual Return on the Charter repairs satisfaction levels also remain high and at the end of June was 91.4% for the rolling 12-month period.

#### *Service Enhancements*

- 4.7 The MyRepairs operating structure for Glasgow and the West continues to engage with customers on existing repairs and up until the end of June has handled:
- 6,729 calls from the CFC; and
  - 17,858 emails.
- 4.8 The service has also overseen the delivery of complex repairs referred by Locality Housing Directors and Housing Officers and is liaising with the customers on these to provide a single point of contact. The service is currently managing 791 live cases and has closed out 1335 in 2024/25.
- 4.9 Insights continue to be gathered from the MyRepairs teams' interactions with customers, City Building and our in-house teams to help inform service improvement actions.
- 4.10 City Building has a key role in the delivery of our repairs service and their performance is crucial to improving tenant satisfaction. As noted in the report to the Board in February 2024 there were several service improvement activities underway in relation to this.

- 4.11 These included a review of the works allocation between 'Programmed' (30 working day completion timescale) and 'Appointed' repairs categories (15 working day completion timescale).
- 4.12 The reason for this was that feedback from customers and front-line delivery teams had highlighted that some repair works instructed as 'Programmed' can lead to a frustrating customer journey. Primarily, this is due to an inspection visit routinely being undertaken at the initial stage of this repair work when the customer has an expectation that a tradesperson is attending to complete the repair. This leads to additional visits to customers' homes and increases the time taken to complete the repair. During the review inspectors fed back that there are a number of visits they carry out that are unnecessary, and the works could instead be passed "straight to trade" for completion.
- 4.13 At that time around 3000 (60%) of the c5,000 non-emergency repair instructions that were being passed to City Building weekly were allocated as 'Programmed' repairs and 2,000 (40%) as 'Appointed' repairs. Work has been carried out to analyse the work allocations between 'Programmed' and 'Appointed' repairs and realign the diagnostic and instruction arrangements, and the delivery resources, so that a higher proportion of repairs are instructed within the shorter timescale 'Appointed' category to:
- Reduce the number of visits needed to customers' homes to complete repairs;
  - Improve communication with customers around repair works; and
  - Improve the customer experience and increase customer satisfaction.
- 4.14 Over time this should also lead to a reduction in the average timescale to complete non-emergency repair works. So far, although the year-to-date average timescale for non-emergency repairs is over the 7.5 day target at 8.62 days the timescales have been reducing each month and in July the average completion timescale was 5.87 days.
- 4.15 A phased implementation plan to transition to a new trade based rather than geographical working arrangement for appointed repairs commenced in early February and completed in May. The improvements highlighted so far through the introduction of this new working model across the main trades are:
- Balance of appointed to programmed repairs is now 75% appointed:25% programmed;
  - Reduction in no access rates across main repair trades; and
    - Plumbing was 10.03% now 4.17%;
    - Electrician was 4.11% now 2.66%; and
    - Joiner was 5.99% now 3.92%.
  - Increase in first time visit repair completions from;
    - 74.25% to 90.79% for plumbers;
    - 82.59% to 91.72% for electricians; and
    - 73.58% to 91.78% for joiners.

- 4.16 We will continue to monitor the effectiveness of this new working arrangement for appointed repairs and as well as monitoring no access rates and first time visit completions, we will also monitor the impact of this change on average completion timescales and customer satisfaction.
- 4.17 To further build on this improvement, work has also now commenced on reviewing the delivery model for programmed repairs with the aims of:
- Reducing this workstream further through continuing to reallocate works where possible to the shorter timescale appointed category;
  - Reducing the need for inspections and instead passing works straight to trades; and
  - Improving communication with customers around works planned, appointments and timescales.
- 4.18 Work is underway with Wheatley and City Building operational teams to inform an improvement plan for this workstream and to develop the specific actions and timescales for this work which we anticipate will be completed and rolled out fully by the end of 2024.

#### Customer engagement and insight

- 4.19 The Group Scrutiny Panel had selected repairs as the subject for its first thematic review which concluded in November 2023 and reported to Boards thereafter on their findings. The Panel had selected communications to be the focus of this review and as part of their work, they scrutinised the end-to-end customer repairs journey, from the initial report through to completion.
- 4.20 In undertaking their fieldwork the Panel visited the Customer First Centre and took the opportunity to meet with call handlers and managers, as well as meeting with the MyRepairs team to be updated on improvements that were being made. They also met with operatives from City Building to discuss operational practice.
- 4.21 The Panel then developed a final report which made recommendations on how we could improve the service and we undertook to continue to work with them over first half of 2024 to deliver these.
- 4.22 At an update meeting with the panel in June 2024 they expressed their support for the work that had been carried out on the agreed actions and looked forward to continuing to work jointly with us to continue to improve the service.
- 4.23 Performance in relation to numbers of current cases and their status is included in the separate Performance report to the Board.
- 4.24 At this time of year, given the improved weather conditions generally experienced and the changes that this brings to customer behaviours in respect of heating and ventilating their homes, case numbers generally reduce.
- 4.25 Conversely, we would expect the case numbers to rise again in October/November as these factors are reversed.

- 4.26 In preparation for this we are currently considering proactive actions that we will look to take to help reduce the build-up of mould/condensation in our customers' homes over the winter period and which will include:
- Identifying customers who have reported issues with damp and mould on 2 or more occasions this year. These customers will then be contacted to identify and put in place any supports that are needed; and
  - A reminder of our 'See it, Report It' campaign will be issued to the frontline delivery teams to reiterate our messaging around the seriousness of damp and mould in tenants' homes and staff's responsibility when in tenants' homes to identify and report immediately any issues relating to damp or mould to ensure we respond timeously.
- 4.27 Damp and mould cases will be monitored daily throughout the winter and resources adjusted accordingly to ensure we continue to meet our response timescales.

#### Demand and budget position

- 4.28 Levels of customer demand for repairs is consistent with 2023/24 levels with a slight decrease noted of 1.27% for the year to June 2024 compared to the same period in 2022/23.
- 4.29 The repair/renewal principle implemented in 2023/24 has continued to help control costs in capitalised repairs spend. This principle is helping to control costs, however, capitalised repairs costs increased in Q1 to June 2024 due to the timing of several high-value jobs being completed in the first quarter. This additional spend was fully offset by reduced spend within capitalised void work.
- 4.30 The 2024/25 Business Planning process had taken into account the run rates in responsive repairs, stock movement, inflation increases and also the control measures implemented during 2023/24. With the responsive repairs results for Q1 being within budget the forecast financial outturn for responsive repairs for 2024/25 has been kept in line with the budget.

### **5. Customer Engagement**

- 5.1 We have carried out focus groups with customers to understand what kind of communication they would like to see from us in terms of repairs. Their feedback helped to shape the development of the Book It, Track It, Rate It app.
- 5.2 Following the rollout of this app to customers we have been able to develop our customer insight through direct feedback from customers in rating their experience.
- 5.3 As noted earlier the Group Scrutiny Panel identified the repairs service as one of its key priorities and have recently concluded a thematic exploration of our repairs communication. The Group also reviewed the updated Group Repairs and Maintenance Policy Framework. The thematic group have welcomed the service improvements that have recently been completed or are underway and noted that the points of clarification they had made for the Policy Framework have been addressed.

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

- 6.1 Using the Dynamic Route scheduler (DRS) ensures trades operatives are not travelling unnecessarily thereby reducing and limiting CO2 emissions. This reduction is being supported further through the service improvement actions to reduce the number of visits needed to complete repairs.

## **7. Digital transformation alignment**

- 7.1 Repairs are a key element of our digital transformation programme, ranging from Book It, Track It, Rate It, to our online services and the wider platforms we use to manage and deliver the service.
- 7.2 Our digital transformation programme is fully aligned and prioritised towards supporting the evolution and improvement of our repairs service.

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

- 8.1 The repairs improvement plan implemented will ensure there is an embedded process to deliver value for money to customers.

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

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

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

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

## **11. Equalities implications**

- 11.1 Equalities impact assessments have been completed for the Repairs and Maintenance Policy Framework and the Managing Damp, Mould and Condensation Policy. These have identified a number of actions that are currently ongoing and being monitored.

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

- 12.1 The repairs service is a key priority for our customers and a key driver of satisfaction. As noted previously good progress has been made in improving our repairs service in the focus areas identified in the March 2023 report to the Board. Book It, Track it, Rate it has now been implemented improving communication and providing excellent information and feedback. The MyRepairs team have also been established and are helping to manage and monitor more complex repairs. These improvements have seen a positive impact on the level of customer service and have increased customer satisfaction.
- 12.2 We will continue to focus on continually evolving and improving our repairs service, considering customer feedback, insight and direct engagement with our Group Scrutiny Panel.
- 12.3 The demand for repairs, consistent with the wider sector across the UK, remains higher post-pandemic.

## **13. Recommendations**

- 13.1 The Board is asked to:
- 1) Note the progress with repairs service enhancements;
  - 2) Note ongoing customer engagement to inform future service enhancements; and
  - 3) Note the update on the repairs budget position for 2024/25.

### LIST OF APPENDICES:

None



## Report

**To:** Wheatley Homes Glasgow Board

**By:** Alan Glasgow, Group Managing Director of RSLs

**Approved by:** Steven Henderson, Group Chief Executive

**Subject:** Homelessness update

**Date of Meeting:** 16 August 2024

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### 1. Purpose

- 1.1 This report provides an update on our progress towards the key commitments within our Homelessness Policy and highlights our contribution to preventing and alleviating homelessness, including our response following the declaration of a housing emergency by the Scottish Government on 15 May 2024.

### 2. Authorising and strategic context

- 2.1 Our approach to homelessness, and the contribution we make in terms of social housing provision, are key strategic aims within our Strategy. The Homelessness Policy and the commitments within support our strategic theme of 'Changing Lives and Communities'.

### 3. Background

- 3.1 Our first Homelessness Policy was developed in 2020 setting out our commitment to tackling and alleviating homelessness. It is a key contributor to the strategic aims within our Strategy and sets out how we will work with our customers and our key partners to reduce homelessness while creating balanced and peaceful neighbourhoods. The policy was developed and aligned with the Scottish Government's long-term strategy for tackling homelessness which is set out in the Ending Homelessness Together action plan. The action plan sets out how national and local government and third-sector partners will work together to end homelessness.
- 3.2 Since our last update to Board in August 2023 we have seen a worsening national situation in relation to homelessness, culminating in eight local authorities declaring a housing emergency between June 2023 and June 2024, including Glasgow. This was followed by the Scottish Government announcing a national housing emergency on the 15th of May this year.
- 3.3 The Scottish Government cited unprecedented pressures including a sharp rise in the number of people presenting as homeless, a rise in the use of temporary accommodation and an increase in the number of households living in temporary accommodation that breaches the unsuitable accommodation order.

- 3.4 More than 20,000 homeless applications were received across Scotland in the period April – September 2023. This represents a 3% increase compared to the same period in 2022. This varied greatly across local authorities.
- 3.5 Glasgow received 3,448 homeless applications in the first six months of 2023/24 which was an 11% increase from the same period in previous year. We are expecting this trend to continue when the full year 2023/24 figures are published in the coming weeks.
- 3.6 Homelessness figures in Glasgow and nationally are published six months retrospectively but we know from our discussions with GCC that homelessness figures continue to increase. They have noted that at the end of May 2024, there were 6,239 live homeless applications. As a result of the increase in homelessness applications, there has been a surge in the number of individuals living in temporary accommodation.
- 3.7 In May 2024 there were approximately 3,700 households, equating to over 7000 individuals, residing in temporary accommodation including hotels and bed and breakfast accommodation. This includes over 2500 children living in temporary accommodation with approximately 70 families with children living in hotels and Bed and Breakfasts. As a direct result of the increasing number of people presenting as homeless, there has been an increase in households being placed in temporary accommodation which breaches the unsuitable accommodation order. There is no indication that the upward trend will reverse in the near future.
- 3.8 Prevention of homelessness, supporting the alleviation of homelessness and working with partners to respond to the housing emergency are key strategic objectives for us. As the largest RSL we provide a significant contribution in responding to the challenges faced in Glasgow. The Homelessness Policy already reflects most of the actions being identified in draft emergency action plans.

## **4. Discussion**

### Homelessness and our policy commitments

- 4.1 The Homelessness Policy sets out our key commitments including that we will provide 60% of our available homes to homeless households and contribute to the overall Group aim over five years to:
- Let 10,000 homes to homeless households;
  - Create 500 Housing First tenancies; and
  - Flip 500 homes from temporary to permanent accommodation.
- 4.2 Significant progress has been made in the first three years of implementing the policy and we are well on track to achieving the 5-year targets. At the end of July 2024, we have provided over 5,300 homes for homeless households.
- 4.3 Housing First is aimed at those who have multiple and complex needs. The Housing First approach ensures those with high support needs are allocated

settled accommodation with intensive support. We are sector leaders in Housing First and have made a significant contribution to Housing First. We are making good progress and at the end of July, we have housed 286 customers. Wheatley Care continues to provide Housing First Support to individuals across Glasgow with other third sector providers.

- 4.4 Flipping of tenancies refers to the opportunity to convert or 'flip' temporary accommodation, which we have provided to the local authority, to a permanent home to reduce transitions for homeless households where the property is of the right size and in the right location. We are on track to meet this target with 331 properties flipped up to the end of July and a number in the pipeline to flip over the next few months.
- 4.5 This is especially successful when families and individuals have been living in suitable temporary accommodation for a longer period, have settled in the community and feel happy in their home. Wheatley Care colleagues work with approximately 400 households every week who are living in temporary accommodation in the Northeast of the City. We work closely with our care colleagues to identify quickly individuals who are settling in the temporary accommodation and who have a desire to remain where they are living.
- 4.6 Our Homelessness Policy is more important than ever with the increasing demand and pressures on homelessness services. Local authorities are requesting a greater share of allocations of social rented homes to homeless households to reduce the pressure on temporary accommodation and demand on their homelessness services. We have always been a sector leader in terms of both the number and percentage of properties which we make available to homeless households in Glasgow.
- 4.7 We have reviewed our contribution taking into consideration and striking a balance between the growing need for more settled accommodation for homeless households and the demand on our waiting list. We have committed to letting 1600 homes to homeless households this year. At the end of July, we are on track to meet this with 670 homes let which is 68.72% of all lets.
- 4.8 During 2025 we will review our policy in preparation for launching a new Homelessness Policy to sit alongside our new strategy taking us beyond 2026. An interim review will ensure the policy reflects the current national pressures and the revised ask from our local authority partner.

#### Housing emergency response

- 4.9 Following GCC declaring a housing emergency we have engaged with them and key stakeholders to ensure we are building on our strong relationship. Our response includes reviewing innovative approaches to free up larger family homes, actively flipping temporary accommodation to permanent homes, developing our housing first approach further, and ensuring key components that can impact our response such as void management are managed robustly.
- 4.10 We are currently exploring with GCC opportunities to provide around 70 additional homes at speed for families living in temporary accommodation. Multiple options are being explored and developed including flipping the use of planned new build MMR to social housing, repurposing/and or bringing back

into use properties and office accommodation that require investment or redesign. In addition, we are looking at the opportunity to support repurposing accommodation owned by GCC across the city.

- 4.11 We have actively worked with the local authority to acquire properties in the last year. Through full funding from the local authority, we purchased a former children's unit and refurbished it into a large family home. A homeless family who had been living separately are now able to live as one household in the property. We have completed 14 acquisitions over the last year with an aim to conclude a further 65 acquisitions over the next year which we would expect to be a mix of new build and market properties.
- 4.12 In the last year we have expanded our Housing First approach, working in partnership with GCC and support provider Rock Trust to develop the Housing First for Youth project. Using our experience and learning from adult Housing First to shape a new model for care experienced young people who often experience homelessness. We are currently the only housing provider in the city and have housed eight customers to date.
- 4.13 Effective void management has always been a priority for us and our performance on void turnaround is considerably better than the Scottish average. Last year, we achieved an average of under 16 days to relet a property. We are currently awaiting the publication of the 2023-24 ARC return. However, in 2022-23 landlords across Scotland reported an average of 56 days to relet a property. Strong void performance supports a rapid rehousing approach. In Glasgow this supports us to settle over 60% of homeless applicants in their new homes within six weeks of referral.
- 4.14 We know that a number of our tenants are living in homes that are larger than they require (for example an elderly tenant whose family have left home, and they are now residing alone in a three-bedroom property). GCC relaunched its downsizing incentive scheme in early 2024 to remove barriers that can prevent people from moving such as the cost of removals. We are identifying tenants who have applied for rehousing and are under occupying their homes to ask if they wish to participate in the scheme. We are utilising existing provisions within our Housing Information Advice and Letting Framework to facilitate the move. Once the larger home becomes available this is then passed to the local authority to allocate to a homeless family who require a larger family home. We have identified over 70 tenants in Glasgow where downsizing options will be explored.
- 4.15 Our mid-market rent homes can be an important option for households who become homeless or are threatened with homelessness. This is particularly important given the acute shortage of social rented homes to meet need in this area. We are working with GCC to raise awareness of and promote MMR as an option. This will enable rapid access to a rented home for those where mid-market rent is suitable.

#### Housing Bill and prevention of homelessness

- 4.16 While there are significant pressures on homelessness services, the Scottish Government is still committed to progressing the new Housing Bill which was published on 27<sup>th</sup> March 2024. One element of the new bill has a direct impact

on homelessness and will introduce an 'ask and act' duty on social landlords and bodies such as the health board and police to ask about a person's housing situation to avoid them becoming homeless wherever possible.

- 4.17 We already undertake significant prevention of homelessness activity and build this into our business-as-usual activities such as rent arrears management and response to antisocial behaviour. We utilise a range of wraparound support services from our Welfare Benefit Advisors to Home Comforts service to support our customers to remain in their homes.
- 4.18 We do not foresee any significant impact in relation to our current practice with the implementation of 'ask and act'. The Housing Bill is currently at stage 1 in the Scottish Parliament. It is expected stage 1 will conclude by the end of November 2024 before progressing through parliament.
- 4.19 In the last year we have relaunched our furnished lets service. Our new service offers flexibility in the packages we can offer and is often more substantial than the service customers can access via Scottish Welfare Fund (SWF) applications. For example, underlay is often not included with flooring provided by the Scottish Welfare Fund, we offer this as standard. Our relaunch and expansion of the service has come at a time when SWF budgets are particularly stretched, with GCC reviewing items that they will no longer provide under the 'high priority' level. We will be reviewing customer feedback on the new service offering later this year to look at ways we can continue to develop and improve the service. Having a flexible, substantial furnished lets service supports more rapid rehousing of individuals who may not have the financial resource to set up a home.
- 4.20 We adopt a holistic approach to the prevention of homelessness and actively work with our customers and partners to prevent homelessness where possible. We are fortunate that we can draw down on a range of wraparound supports including utilising our allocation policy; maximising customer income and offering job and training opportunities through the Foundation. This is reflected in our tenancy sustainment remaining high at 92.7% for homeless customers last year.

## **5. Customer Engagement**

- 5.1 Over the last year we launched our digital feedback tool MyVoice for allocations. This provides real time feedback from customers on their satisfaction with the allocations process. We are pleased to note that our customer satisfaction score has remained consistently high throughout the year. The current average score is 4.2, with 63% of customers scoring 5 out of 5. Over the next year, we will work to segment this data further into different applicant profiles and determine any improvements we can make broadly and specifically in supporting customers who have previously been homeless.
- 5.2 Our Letting and Homeless team have supported several face-to-face customer engagement events. These have included but are not limited to working with the Scottish Government and wider stakeholders to attend sessions at Ukrainian Welcome Hub accommodation to raise awareness of housing options.

5.3 We are currently undertaking a joint research project with the Scottish Federation of Housing Associations (SHFA) on experience of applicants and staff working in allocations across Scotland. We have engaged with customers and promoted the opportunity to participate in the research across our social media channels. Following individual interviews, we are scheduled to launch the staff experience survey around September and will publish the findings later this year.

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

6.1 There are no direct environmental and sustainability implications from this update.

## **7. Digital transformation alignment**

7.1 Our allocations service MyHousing is a fully digital customer service. However, support is available face-to-face for prospective tenants who may need assistance to complete a housing application.

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

8.1 We have identified provision in our business plan to support our acquisition plans. We will continue to work with GCC to explore all available funding opportunities to maximise our contribution to homes for homelessness.

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

9.1 Registered Social Landlords have a legal duty to assist local authorities in their homelessness duties. We are also required to report on a range of related indicators in the Annual Return on the Charter.

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

10.1 Our agreed risk appetite in relation to making the most of our homes and assets and increasing the supply of new homes is Open. This level of risk tolerance is defined as willing to choose options that are most likely to result in successful delivery while also providing an acceptable level of risk/reward.

10.2 The approach set out in the paper has considered the wider impact that providing increased housing for homeless households will have on our other waiting and transfer list customers. Our letting forecast is reviewed annually to take account of this.

## **11. Equalities implications**

11.1 An Equalities Impact Assessment has been carried out for the Homelessness Policy. This assessment reviewed the impact of actions against the protected characteristics identified in equalities legislation. It showed that the Policy will have a positive or neutral impact on all characteristics.

11.2 We now report on equalities information anonymously from our MyHousing housing lists which includes homeless customers.

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

12.1 We are a strong contributor to the national objective of alleviating homelessness.

12.2 We are on track to support the delivery of the key Homelessness Policy commitments, at the end of July we have let over 5,300 to homeless households, flipped 331 properties from temporary to permanent accommodation and provided 286 Housing First homes.

12.3 Following the recent Scottish Government declaration of a national housing emergency we are working closely with key stakeholders and local authority to respond to this. Part of our response includes reviewing our contribution to homeless allocations with a commitment to provide 1600 homes this year.

12.4 As the new Housing Bill progresses through parliament, we will closely monitor this to ensure we are fully compliant when it finally comes into force.

12.5 The Homelessness Policy will be updated to reflect the revised ask and commitment to homeless lets this year and preparation will begin for the new Homelessness Policy that sits alongside the new Strategy and will take us beyond 2026.

## **13. Recommendations**

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

### LIST OF APPENDICES:

None

## Report

**To:** Wheatley Homes Glasgow Board

**By:** Aisling Mylrea, Managing Director, Wheatley Homes Glasgow

**Approved by:** Steven Henderson, Group Chief Executive

**Subject:** Performance Report

**Date of Meeting:** 16 August 2024

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### 1. Purpose

1.1 This report presents an update on performance delivery against targets and strategic projects for 2024/25 to the end of Quarter 1.

### 2. Authorising and strategic context

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

2.2 The Group Board agreed on an updated programme of strategic projects and performance measures and targets for 2023/24 at its meeting in April 2024. Our Board subsequently agreed its specific performance measures and targets at its meeting on 17 May 2024.

### 3. Background

3.1 This report outlines our performance against targets and strategic projects for 2024/25. Unless specified otherwise, results for all measures are based on year-to-date figures.

3.2 This includes progress with those measures that will be reportable to the Scottish Housing Regulator (“SHR”) as part of the Annual Return on the Charter 2024/25.

3.3 We refer to available benchmarks, taken from Scotland’s Housing Network (“SHN”) member averages 2023/24. These averages are based on 119 RSL and LA SHN member responses, shared voluntarily. The SHR will publish Scottish averages for 2023/24 in late August 2024.

3.4 To reflect our differing rent billing cycles, financial rent-based measures in Appendix 1 continue to report legacy properties as “WHG A” and former Cube properties that transferred in April 2021 as “WHG B”. The main body of the report uses combined “WHG C” figures.



## 4. Discussion

- 4.1 The following sections present a summary of key measures and strategic projects. Strategic measures can be found in Appendix 1 and strategic projects are found in Appendix 2.



### Delivering Exceptional Customer Experience

#### Customer First Centre

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

**Table 1**

Measure	2024/25		
	Value YTD	Target	Status
WHG - CSAT score (customer satisfaction)	4.3	4.5	■
WHG - Call abandonment rate	5.14%	5%	■
WHG - Call abandonment rate - those waited over 30secs and abandoned	3.23%	4%	■
Group - % of contacts to CFC resolved within CFC	87.68%	93%	■

- 4.3 Customer satisfaction with the CFC (known as CFC CSAT) remains the key measure, ensuring we place our customers' voices at the heart of performance management. Our overall CFC CSAT score was 4.3 at the end of quarter 1, the same as the score at the end of quarter 4.
- 4.4 The call abandonment rate for our customers has improved during quarter 1 to 5.14%, from 5.35% in quarter 4, and is now only slightly above the 5% target. The call abandonment rate after 30 seconds, whereby our customers waited over 30 seconds and then abandoned their call, better represents the aspect of the service that may be in the CFC's control. This improved to 3.23%, against a 4% target.
- 4.5 The percentage of contacts to the CFC resolved within the CFC, without the need to be passed to either Housing Teams or MyRepairs, was 87.68% at the end of quarter 1. This includes resolution on the phone, with specialist teams and via digital contact.

#### Tenancy Sustainment

- 4.6 Tenancy sustainment is a measure of new tenancies commenced in the previous reporting year where the customer remains in their home for more than a year. As well as new customers benefiting from remaining in their tenancy for longer, improvement in this measure reduces lost rent and resources required for re-letting.
- 4.7 We continue to support our new customers to sustain their tenancies and to deliver strong performance in the Charter measure and our revised indicator (which excludes deaths and transfers to other homes in the Group).

- 4.8 We have improved sustainment for the three indicators tabled below compared to year-end. Our performance is better than the SHN member average of 91.11% for 2023/24.

**Table 2**

Tenancy Sustainment	Charter – All lets	2024/25 Target Charter	Charter – Homeless Lets	Revised	2024/25 Target Revised
WHG	92.89%	90%	92.70%	94.63%	91%

Allocations CSAT

- 4.9 Our Allocations MyVoice survey commenced on 1 August 2023 to measure our customer satisfaction with the process of getting their new home. Satisfaction from this date to 30 June 2024 is 4.2 against a target of 4.5.
- 4.10 Positive feedback is being shared amongst teams and any issues raised are being addressed to improve our customers’ experience. We have used the feedback to identify where we could improve communication with the City Building Glasgow void team.

**Table 3**

Allocations CSAT	2024/25 – Rolling year	2024/25 Target
WHG	4.2	4.5



**Making the Most of Our Homes and Assets**

New Build Programme

- 4.11 Our target is to deliver a total of 235 new social rent homes in 2024/25, of which 65 are market acquisitions. Year to date to the end of quarter 1 we have acquired 4 new homes at Cleddans Grove for social rent, above the target expected for quarter 1.

**Table 4**

Sites	Handovers (YTD)	Target (YTD)	Difference in handovers to 30 June
Cleddans Grove (SR Acquisition)	4	0	+4

Volume of Emergency Repairs

- 4.12 The table below shows our position against the strategic result to reduce the volume of emergency repairs by 10% by 2026 compared to the updated baseline year of 2022/23. The target for 2024/25 is a reduction of 3.5%.
- 4.13 Emergency repair numbers are 344 less than the same point in 2023/24, a variance of -1.89%. This is below target and lower than the variance of -2.67% at the same point last year (towards -6.47% in 2023/24). For context, 17,871 emergency repairs in 2024/25 is 28.22% of all responsive repairs completed and compares to 29.94% at the same point last year.



**Table 5**

Completed emergency repairs	YTD 23/24	YTD 24/25	Variance
WHG	18,215	17,871	-1.89%

Repairs Timescales and Right First Time

- 4.14 Our average time taken for emergency repairs is 2.84 hours at the end of Q1, within the 3-hour target. This is a slight improvement on 2.88 hours in 2023/24 and is better than the SHN member average of 3.74 hours.
- 4.15 The average time taken for non-emergency repairs was 9.16 days at the end of Quarter 1. A strong focus on improving performance has led to significant improvement over quarter 2. Performance has improved in each of the last two periods and we completed non-emergency repairs in an average of 5.87 days in period 5. This has improved the year-to-date position at the end of July improved to 8.62 days.

**Table 6**

Repairs completion timescales (Charter)	Emergency (hours)		Non-emergency (days)	
	Target	Value	Target	Value
WHG	3.00	2.84 	7.5	9.16 

- 4.16 Right first-time performance to the end of Q1 is currently slightly below the 90% target at 88.93%. It was however improving each month of quarter 1.

Repairs Satisfaction

- 4.17 Given our desire to move to real-time feedback, our previous whitemail repairs satisfaction method is being reviewed. We are in the process of establishing a pilot repairs satisfaction survey using MyVoice. This will allow tenants to provide instant feedback on a repair completion and ensure that we can timely respond to this CSAT score and feedback as necessary. The Board will be updated at future meetings.

Rate It

- 4.18 'Book It, Track It, Rate It' aims to improve visibility and communication during the repair journey. For Q1, our Rate It score is 4.5/5.

Responsive repairs: Damp and mould

- 4.19 We continue to monitor repairs related to mould, with updates provided to help facilitate greater scrutiny over these types of repairs. The CFC raises every job related to damp, mould, condensation or rot as a mould inspection line.
- 4.20 We have attended 79.7% of mould inspections within 2 working days in quarter 1. The table below details the inspections with category. Remedial work for the one severe case has been completed.

**Table 7**

Inspections completed	Category				
	No Found	Mould	3 (mild)	2 (moderate)	1 (severe)
2,049	376		1,634	38	1

- 4.21 In this quarter, 65.7% of remedial mould repairs were completed within 15 working days. In June, the in month average time was only 9.4 days to complete these repairs.
- 4.22 At the 1st of August 2024, we had 80 live inspections, with 5 of these overdue the target timescale. One of these requires access, one is at the customer's request and three are linked to asbestos related delays.
- 4.23 At the same date, we had 282 live remedial repairs of which 29 were overdue against the 15 working day completion target. The main reason for overdue remedial work is access issues and asbestos related delays. In addition, four require specialist subcontractors and only 2 are due to customer request.

### Medical Adaptations

- 4.24 Time to complete medical adaptations remains well within the 25-day target year to date, with the average days to complete at 16.67 compared to 18.71 for the same quarter last year. We have completed 427 adaptations, 30 less than the same quarter last year. There are 71 households currently waiting, seven fewer than at the same point last year.

**Table 82**

Medical Adaptations (Charter)	Current Households Waiting	Number Completed YTD	Average Days to Complete YTD	Target
WHG	71	427	16.67	25 <span style="color: green;">■</span>

### Gas Safety

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

### Compliance

- 4.26 We have made good progress with our compliance programmes in quarter 1. All of our 230 relevant properties are compliant with Legionella assessment requirements.
- 4.27 We carried out safety inspections on all 269 passenger lifts and all but 1 domestic lift where access to the customer's house is required. Arrangements are being made by housing staff for access following previous customer refusal.
- 4.28 At the end of Q1, we have reduced to 46 the number of properties without a valid EICR from 59 at the end of 2023/24. In addition, we are making excellent progress with the inspection of electrical installation certificates due to expire before 31<sup>st</sup> March 2025, with 50.02% already complete.

### Health and Safety

- 4.29 In 2023/24, we did not have any RIDDORs reported and this year we continue with that positive position of no reportable incidents. We also have no Health and Safety Executive or local authority environmental team interventions this year, the same position that we have maintained since the measure started in 2021.

- 4.30 We have received no new employee liability claims during quarter 1, with one received in 2023/24.

### Workplace Fires

- 4.31 We have not had any workplace fires in quarter 1 and have not recorded any since the measure started in 2021.

## **Changing Lives and Communities**

### Anti-Social Behaviour (“ASB”) Resolved

- 4.32 By the end of quarter one, the resolution rate for our ASB cases was 83.64%, below the target of 100%.

**Table 93**

ASB Resolution Rate	YTD	2024/25 Target
WHG	83.64%	100%

- 4.33 We have a strong focus on ensuring high visibility of unresolved cases within each locality to help support oversight and improvement. ASB resolution and timescales will also be a strong performance focus over the coming periods and we expect performance will improve during Q2.

### Repeat Anti-Social Behaviour cases – number of repeat addresses

- 4.34 Year to date to June, ASB was recorded at 142 repeat addresses within WHG, a 4% decrease compared to the baseline performance of June 2022 (where the year-to-date figure was 148 repeat addresses). Our new prevention and solutions operating model within the Community Improvement Partnership (CIP) is supporting this trend, where a collaborative approach between WHG and Police Scotland is being taken to identify individuals involved in repeat ASB to address the root cause of this and deal with the behaviour appropriately.

### Accidental Dwelling Fires

- 4.35 This year we have had 7 accidental dwelling fires to the end of quarter one, compared to 33 for the same period last year.

**Table 104**

Number of recorded accidental dwelling fires	2024/25 YTD	2023/24 full year
WHG	7	98

- 4.36 This contributes towards a Strategic result to reduce RSL accidental dwelling fires (ADFs) by 10% by 2025/26, against the baseline of 152 ADFs in 2020/21. We achieved this target in each year of the strategy to 2023/24.
- 4.37 Our strategy measure aims to ensure that 100% of applicable properties have a current fire risk assessment in place. This continues to be achieved.

**Table 11**

Fire Risk Assessments	2024/25 YTD	2023/24
The percentage of relevant premises - HMOs that have a current fire risk assessment in place	100%	100%

## Reducing Homelessness

- 4.38 We have provided 570 homes to homeless households in the first quarter of this year. Our percentage of relevant lets made to homeless applicants in the first quarter is 70.19% (relevant lets exclude mutual exchanges, transfers and LivingWell lets for which we are limited to let to homeless applicants). We continue to work closely with Glasgow City Council to maximise our contribution to reducing homelessness.

**Table 12**

Reducing Homelessness	2024/25 Number of lets to homeless applicants (ARC) - YTD	2023/24 Number of lets to homeless applicants (ARC) – full year
WHG	570	1,640

## NETs CSAT (Ad-hoc)

- 4.39 Our NETs MyVoice survey commenced in October 2023 to measure our customers' satisfaction with an ad-hoc service they requested, such as bulk uplift, tree work or weeding. Satisfaction from this date to 30 June 2024 is 4.1 against a target of 4.3.
- 4.40 Feedback from the surveys is regularly reviewed to identify service improvements. During quarter 1, this identified that for some customers the point at which an ad-hoc request had successfully been completed was not always clear. In turn, our NETs have developed a calling card, now left with the customer at the time the ad-hoc request has been completed. We expect that this will help improve visibility and thus our NETs CSAT score.




**Table 135**

NETs CSAT (Ad-hoc)	2024/25 – Rolling year	2024/25 Target
WHG	4.1	4.3

## Jobs and Opportunities

- 4.41 Around 580 children within our households and communities have been supported through Foundation programmes so far, this financial year. This has included 370 children registered with the Imagination Library and 14 children benefitting from a "food starter pack". This new project focuses on households with children to provide a food pack along with the household items they will receive in their main Starter Pack package.
- 4.42 To the end of June, the Wheatley Works staff have supported just over 150 jobs, training and apprenticeship opportunities within our households and communities. Opportunities have included IT and Cyber security training delivered by Generation UK, Environmental Roots and a range of Sports related development programmes delivered by Street Soccer Scotland.
- 4.43 Over 2000 people from our homes and communities accessed support to alleviate the impacts of poverty. This includes 20 people receiving a refurbished laptop from our new 'Techshare' project – repurposing staff laptops instead of sending them to landfill.

**Table 146**

Indicator	Target (YTD)	Current Performance (YTD)	2023/24
WHG - Number of children and young people benefiting from targeted Foundation programmes in Wheatley Communities	402	581 	1,577
WHG - Total number of jobs, training places or apprenticeships created for customers and communities	80	157 	533
WHG - Number of people accessing services which help alleviate poverty in Wheatley Communities	1,447	2,050 	8,043

- 4.44 Just over 50% of planned jobs, training places or apprenticeships have been secured by customers this quarter. Due to the nature of funding secured to deliver Wheatley Works, the support provided during quarter 1 has included a larger proportion of non-customers, although delivery and support for Wheatley customers remains on track against the full-year forecast.
- 4.45 Newbuild contractors will provide a full update on jobs and opportunities at the end of Q2, ensuring summer work experience placements and apprenticeship data can be collated. As a result, an improvement in performance for this measure is expected by the end of Q2.





## Developing our Shared Capability

### Sickness Absence

- 4.46 Our sickness rate for the end of quarter one was 3.54% year to date. While this is higher than the position at the end of 2023/24 (2.39%), there has been month on month improvement during quarter 1 with June in-month sickness at 2.99%.


**Table 15**

Sickness Rate	Target	2024/25 YTD	2023/24
WHG	3%	3.54% 	2.39% 

- 4.47 Stress/Anxiety was the dominant reason for absence in Q1 accounting for 73% of total absence. Analysis of Stress/Anxiety cases for Q1 shows that Stress (Bereavement) accounted for 47% of all Stress/Anxiety absences.
- 4.48 Support for Stress (Bereavement) absence cases is provided via our Employee Assistance Provider, PAM Assist, with additional support for more complex cases provided by our pool of specialist counsellors.
- 4.49 Employee Relations (“ER”) are continuing to audit short-term sickness to check that all available support is being offered and that, where appropriate, formal sickness absence management processes are being applied. This will be supported by refresher training for managers. The ER team has also been realigned and a dedicated team focusing on absence has been created.
- 4.50 Further assistance for staff members experiencing issues and managers supporting staff members was provided in Q1 via a variety of workshops including Supporting Staff Through Bereavement, Financial Wellbeing and Stress & Anxiety workshops.



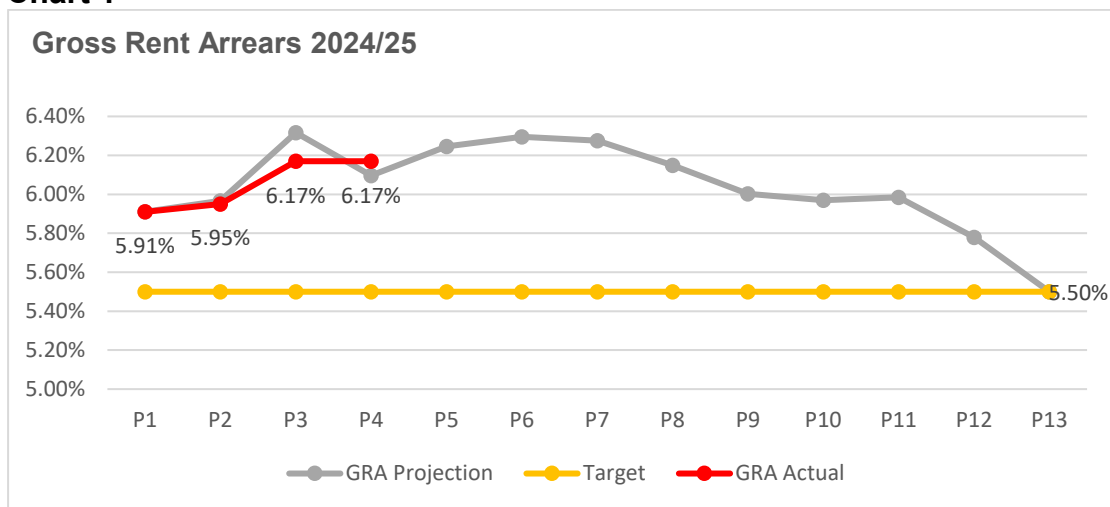
- 4.51 These workshops will run throughout 2024 and will complement existing support services for stress and anxiety offered through our Employee Assistance Provider, our counselling services and through e-learning modules.
- 4.52 Wellbeing workshops focusing on health and wellbeing from a preventative approach / early awareness also took place in Q1 with spring health checks also offered.

 **Enabling our Ambitions**

Gross Rent Arrears (GRA)

- 4.53 Our current GRA at the end of Q1 is 6.17%, only 0.07 percentage points above where we were projected to be at this point in the year. The SHN member average for 2023/24 has shown an increase to 7.17% compared to the SHR average of 6.9% in 2022/23. We continue to outperform these benchmarks.

**Chart 1**



- 4.54 Each Locality Housing Director (“LHD) regularly focuses their team on rent performance, discussing the Rent Action Plan and their performance. This includes concentrating on those customers who did not meet rent or paid nothing towards their rent account.
- 4.55 We also held the first Rent Action League, with Housing Officers (“HOs”) and colleagues from Legal, Welfare Benefits, Group Debt Recovery and Housing Specialists in attendance to discuss successes and blockages and how the LHDs can support in alleviating these. There has also been external training on successful stronger conversations, with all HOs offered the opportunity to attend this.

Average Days to Re-Let (Charter and revised)

- 4.56 Our average time to re-let at the end of Q1 is 19.73 days. The SHN member average of 58.4 days for 2023/24 has shown an increase from the SHR average of 55.6 days in 2022/23. We continue to perform better than comparators.
- 4.57 Our re-letting times in the first quarter have been impacted by some improvements that City Building are making to resourcing, albeit which will support void management going forward. We are running a void pilot in the Cranhill Locality in partnership with City Building to improve void times; this is being tested and will be rolled out in Q3.



**Table 167**

Average days to re-let (Charter)	2024/25 YTD	2024/25 Target	2023/24 Result	Charter revised YTD (no meter amendments)
WHG	19.73	16	15.81	36.68

- 4.58 Our Charter performance in quarter one continues to take into account days lost to health and safety related meter issues where we consider the property unsafe/unfit to occupy. These amendments include, for example, where a tampered meter means there is no power to the property or where the supply has been cut off and we are awaiting reconnection (which energy companies do not prioritise as they are void), both of which mean we cannot undertake crucial safety checks prior to letting the property.
- 4.59 The table above now also includes re-letting times with no meter amendments, shown as Charter revised. Our revised result shows the impact that meter issues are having on letting times. Meter issues and their impact on the sector, which became significant from the point of lockdown and continues to escalate, are currently under consideration by the Regulator.

#### Invoice Payments

- 4.60 92.94% of invoices were paid in 30 days or fewer in quarter one, a slight variance from 93.72% at the end of 2023/24. Teams are being reminded weekly to action any outstanding invoices.

#### Procurement

- 4.61 By the end of quarter one, 98.25% of contracted expenditure was compliant with procurement rules, similar to the end of 2023/24 (98.23%).



### Summary of Strategic Project Delivery

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

**Table 17**

Complete	On track	Slippage	Overdue
0	8	0	0

- 4.63 All projects are currently on track and no projects were completed during Q1.

## 5. Customer engagement

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

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

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

## **7. Digital transformation alignment**

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

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

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

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

- 9.1 The Scottish Housing Regulator requires an Annual Return on the Charter from each RSL. Key indicators within this return are also included in quarterly performance reporting.
- 9.2 We are also required to involve tenants in the scrutiny of performance, which we do through the Group Scrutiny Panel, and to report to tenants on performance by the end of October each year.
- 9.3 The Group Scrutiny Panel consider performance quarterly and will contribute to our report to tenants during quarter 2.

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

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

## **11. Equalities implications**

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

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

- 12.1 We have strong performance against our targets for quarter 1 2024/25 in several key areas including tenancy sustainment, emergency repair completion times, medical adaptation completion timescales, jobs and training places created, children and young people benefiting from Foundation programmes and the number of people accessing services to help alleviate poverty. Arrears, average days to re-let, non-emergency repair timescales and sickness absence remain key areas of focus.

### **13. Recommendations**

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








#### LIST OF APPENDICES:

Appendix 1: Strategic Results Dashboard

Appendix 2: Strategic Projects Dashboard

## Appendix 1 - WHG Board - Delivery Plan 24/25 - Strategic Measures

### 1. Delivering Exceptional Customer Experience






Measure	2023/24	YTD 2024/25		
	2023	2024		
	Value	Value	Target	Status
% new tenancies sustained for more than a year - overall	92%	92.89%	90%	
% new tenancies sustained for more than a year - homeless	91.38%	92.7%	Contextual	
% new tenancies sustained for more than a year - revised	93.81%	94.63%	91%	
Group - % of contacts to CFC resolved within CFC	NEW	87.68%	93%	
CFC CSAT	4.3	4.3	4.5	
Abandonment Rate	5.33%	5.14%	5%	
Call abandonment rate after 30 secs	NEW	3.23%	4%	
Allocations CSAT	4.2	4.2	4.5	





## 2. Making the Most of Our Homes and Assets

Measure	2023/24	YTD 2024/25		
	2023	2024		Status
	Value	Value	Target	
Reduce the volume of emergency repairs by 10% by 2025/26 (target -3.5% for 2024/25)	Apr to Jun 23/24 – 18,215	17,871	-1.89%	
Average time taken to complete emergency repairs (hours) – make safe	2.88	2.84	3	
Average time taken to complete non-emergency repairs (working days)	8.04	9.16	7.5	
% reactive repairs completed right first time	91.62%	88.93%	90%	
Number of gas safety checks not met	0	0	0	
Average time to complete approved applications for medical adaptations (calendar days)	17.73	16.67	25	
Legionella - percentage of applicable properties with a valid risk assessment in place	100%	100%	100%	
Percentage of EICR certificates due to expire by end of financial year now renewed	100%	50.02%	100%	
Percentage of properties with an EICR certificate up to 5 years old	99.86%	99.89%	100%	
Percentage of domestic stair and through floor lifts with valid safety inspection	90.91%	90%	100%	
Percentage of passenger lifts with a valid safety inspection	100%	100%	100%	
New build completions - Social Housing	0	4	0	
[redacted]				
Number of RIDDOR	0	0	Contextual	
Number of HSE or LA environmental team interventions	0	0	0	
Number of accidental fires in workplace	0	0	0	
Number of accidental dwelling fires recorded by Scottish Fire and Rescue	98	7	Contextual	


Measure	2023/24	YTD 2024/25		
	2023	2024		
	Value	Value	Target	Status
Group - Number of open employee liability claims	13	9	Contextual	
Group - Number of days lost due to work related accidents	649	117	Contextual	
Number of new employee liability claims received	1	0	Contextual	

### 3. Changing Lives and Communities






Measure	2023/24	YTD 2024/25		
	2023	2024		
	Value	Value	Target	Status
% ASB resolved	100%	83.64%	100%	
Number of lets to homeless applicants	1,640	570	Contextual	
% Lets Homeless Applicants - overall	60.58%	68.1%	Contextual	
% Relevant lets to Homeless Applicants	62%	70.19%	Contextual	
Group - Percentage of Community Benefit job and training opportunities arising through the spend associated with new home construction and our investment programme that have been secured by Wheatley customers	45.58%	-	30%	
Group - % planned jobs, training places or apprenticeships created which are secured by our customers	72.57%	50.65%	50%	
Total number of jobs, training places or apprenticeships created for customers and communities	533	157	80	
Number of children and young people benefiting from targeted Foundation programmes in Wheatley Communities	1,577	581	402	
Number of people accessing services which help alleviate poverty in Wheatley Communities	8,043	2,050	1,447	

Measure	2023/24	YTD 2024/25		
	2023	2024		
	Value	Value	Target	Status
NETS CSAT (ad-hoc)	4.1	4.1	4.3	
Group - % of our customers live in neighbourhoods categorised as peaceful	76.16%	76.35%	75%	
Group - The percentage of HMOs that have a current fire risk assessment in place	100%	100%	100%	
Group RSLs - Number of accidental dwelling fires (reduce by 10% by 2025/26) (Upper limit 195 for 2024/25)	120	15	195	

4. Developing Our Shared Capacity


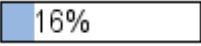

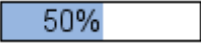

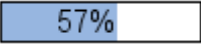
Measure	2023/24	YTD 2024/25		
	2023	2024		
	Value	Value	Target	Status
% Sickness rate	2.39%	3.54%	3%	




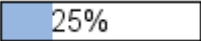
5. Enabling Our Ambitions


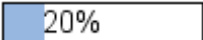
Measure	2023/24	YTD 2024/25		
	2023	2024		
	Value	Value	Target	Status
% lettable houses that became vacant	6.91%	6.89%	8%	
Average time to re-let properties	15.81	19.76	16	
WHG C - Gross rent arrears (all tenants) as a % of rent due	5.86%	6.17%	5.5%	
WHG A - Gross rent arrears (all tenants) as a % of rent due	5.86%	6.21%	Contextual	
WHG B - Gross rent arrears (all tenants) as a % of rent due	5.84%	5.42%	Contextual	
% of payments made within the reporting period which were paid in 30 days or fewer (from the date the business receives a valid invoice)	93.72%	92.94%	96%	
% of contracted expenditure compliant with procurement rules	98.23%	98.25%	99%	



## Appendix 2 - WHG Board - Delivery Plan 24/25 - Strategic Projects

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
Defining and agreeing our approach to vulnerability and personalised services	31-Mar-2025			01. Vulnerability strategy and plan developed	30-Jun-2024	Yes	Project is on track with a strategy in draft.  Customer engagement sessions are being planned to take place during August 2024.
				02. Customer engagement concluded	31-Aug-2024	No	
				03. Board approval of strategy and implementation plan	30-Sep-2024	No	
				04. Implementation plan commenced	31-Oct-2024	No	
				05. Update to Board on implementation	31-Mar-2025	No	
				06. Review and refine plan phase 2	31-Mar-2025	No	
Customer insight driven services	30-Sep-2024			01. Agree the top 3 priority areas for customer journey mapping based on analysis of customer insight on key satisfaction drivers	31-May-2024	Yes	Project is on track.  Work also commenced in July with Vanguard and the relevant project teams on two CJMs and complaints analysis.
				02. Agree our pulse and thematic survey programme	31-May-2024	Yes	
				03. Undertake customer journey mapping, including through direct engagement with customers	31-Aug-2024	No	
				04. Group Executive team agree service, process and technology changes required to improve the customer journey and respond to the pulse survey findings	30-Sep-2024	No	
Asset strategy	28-Feb-2025			01. Asset strategy featured as a key theme in Group partner Board strategy workshops	31-May-2024	Yes	The Group Board approved the Asset Strategy at its June meeting.
				02. Customer and staff engagement session	31-May-2024	Yes	

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
				03. Internal review and sign-off	31-May-2024	Yes	The Asset Management Plans is scheduled for the Board consideration at its September meeting.
				04. Group Board approval of Group Asset Management strategy	30-Jun-2024	Yes	
				05. Group partner asset management plans approved	30-Sep-2024	No	
				06. Staff launch of group asset management strategy and group partner asset management plans	31-Oct-2024	No	
				07. Agreed approach through strategy informs 2025 investment plans	28-Feb-2025	No	
[redacted]							
TC:G Strategy	31-Mar-2025			01. TC:G Board strategy workshop to consider key strategic priorities	30-Aug-2024	No	The TCG Board Strategy day has been scheduled for 17 September 2024 to accommodate Board members availability. This does not affect future milestones.
				02. TC:G strategy refreshed to reflect feedback from Board strategy workshop	31-Dec-2024	No	
				03. TC:G Board agree updated strategy	28-Feb-2025	No	
				04. WHG Board updated on key strategic priorities for 2024/25	31-Mar-2025	No	
[redacted]							
<i>Develop a data and technology enabled approach to managing and monitoring building compliance</i>	31-Dec-2024			01. Review our existing compliance cycles, data management, integration and management information arrangements	31-Jul-2024	Yes	Work is progressing to plan. Existing cycles, integration and MI has been reviewed across key compliances areas for

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
				02. Build our future building compliance model including desired compliance cycles, key data, data flows, degree of integration, required management information and desired customer touchpoints and functionality	31-Oct-2024	No	each group partner. Work will now continue to summarise and present findings, which will support development of our desired future compliance model.
				03. Undertake a gap analysis and options appraisal including costs and benefits of the change between current arrangement and desired future model	30-Nov-2024	No	
				04. Develop detailed implementation proposal and plan and update Executive Team including on timescales and anticipated benefits	31-Dec-2024	No	
Improving and evolving our multi-channel customer first centre	28-Feb-2025			01. Customer Engagement on service improvement opportunities via Stronger Voices team	30-Jun-2024	Yes	Customer engagement sessions went ahead on 4th July, 1 face to face and 1 via Teams. Positive feedback was received from all who attended and wished to engage with us going forward. Significant progress has been made with the implementation of geographical teams. Both Lowther and WHE are now operational and we are currently conducting a thorough analysis of WHG to determine the most effective strategy for
				02. Agree approach and workplan for geographical subsidiary service delivery	31-Jul-2024	No	
				03. Pilot customer call transcription and automated quality assurance	31-Oct-2024	No	
				04. Scope and develop an approach for automation of identification and verification (IDV)	31-Dec-2024	No	
				05. Year 1 update of the	28-Feb-2025	No	

<b>Delivery Plan Project</b>	<b>Delivery Date</b>	<b>Status</b>	<b>% Progress</b>	<b>Milestone</b>	<b>Due Date</b>	<b>Completed</b>	<b>Progress Note</b>
				Executive Team including customer feedback and Year 2 enhancement plan			managing our size and scale.

## Report

**To:** Wheatley Homes Glasgow Board

**By:** Pauline Turnock, Group Director of Finance

**Approved by:** Steven Henderson, Group Chief Executive

**Subject:** 2023/24 Financial Statements

**Date of Meeting:** 16 August 2024

---

### 1. Purpose

1.1 The purpose of this paper is:

- To provide the Board with an overview of the 2023/24 audited financial statements.

### 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, the WH Glasgow Board is responsible for the on-going monitoring of performance against agreed targets. This includes the on-going performance of its finances and the approval of the statutory financial statements.

### 3. Background

#### 3.1 Financial performance

The financial statements are now complete and have been audited. The financial results are summarised below.

	Year Ended	
	31 March 2024 £k	31 March 2023 £k
Turnover	231,567	228,272
Operating Expenditure	(214,541)	(210,463)
Other losses	(1,688)	(4,667)
<b>Operating surplus</b>	<b>15,338</b>	<b>13,142</b>
Loss on disposal of fixed assets	(23)	(252)
Net finance charges	(50,504)	(45,638)
Movement in FV of financial instruments	3,684	769
<b>Deficit for year</b>	<b>(31,505)</b>	<b>(31,979)</b>
Property revaluation – social housing properties	190,705	76,883
Property revaluation – office properties	(1,317)	(4,159)
Actuarial loss in respect of pension schemes	(2,733)	(47,660)
<b>Total comprehensive surplus/ (loss) for the year</b>	<b>155,150</b>	<b>(6,915)</b>

- 3.2 The finance reports submitted to the Board during the year formed the basis of these financial statements and were updated to include year-end statutory accounting adjustments.

#### 4. Discussion

##### 4.1 Adjustments from 31 March management accounts

The adjustments made between the 31 March management accounts and the final audited accounts are summarised below:

	<b>Income &amp; Expenditure</b>	<b>Net Assets</b>
	<b>£m</b>	<b>£m</b>
<b>March management accounts</b>	<b>(30.7)</b>	<b>607.1</b>
Revaluation of properties - Housing	190.7	190.7
Revaluation of properties - Offices	(1.3)	(1.3)
Revaluation of properties - Investment	(1.7)	(1.7)
LGPS pension adjustments	(4.6)	(4.6)
Movement in fair value of financial instruments	3.6	3.6
Other	(0.8)	(0.8)
<b>Statutory accounts</b>	<b>155.2</b>	<b>793.0</b>

- 4.2 The statutory results are updated annually for the outcome of the housing stock valuation by JLL and the inclusion of the updated defined benefit pension scheme actuarial valuations for the Strathclyde Pension Fund.

- 4.3 Revaluation of properties: Social housing properties increased in value by £190.7m. Our social housing properties are valued using the Existing Use for Social Housing Valuation methodology ("EUV-SH") which will not always reflect the scale of capital investment spend reported in the particular financial year. The increase in valuation at 31 March 2024 reflects the view of our independent valuation expert on the high quality and good condition of our properties.

The results of this year's valuation have been influenced by two key drivers:

- The 7.5% rent increase applied at 1 April 2024 which was higher than the assumed percentage increase at the previous valuation. This increases the future cashflows from rental income on social housing properties which feeds into the EUV-SH model; and
- During 2023/24 our valuers (JLL) undertook a detailed review of our future lifecycle replacement data held in our asset management system. This exercise was carried out as part of our assurance around our data which formed the basis of our asset management strategy which was discussed at the May 2024 Board meeting. The JLL review of the asset data confirmed that a high level of reliance (99%) could be placed on our future investment data. This increased level of confidence in the expenditure profile used in the valuation and the refinement of the broader assumptions previously used results in an uplift in the EUV-SH valuation at 31 March 2024.

- 4.4 LGPS pension adjustment: The actuarial valuation for the Strathclyde Pension Fund defined benefit pension scheme was received at the year end. The asset recognised in the accounts decreased by £4.5m to a liability of £2.0m, with the movement reported in the Statement of Comprehensive Income as:
- Employee service cost of £1.9m;
  - Actuarial loss of £2.7m; and
  - Interest income on pension scheme of £0.1m
- 4.5 Contingent efficiencies grant adjustment: The Housing SORP 2014 requires certain financial instruments to be measured at fair value every year, with the movement being recognised in the Statement of Comprehensive Income as fair value adjustments. These items are not cash costs in the year. The fair value adjustment in the 2023/24 financial statements is a gain £3.7m.
- 4.6 Other: Adjustments are made for items following a post year-end review of accruals, a review of final depreciation charges and a review of expenditure to ensure capitalisation is in line with the Group policy.
- 4.7 Audit summary  
The external auditors, KPMG, have completed their audit of the financial statements and have issued an unqualified audit opinion.
- 4.8 During the course of the audit no material adjustments were identified.
- 4.9 As a standard part of their audit process, and in line with previous years, KPMG require the Board of each organisation in the Wheatley Group to sign a “letter of representation” in which the Board confirms certain matters in terms of disclosure and record-keeping. As in previous years, a letter from the Chief Executive has been provided to each Board to provide comfort that the officers have complied with the matters stated in this letter. Both these documents are provided along with this paper (Appendix 2 and 3 respectively).
- 4.10 The Board are asked to confirm in the letter of representation that the financial statements are prepared on a going concern basis. The assessment that we continue in business is based on the preparation and approval of our 30-year business plan which includes cashflow forecasts, the certainty of revenue streams from rental income and the assessment of the availability of funding provided to us through the RSL borrower relationship with WFL1.
- 4.11 The accounts and letter of representation will be signed following the approval of the Wheatley Group accounts at the Group Board meeting on 28 August 2024 and the completion of KPMG’s compliance checks. A copy of KPMG’s audit highlights report will be provided in advance of the Group Audit Committee and uploaded to Admincontrol.

## **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 and 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 Our balance sheet remains strong, with net assets of £793.0m.

8.2 The adjusted operating surplus from core social housing activities remained broadly stable at £86.2m from £86.1m, which included additional repairs costs and the donation of £2.4m to Wheatley Foundation. These items were accommodated within the overall financial position through lower staff costs and an improved income position. After including interest costs and capital expenditure on our existing properties, an underlying deficit of £11.5m is reported. The underlying deficit includes the release of £2.7m deferred investment spend in the final quarter of 2023/24 and higher interest costs than the prior year due to increased borrowing to fund the development of new build housing. As reported in the management accounts to 31 March the out-turn is managed in the context of the budgetary position and covenants of RSL borrower group which reported an overall surplus.

	<b>2024 £m</b>	<b>2023 £m</b>
<b>Operating surplus</b>	<b>15.3</b>	<b>13.1</b>
Adjusted for:		
Depreciation	73.1	70.5
Investment property valuation movements	1.7	5.1
Gain on business combination	-	(0.5)
Pension service costs	1.9	9.4
New build grant income	(4.9)	(11.5)
WDS gift aid income	(0.9)	-
<b>Adjusted operating surplus</b>	<b>86.2</b>	<b>86.1</b>
Less:		
Interest costs	(47.6)	(44.2)
Investment in existing social homes	(50.1)	(47.6)
<b>Underlying deficit</b>	<b>(11.5)</b>	<b>(5.7)</b>

## 9. Legal, regulatory and charitable implications

9.1 There are no direct legal, regulatory and charitable implications arising from the management accounts.

## 10. Risk Appetite and assessment

10.1 The Board's agreed risk appetite for governance is "cautious". This level of risk tolerance is defined as "preference for safe delivery options that have a low degree of inherent risk and have only limited potential for reward".



## **11. Equalities implications**

11.1 There are no equalities implications arising from this report.

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

12.1 This paper presents the financial performance position for the year-end statutory accounts.

## **13. Recommendations**

13.1 The Board is requested to:

- 1) Approve the 2023/24 financial statements;
- 2) Confirm the preparation of the financial statements using the going concern basis;
- 3) Delegate authority to the Chair and Group Director of Finance to approve any non-material changes to the accounts; and
- 4) Approve the letter of representation from the auditors and note the related letter of representation from management.

### LIST OF APPENDICES:

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

Appendix 2: [redacted]

Appendix 3: [redacted]

## Report

**To:** Wheatley Homes Glasgow Board

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

**Subject:** Annual Internal Audit Report and opinion

**Date of Meeting:** 16 August 2024

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### 1. Purpose

1.1 This report provides the Board with the Internal Audit Annual Report and Opinion 2023/24, for noting. The report was presented to and approved by the Group Audit Committee on 15 May 2024.

### 2. Authorising and strategic context

2.1 Under its Terms of Reference, the Group Audit Committee is responsible for monitoring the Group's assurance activities, including results as presented in the internal audit annual report and opinion. The 2023/24 Internal Audit Annual Report and Opinion was approved by the Group Audit Committee on 15 May 2024.

2.2 Under its Terms of Reference, the Board is responsible for managing and monitoring its compliance arrangements and operational performance. The activities undertaken by the Assurance Team provide the Board with independent assurance to support the Board in this role.

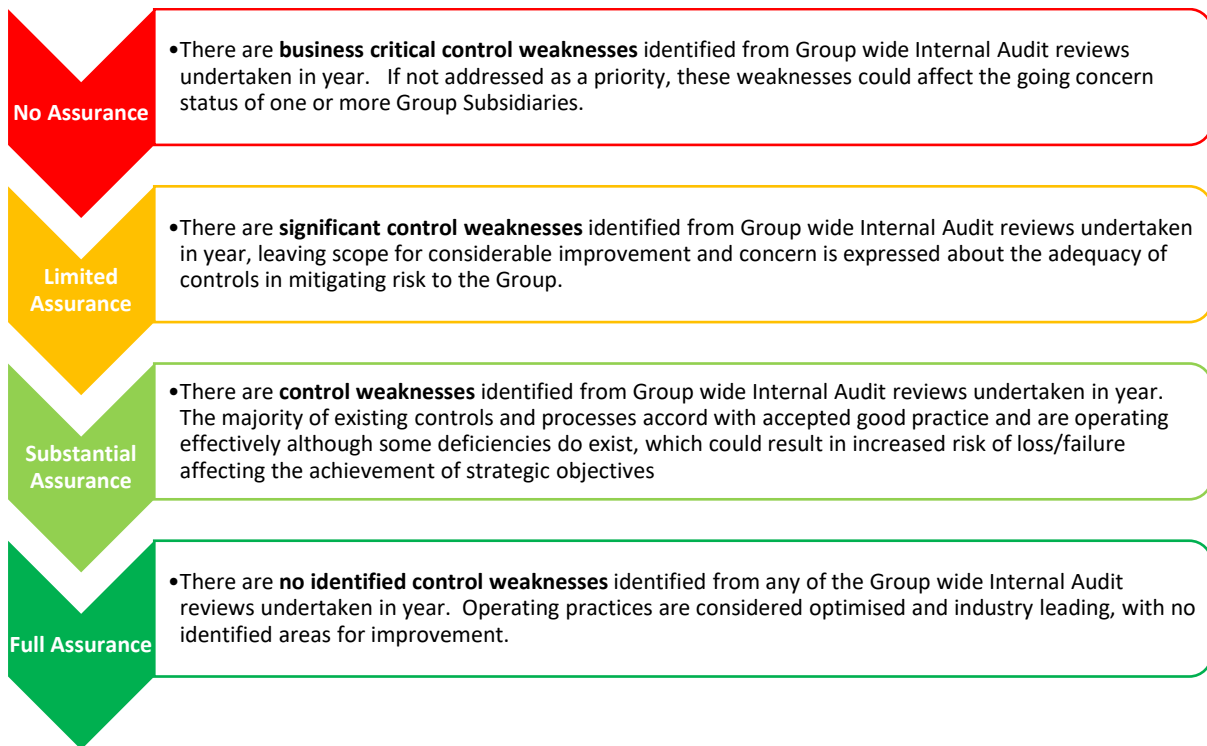
### 3. Background

3.1 The Group's Internal Audit team operates in accordance with the Chartered Institute of Internal Auditors' International Professional Practices Framework ("IPPF"), which includes the International Standards for the Professional Practice of Internal Auditing ("the Standards").

3.2 In line with the requirements of the Standards, Internal Audit provides the Board with an Annual Report and Opinion, which summarises the results of the Internal Audit team's work during the financial year and provides an opinion on the Group's governance, risk management and control processes.

### 4. Discussion

4.1 A copy of the Annual Report and Opinion has been included at **Appendix 1** for the Board's information. The table below shows the different types of Internal Audit Opinion which may be given:



- 4.2 Sufficient work has been undertaken to enable us to provide an opinion on the adequacy and effectiveness of the internal control environment in operation during 2023/24. In giving this opinion, it should be noted that assurance can never be absolute. Section 3 of the Annual Report at Appendix 1 outlines the Internal Audit work performed on a Group-wide basis, along with subsidiary-specific elements.
- 4.3 During the delivery of our Internal Audit plan, we identified no critical weaknesses in the governance, risk management, or control processes that would put the achievement of Group objectives at risk [redacted]
- 4.4 As reporting to the Group Audit Committee during 2023/24, Management has acted promptly to implement audit actions throughout the year, thereby reducing the risk associated with audit findings.

**Internal Audit Opinion 2023/24**

*Based on our Group-wide work undertaken in 2023/24 a **substantial level of assurance**\* can be given that there are sound governance, risk management and control processes in place, designed to support achievement of relevant organisational objectives. [redacted]*

*Management has agreed to the improvements to the Group wide control environment arising from our annual work and the progress of implementing these additional controls will be reported to the Group Audit Committee.*

## 5. Customer Engagement

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

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

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

## **7. Digital transformation alignment**

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

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

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

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

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

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

10.1 This report summarises the internal audit work performed during 2023/24. The nature of the risks arising from each piece of work varies depending on the review and the agreed management actions are designed to help management to mitigate the identified risks.

10.2 Where management considers the risks identified through an internal audit review to be sufficiently material to be included in the Group's risk profile, the risk is aligned to a Strategic Outcome and a risk appetite category is assigned. This allows management to confirm whether the risk is being managed within risk appetite or if further improvement action is required.

## **11. Equalities implications**

11.1 This report does not require an equalities impact assessment.

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

12.1 The Internal Audit team has completed its planned work for 2023/24 and the Director of Assurance has issued his annual opinion, as outlined at paragraph 4.4.

## **13. Recommendation**

13.1 The Board is asked to note the contents of this report, including the Annual Internal Audit opinion detailed in Section 4.

### LIST OF APPENDICES:

Appendix 1: Internal Audit Annual Report and Opinion 2023/24

# **Internal Audit Annual Report and Opinion 2023/24**

*Approved by Group Audit Committee  
15 May 2024*

# 1. Introduction

The purpose of this report is to provide our view on the adequacy and effectiveness of the Wheatley Group's ("the Group") system of governance, risk management and internal control, as assessed through delivery of our rolling Internal Audit Plan during 2023/24.

The Internal Audit Plan is reviewed and approved by the Group Audit Committee ("the Committee") each quarter and progress against this plan has been reported to the Committee throughout the financial year.

Our detailed findings from specific reviews have been reported to Management during the year, with a summary of these findings reported to the Committee at each of its 2023/24 meetings. Summary findings have also been reported to Subsidiary Boards and the Group Board where appropriate.

This Annual Report summarises the Internal Audit activity and therefore does not include all matters which came to our attention during the year. Such matters have been included within our detailed reports to Management and the Group Audit Committee during the year.

## Definition of Internal Auditing

"Internal Audit is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes."

*Section 3 – Definition of Auditing; Chartered Institute of Internal Auditors' International Professional Practices Framework*

## Internal Audit Mission Statement

*Internal Audit will enhance and protect the Wheatley Group by providing independent, objective and risk-based assurance and advice.*

## 2. Annual Internal Audit Opinion

### Scope

In line with the International Standards for the Professional Practice of Internal Auditing (“the Standards”), to which the Internal Audit function conforms, Internal Audit provides the Group Board, Audit Committee and Subsidiary Boards with an Internal Audit Annual Report, which includes an opinion on the Group’s governance, risk management and control processes, based on the work completed during 2023/24.

Our opinion is subject to the inherent limitations of Internal Audit (covering both the control environment and the assurance over controls) as set out in Appendix 1 (Limitations and Responsibilities).

In arriving at our Annual Internal Audit Opinion, we have taken the following matters into account:

- § the results of all Internal Audit work undertaken (including any upheld instances of fraud or whistleblowing) during the year ended 31 March 2024;
- § in accordance with the Wheatley Group City Building Glasgow Assurance approach, we have placed reliance on the internal audit work completed by the Glasgow City Council’s Chief Internal Auditor in relation to City Building Glasgow;
- § the effects of any material changes in the Group’s objectives, activities or regulatory environment; and
- § whether there have been any resource constraints imposed upon us which may have impinged on our ability to meet the Group’s Internal Audit needs.

### Basis of Opinion

Sufficient work has been undertaken to enable us to provide an opinion on the adequacy and effectiveness of the internal control environment in operation during 2023/24. In giving this opinion, it should be noted that assurance can never be absolute.

During the delivery of our Internal Audit plan, we identified no critical weaknesses in the governance, risk management, or control processes that would put the achievement of Group objectives at risk [redacted]

As reported to the Group Audit Committee, Management has acted promptly to implement agreed audit actions throughout the year, thereby reducing the risk associated with audit findings.

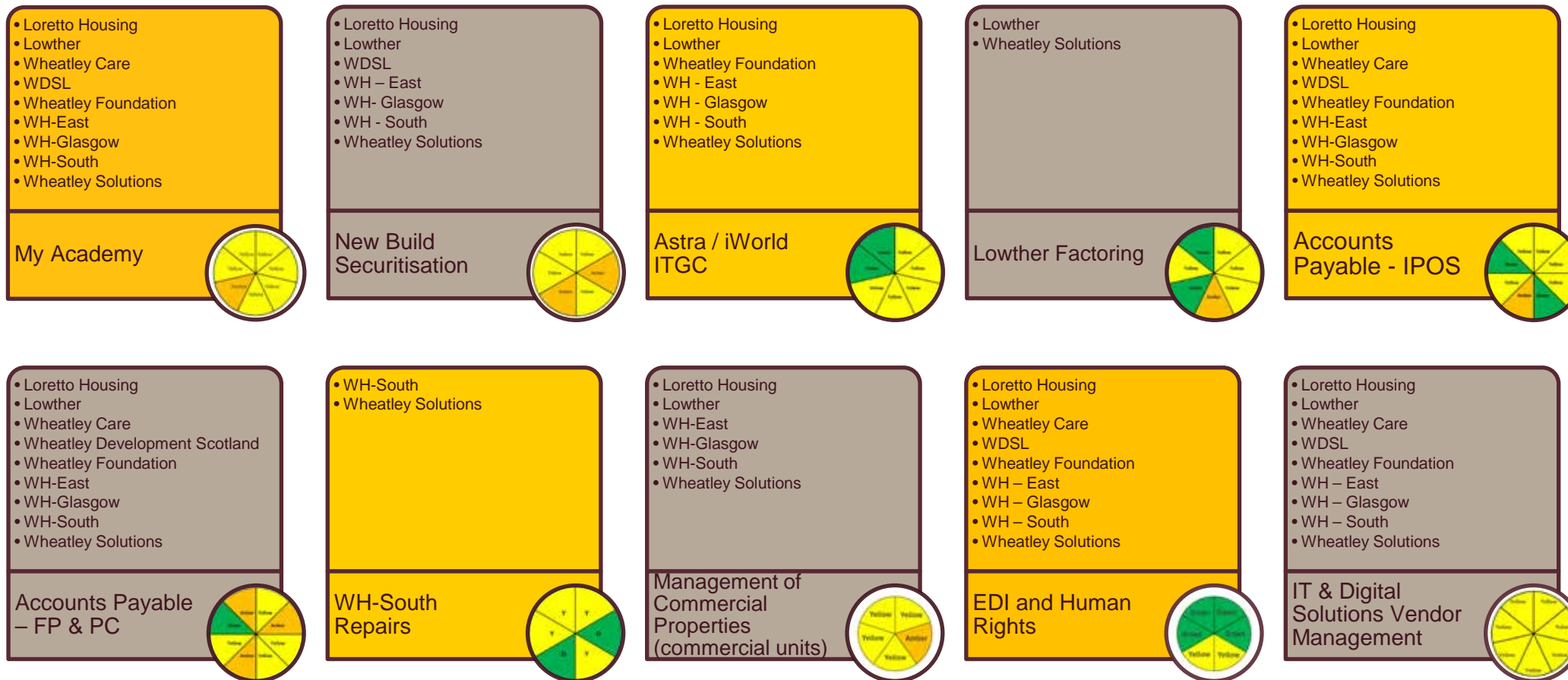
### Internal Audit Opinion 2023/24

*Based on our Group-wide work undertaken in 2023/24 a **substantial level of assurance**\* can be given that there are sound governance, risk management and control processes in place, designed to support achievement of relevant organisational objectives. [redacted]*

*Management has agreed to the improvements to the Group wide control environment arising from our annual work and the progress of implementing these additional controls will be reported to the Group Audit Committee.*

# 3. Summary of Work Performed

This section summarises the results of Internal Audit advisory reviews completed during 2023/24. Each of these reviews included an assessment of the extent to which the control objectives set out in the Terms of Reference were achieved\*, as reflected in the charts below.



Note: IPOS is the Group's automated purchase to pay system. FP (Faster Payments) and PC (Purchase Cards) processes are more manual, and so separate control objective assessments have been provided for the two aspects of the Accounts Payable review.



# 3. Summary of Work Performed

The Internal Audit team has completed the following advisory, consultancy and analytics reviews, which did not include an assessment of the achievement of control objectives, due to the nature of the work performed.

<ul style="list-style-type: none"> <li>• Loretto Housing</li> <li>• Lowther</li> <li>• Wheatley Care</li> <li>• WDSL</li> <li>• Wheatley Foundation</li> <li>• WH-East</li> <li>• WH-Glasgow</li> <li>• WH-South</li> <li>• Wheatley Solutions</li> </ul> <p>Financial Efficiency Savings Plans</p>	<ul style="list-style-type: none"> <li>• Loretto Housing</li> <li>• Lowther</li> <li>• Wheatley Care</li> <li>• WDSL</li> <li>• Wheatley Foundation</li> <li>• WH – East</li> <li>• WH – Glasgow</li> <li>• WH – South</li> <li>• Wheatley Solutions</li> </ul> <p>Data Strategy</p>	<ul style="list-style-type: none"> <li>• Loretto Housing</li> <li>• Lowther</li> <li>• WH-East</li> <li>• WH-Glasgow</li> <li>• WH-South</li> <li>• Wheatley Solutions</li> </ul> <p>CBG Partnership Oversight Board</p>	<ul style="list-style-type: none"> <li>• Loretto Housing</li> <li>• Lowther</li> <li>• Wheatley Care</li> <li>• WH-East</li> <li>• WH-Glasgow</li> <li>• WH-South</li> <li>• Wheatley Solutions</li> </ul> <p>Electrical Testing Certification analytics</p>
<ul style="list-style-type: none"> <li>• Loretto Housing</li> <li>• Lowther</li> <li>• WH – East</li> <li>• WH – Glasgow</li> <li>• WH – South</li> <li>• Wheatley Solutions</li> </ul> <p>Rent Account Credit Balances analytics</p>	<ul style="list-style-type: none"> <li>• Loretto Housing</li> <li>• Lowther</li> <li>• Wheatley Care</li> <li>• WDSL</li> <li>• Wheatley Foundation</li> <li>• WH-East</li> <li>• WH-Glasgow</li> <li>• WH-South</li> <li>• Wheatley Solutions</li> </ul> <p>Repairs Analytics</p>	<ul style="list-style-type: none"> <li>• Loretto Housing</li> <li>• Lowther</li> <li>• Wheatley Care</li> <li>• WDSL</li> <li>• Wheatley Foundation</li> <li>• WH – East</li> <li>• WH – Glasgow</li> <li>• WH – South</li> <li>• Wheatley Solutions</li> </ul> <p>Payroll analytics</p>	<ul style="list-style-type: none"> <li>• Loretto Housing</li> <li>• Lowther</li> <li>• Wheatley Care</li> <li>• WDSL</li> <li>• Wheatley Foundation</li> <li>• WH – East</li> <li>• WH – Glasgow</li> <li>• WH – South</li> <li>• Wheatley Solutions</li> </ul> <p>Accounts Payable analytics</p>

Summaries of the findings of all reviews conducted during 2023/24 have previously been reported to the Group Audit Committee and to Subsidiary Boards.

# 3. Summary of Work Performed

The Internal Audit team has facilitated an exercise to map legislative compliance requirements in different business areas across the Group throughout 2023/24. Within each business area, the team has worked with management to identify legislative requirements and any detective controls in place that would confirm compliance with those requirements.

The Internal Audit team has used a "show me" approach to confirm control descriptions, for example completing one walkthrough / viewing one instance of a report to confirm understanding of control. This work did not assess i) whether the control is adequately designed to mitigate the identified risk or ii) operating effectively. The purpose of this mapping is to help management determine where additional detective controls may be needed or reflect on the purpose and value of control activity across lower risk areas. The output of each exercise is a "map", as shown below.

	Controls in place to detect a compliance breach	Controls to detect a compliance breach are planned but not yet operating	No controls in place to detect a compliance breach
High consequence from compliance failure	Maintain controls	Consider prioritising implementation of controls	Consider whether additional controls are required
Medium consequence from compliance failure	Maintain controls	Rollout controls as planned	Consider whether additional controls are required
Low consequence from compliance failure	Consider whether controls are required	Consider whether planned controls are required	Consider whether current position is acceptable

The business areas mapped during 2023/24 are:



A final review in 2024/25 of all areas to identify and map any gaps will conclude the legislative compliance mapping review.

# 3. Summary of work performed

## Follow up of management actions

Internal Audit completes follow up activity to verify that management have implemented actions as agreed in our internal audit reports. The follow up activity is undertaken quarterly, with the results reported to each meeting of the Group Audit Committee.

The information below is a summary of all actions followed up during the course of 2023/24.

Our assessment has included review of each action to determine whether:

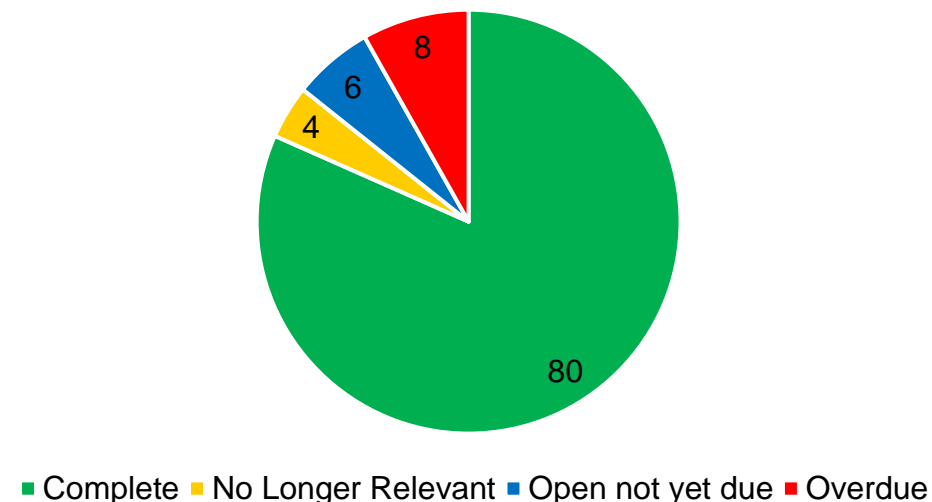
- a) The action has been completed during 2023/24;
- b) The action is no longer relevant or has been superseded;
- c) The action is not yet due for completion; or
- d) The action is overdue for completion.

For the 8 overdue actions, we have discussed the current status with management and identified revised timescales for completion of the original actions. In each case, we are satisfied that the action is in progress, and we will continue to monitor full implementation of these actions.

Status	Actions
Actions brought forward from 31 March 2023	16
New actions agreed during 2023/24	82
Total Actions followed up during 2023/24	98

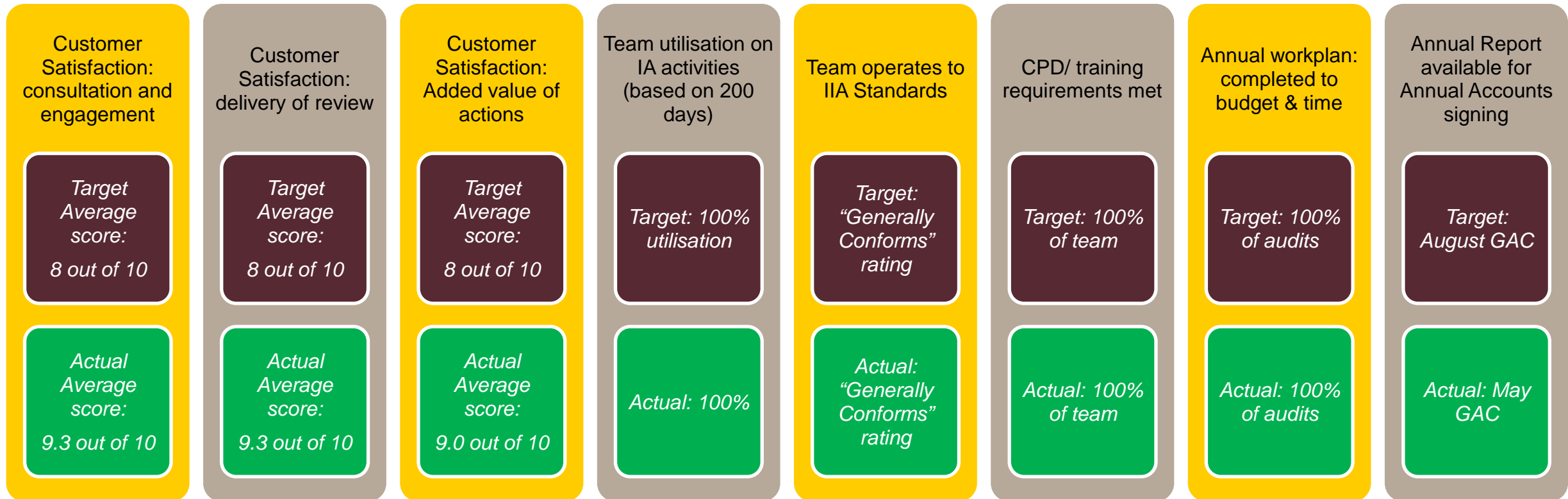
The chart below summarises our assessment of the status of the 98 actions followed up during 2023/24.

### Status of Actions at 31 March 2024

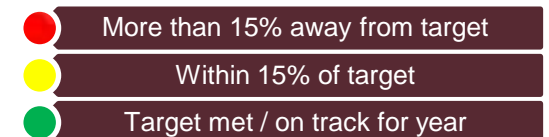


# 4. Internal Audit Team Performance 2023/24

The Internal Audit team's performance against its agreed KPIs for 2023/24 is set out below. The same KPIs are proposed for 2024/25.



The customer satisfaction measures are based on feedback forms completed by auditees following each review. Performance against target is allocated a Red, Amber or Green rating, as follows:



# 4. Internal Audit Team Performance 2023/24

The customer satisfaction measures are based on feedback forms completed by auditees following each review. Positive comments received from our customers included the following:

“The audit felt collaborative and driven by an overall ambition to support how Wheatley approaches and continually improves its approach.”

“Friendly and professional staff. They guide and support through the process, so it is not intimidating but always thorough.”

“Outcomes were discussed with the audit team and plenty of opportunity and time to reflect and discuss with my own teams.”

“A very responsive and professional team who understand the business and can recognise areas for improvement and provide ideas for practical changes to be made to protect the objectives of the business.”

The responses also highlighted the following opportunities which have been added to our Internal Audit Improvement Plan.

***We will explore opportunities to work with management in order to reintroduce front line assurance checks.***

§ “Front-line assurance checks were additional security.”

***We will continue to work with management to develop the team’s business knowledge and to agree action plans that improve the efficiency and effectiveness of the delivery of organisational objectives.***

The two individual statements that respondents were asked to score with the lowest scores were:

- § Internal audit team members had sufficient business knowledge to help improve processes.
- § The internal audit recommendations raised during this engagement improved the efficiency and effectiveness of delivery of organisation objectives.

# 5. IA Compliance with Standards

## Internal Audit compliance with professional standards

The Internal Audit team employs a risk-based approach to determine the audit needs of the Group at the start of each year, which is reviewed on a rolling three-month basis throughout the year. The team uses a risk-based methodology to plan and conduct our work, and all Internal Audit activity is performed in line with the International Standards for the Professional Practice of Internal Auditing and the Code of Professional Conduct (including Code of Ethics) promoted by the Chartered Institute of Internal Auditors.

## Internal Audit independence

Each member of the Internal Audit team is required to confirm their independence annually. The Independence Statements were last collected in September 2023 and the exercise will be repeated in September 2024.

## Conflicts of Interest

The Internal Audit team is led by the Director of Assurance, who reports to the Group Director of Finance and meets regularly with the Chair of the Group Audit Committee.

The Director of Assurance has other operational responsibilities. Consequently, the Group Audit Committee assesses the controls in place to maintain the Director's independence on an annual basis.

There have been no conflicts of interest during the year which have impacted on our independence or our ability to report our findings.

# 6. IA Quality Assurance and Improvement Programme

As part of the IA Team's Quality Assurance and Improvement Programme, we completed our internal quality assurance during 2023/24, comprising:

## Ongoing monitoring

- Day-to-day supervision and review of IA team's work
- Key Performance Indicators (KPIs) monitoring and reporting

## Annual CPE Completion

- Each IA team member completes training to meet the annual CPE requirement of their professional institute.

## Annual self-assessment

- Completed using guidance issued by the CIIA
- Results reported within the Annual Report and Opinion

## Annual Self-Assessment

The Internal Audit team completed the quality assessment template produced by the Chartered Institute of Internal Auditors (CIIA) in December 2023. The internal self-assessment rated performance as:

### Generally Conforms

- The evaluator has concluded that the relevant structures, policies, and procedures of the activity, as well as the processes by which they are applied, comply with the requirements of the individual Standard or element of the Code of Ethics in all material respects.

"Generally conforms" is the highest rating available.



## Limitations Inherent to the Internal Auditor's Work

We have prepared the Internal Audit Annual Report and undertaken the agreed programme of work as set out in the Internal Audit Plan, subject to the limitations outlined below.

### Opinion

The Annual Internal Audit Statement is based solely on the work undertaken as part of the agreed Internal Audit Plan. The work addressed the control objectives agreed for each individual assignment as set out in our individual Terms of Reference. The matters raised in this report are only those which came to our attention during our Internal Audit work and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

There might be weaknesses in the system of internal control that we are not aware of because they did not form part of our programme of work, were excluded from the scope of the individual review, or were not brought to our attention. Our audit plan is based on risk to capture the higher risk areas within the Group.

As a consequence, Management and the Group Audit Committee should be aware that our opinion may have differed if our programme of work or scope for individual reviews was extended or other relevant matters were brought to our attention.

## Internal Control

Internal control systems, no matter how well designed and operated, are affected by inherent limitations. These include the possibility of poor judgement in decision-making, human error, control processes being deliberately circumvented by employees and others, management overriding controls and the occurrence of unforeseeable circumstances.

## Responsibilities of Management and Internal Audit

It is Management's responsibility to develop and maintain sound governance, risk management, and control processes to ensure the prevention and detection of irregularities and fraud. Internal Audit work should not be seen as a substitute for Management's responsibilities for the design and operation of these processes.

Internal Audit endeavour to plan work so that we have a reasonable expectation of detecting significant control weaknesses and if detected, we shall carry out additional work directed towards the identification of consequent fraud or other irregularities.

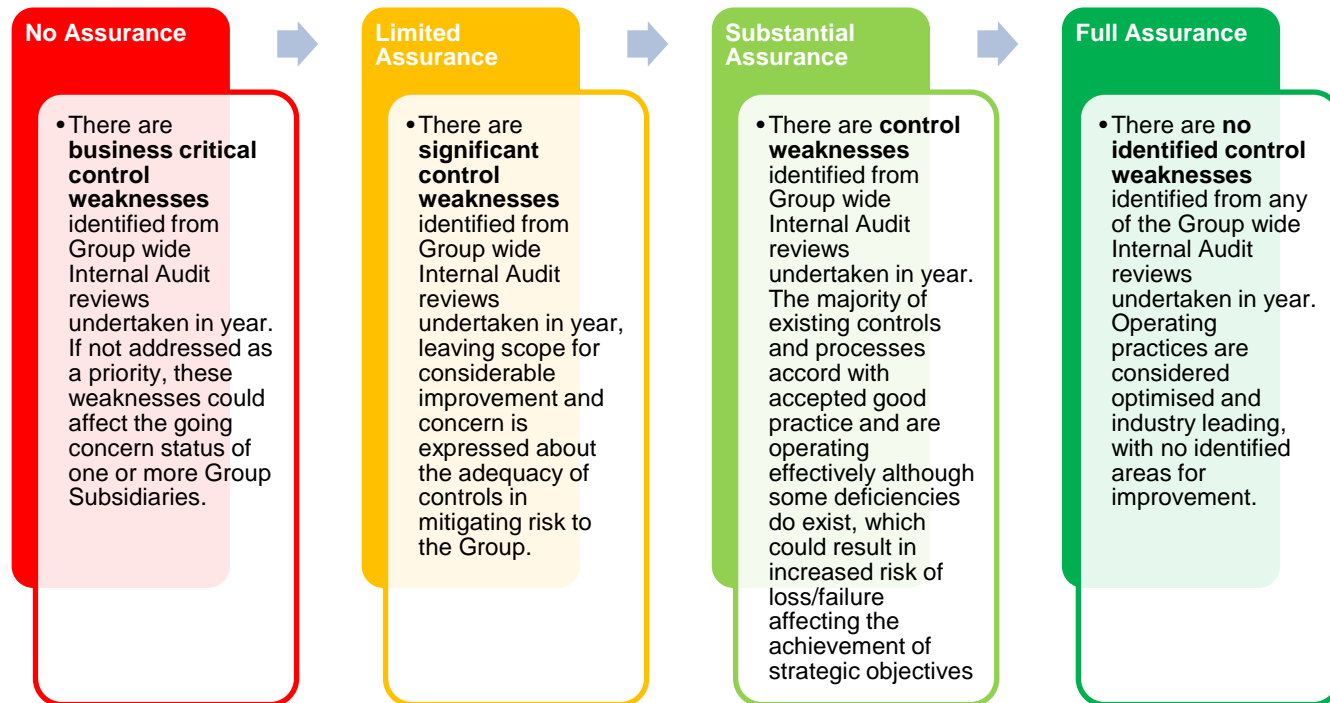
Internal Audit procedures alone, even when carried out with due professional care, do not guarantee that fraud will be detected, and our examinations as Internal Auditors should not be relied upon to disclose all fraud, defalcations or other irregularities which may exist.



# Appendix 2: Assurance Opinion definitions

## Annual Assurance Opinion Definitions

The table below details the different types of Internal Audit opinion which may be given:



## Control Objective Classification

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



## Report

**To:** Wheatley Homes Glasgow Board

**By:** Pauline Turnock, Group Director of Finance

**Approved by:** Steven Henderson, Group Chief Executive

**Subject:** Finance Report to 30 June 2024

**Date of Meeting:** 16 August 2024

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### 1. Purpose

- 1.1 The purpose of this paper is to provide Wheatley Homes Glasgow Board:
- An overview of the Finance Report for the period to 30 June 2024 and Q1 forecast.

### 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, the WH Glasgow Board is responsible for the on-going monitoring of performance against agreed targets. This includes the performance of its finances.

### 3. Background

#### 3.1 Financial performance

The results for the period to 30 June are summarised below.

	Year to Date (Period 3)		
	Actual £000	Budget £000	Variance £000
Turnover	59,847	59,630	217
Operating expenditure	(55,749)	(56,239)	490
<b>Operating surplus</b>	<b>4,098</b>	<b>3,391</b>	<b>707</b>
<i>Operating margin</i>	<i>6.8%</i>	<i>5.7%</i>	
Net interest payable	(12,234)	(12,183)	(51)
<b>Deficit</b>	<b>(8,136)</b>	<b>(8,792)</b>	<b>656</b>
<b>Net Capital Expenditure</b>	<b>20,809</b>	<b>21,150</b>	<b>341</b>

## 4. Discussion

### 4.1 Period to 30 June 2024

A statutory deficit of £8,136k has been reported for the period to 30 June 2024, which is £656k favourable to budget. The key drivers for the variance are higher levels of other income and a favourable position across a number of expenditure lines.

Key points to note:

- Net rental income is £93k favourable to budget, related to the timing of the previously agreed clearance of a small number of Livingwell properties;
- Other income is £124k higher than budget, linked to commercial void performance being favourable to budget and higher Wayleave income, reflecting the prudent budget set;
- In operating costs, total costs are £490k favourable to budget;
  - Direct and Group services running costs are £210k favourable due to the timing of spend against budget;
  - Revenue repairs costs are, in total, broadly in line with budget. Within the reported spend, responsive repairs are £60k lower than budget with average job cost and job numbers in line with budget expectations for the first quarter. This is partially offset by compliance spend where a small element of the phasing of the programme has been brought forward into the first three months; and
  - Bad debts are £275k lower than budget, reflecting the prudent budget set.
- Net capital expenditure is £341k lower than budget. Investment in our existing homes is £554k lower than budget, mainly linked to the timing of the delivery of core programme works. Net new build spend is £587k higher than budget due to accelerated spend at the Shawbridge Arcade development.

#### Q1 Forecast out-turn

	FY Forecast (Q1)		
	Actual £000	Budget £000	Variance £000
Turnover	265,552	265,990	(438)
Operating expenditure	(217,956)	(218,114)	158
<b>Operating surplus</b>	<b>47,596</b>	<b>47,876</b>	<b>(280)</b>
<i>Operating margin</i>	<i>17.9%</i>	<i>18.0%</i>	
Net interest payable	(53,973)	(54,332)	359
<b>Deficit</b>	<b>(6,377)</b>	<b>(6,456)</b>	<b>79</b>
<b>Net Capital Expenditure</b>	<b>95,832</b>	<b>97,115</b>	<b>1,283</b>

4.2 The forecast reports a statutory deficit of £6,377k for the full year out-turn to March 2025, which is £79k favourable to budget. The key points to note are:

- Total income is forecast to be £438k lower than budget;
  - Other income is £918k lower than budget due a reduction in the intra group gift aid income from Wheatley Developments Scotland, linked to the lower forecast new build spend. This is an intra group item only and as such does not impact the overall financial performance at a group level;
  - Other grant income is forecast to increase by £480k following the award of Social Housing Net Zero (SHNZ) grant by the Scottish Government to fund work on pre 1919 tenements. There is a corresponding increase in investment spend;
- Total operating costs are forecast to be £158k favourable to budget with planned value for money savings in IT running costs realised earlier than anticipated in Wheatley Solutions;
- Interest is forecast to be £359k lower than budget with the earlier than budgeted receipt of the fixed rate £125m private placement at a lower interest rate than budgeted driving the favourable forecast position;
- Investment programme is forecast to be £2,780k higher than budget with the RSL borrower group interest cover covenant change creating additional capacity for £2,300k of works to be delivered in WH Glasgow. This additional financial capacity will be use to deliver specific improvement projects across the city including fabric and environmental improvements in Cranhill and Govan, high rise fabric improvements at Townhead, Sandyhills and Helenvale sites amongst other projects. The forecast includes a further £480k of unbudgeted SHNZ grant funded works on pre-1919 sandstone tenements;
- Net new build expenditure is forecast to be £4,063k lower than budget with this primarily due to revised start dates at Sighthill, North Toryglen and Calton Ph3. The new build programme is subject to the availability of grant to support development projects. Following the 26% reduction to the housing capital budget announced by Scottish Government for 2024/25 there are projects that are included in our development programme for approval this financial year that may not be able to progress due to the constraints on grant availability in addition to those mentioned above with revised site dates. Glasgow City Council is still in the process of assessing the impact this may have on the number of projects they may be able to support this year. While our programme includes projects where grant is confirmed and work is on site there are others which are at an earlier stage and a grant award has yet to be confirmed; which could see the underspend in our 2024/25 programme spend increase to c£20m; and
- The forecast variations to budget are managed within the overall parameters of the RSL Borrower Group budget for 2024/25 of which Glasgow is part. The RSL borrower group continues to remain compliant with covenants.

## 5. Customer Engagement

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

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

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

## **7. Digital transformation alignment**

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

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

8.1 The statutory deficit for the period to 30 June 2024 is £656k favourable 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 £382k is reported which is £1,210k favourable to budget due to a favourable income and expenditure position and the timing of investment spend compared to the budgeted programme.

8.2 While the forecast underlying statutory deficit for the year to 31 March 2025 is £1,783k unfavourable to budget this is due to the release of £2,300k of additional investment spend in 2024/25 released to deliver improvements to existing housing and investment to improve the energy efficiency of our homes. This is offset by efficiencies in group running costs and a favourable forecast interest position.

8.3 While this additional investment spend creates an underlying deficit in WH Glasgow, this can be comfortably accommodated within the context of the RSL Borrower Group where an overall underlying surplus is reported for the financial year to date. Financial performance continues to be managed within the overall budget parameters and covenants for the RSL Borrowers.

## **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 Group's risk appetite in respect of development is "open", which is defined as willing to choose the option "*most likely to result in successful delivery while also providing an acceptable level of reward*". The Group's risk appetite in respect of governance is "cautious" which is defined as "*preference for safe delivery options that have a low degree of inherent risk and may only have limited potential for reward*".

## **11. Equalities implications**

11.1 There are no equalities implications arising from this report.

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

- 12.1 This paper presents the financial performance for the period to 30 June 2024 and the Q1 forecast for 2024/25.

## **13. Recommendations**

- 13.1 The Board is requested to note the Finance Report for the period ended 30 June 2024 and Q1 forecast.

### **LIST OF APPENDICES:-**

Appendix 1: Period 3 – 30 June 2024 Finance Report



# Period to 30 June 2024 Finance Report



# 1a. Operating statement – Period to 30 June 2024



	Period to 30 June 2024			Full Year
	YTD Actual	YTD Budget	YTD Variance	Budget
	£k	£k	£k	£k
<b>INCOME</b>				
Rental Income	56,245	56,152	93	£225,333
Void Losses	(670)	(670)	0	(£2,693)
<b>Net Rental Income</b>	<b>55,575</b>	<b>55,482</b>	<b>93</b>	<b>£222,640</b>
Grant Income New Build	0	0	0	£20,527
Grant Income Other	1,385	1,385	0	£8,000
Other Income	2,887	2,763	124	£14,823
<b>Total Income</b>	<b>59,847</b>	<b>59,630</b>	<b>217</b>	<b>£265,990</b>
<b>EXPENDITURE</b>				
Employee Costs - Direct	8,247	8,249	2	£32,504
Employee Costs - Group Services	4,130	4,133	3	£15,922
ER / VR	27	27	0	£840
Direct Running Costs	3,517	3,585	68	£14,292
Running Costs - Group Services	2,174	2,316	142	£9,564
Revenue Repairs and Maintenance	16,198	16,204	6	£58,088
Bad debts	380	655	275	£2,622
Depreciation	21,070	21,070	0	£84,281
Demolition and Tenants Compensation	6	0	(6)	£0
<b>TOTAL EXPENDITURE</b>	<b>55,749</b>	<b>56,239</b>	<b>490</b>	<b>£218,113</b>
<b>NET OPERATING SURPLUS / (DEFICIT)</b>	<b>4,098</b>	<b>3,391</b>	<b>707</b>	<b>£47,877</b>
<i>Net operating margin</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>18.0%</i>
Net Interest payable & similar charges	(12,234)	(12,183)	(51)	(£54,332)
<b>STATUTORY SURPLUS / (DEFICIT)</b>	<b>(8,136)</b>	<b>(8,792)</b>	<b>656</b>	<b>(£6,455)</b>
<b>INVESTMENT</b>				
	Period to 30 June 2024			Full Year
	Actual £ks	Budget £ks	Variance £ks	Budget £ks
Total Capital Investment Income	7,243	12,737	(5,494)	£50,977
Total Expenditure on Core Programme	13,316	13,870	554	£53,830
New Build & other investment expenditure	12,746	17,653	4,907	£85,317
Other Capital Expenditure	1,990	2,364	374	£8,946
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>28,052</b>	<b>33,887</b>	<b>5,835</b>	<b>£148,093</b>
<b>NET CAPITAL EXPENDITURE</b>	<b>20,809</b>	<b>21,150</b>	<b>341</b>	<b>£97,116</b>

## Key highlights period to date:

WH Glasgow reports performance favourable to budget at June 2024 with net operating surplus of £4,098k, which is £771k favourable to budget and a statutory deficit of £8,136k, £720k favourable to budget. The favourable outturn is driven by additional other income and reduced spend across expenditure.

- Net Rental income is £93k favourable to budget with the variance relating to Livingwell properties at Carillon/Paisley Rd West and Gallowhill. A "cease to let" was approved by the Board in September 2022, however the properties have cleared more slowly than anticipated.
  - Other income is £124k favourable to budget linked to commercial units void performance being favourable to budget and higher Wayleave income, reflecting the prudent budget set.
  - Total running costs (direct and group services) are £210k favourable to budget. Group recharges are £142k favourable to budget due to several departments currently reporting lower costs across Wheatley Solutions.
  - Revenue repairs and maintenance spend is £6k favourable to budget. Responsive repairs are £60k lower than budget, partially offset by higher compliance spend due to the timing of the programme.
  - Bad debts are £275k favourable to budget. A prudent approach was taken when setting the budget.
  - Net Interest payable is £51k unfavourable to budget linked to the timing of loan draw downs.
- Net capital expenditure of £20,809k is £341k higher than budget.
- Capital investment income (grants) is £5,494k lower than budget related to timing of spend at Calton Phase 2, Sighthill Phase 2 and at North Toryglen while the grant funding position remains unconfirmed.
  - Investment programme spend is £554k favourable to budget with lower spend in capitalised voids and core investment programme.
  - New build spend is £4,907k lower than budget following a delay in the works at Sighthill Phase 2, lower spend at Calton Phase 2 and at North Toryglen while the grant funding position remains unconfirmed.
  - Other capital expenditure of £1,990k is £374k lower than budget due to the timing of 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 June, the underlying deficit is £382k, £1,210k favourable to budget. The variance is due to a favourable income and expenditure position and the timing of investment spend compared to the budgeted programme.

WHG Underlying (Deficit)/Surplus June 2024				
	Actual £ks	Budget £ks	Variance £ks	FY Budget £ks
Net operating surplus	4,098	3,391	707	47,876
add back:				
Depreciation	21,070	21,070	0	84,281
less:				
Grant income	0	0	0	(20,527)
WDS gift aid income	0	0	0	(3,175)
Net interest payable	(12,234)	(12,183)	(51)	(54,332)
Total expenditure on Investment Programme	(13,316)	(13,870)	554	(53,829)
Underlying deficit	(382)	(1,592)	1,210	294

# 2a. Repairs & Investment Programme

Repairs	YTD P3			FY budget
	Actual	Budget	Variance	£ks
Responsive Repairs	8,275	8,335	60	32,072
Cyclical (local)	103	103	0	912
JV Share of profits	0	0	0	(7,165)
Compliance/Overhead	7,820	7,765	(55)	32,270
<b>Total Repairs</b>	<b>16,198</b>	<b>16,204</b>	<b>6</b>	<b>58,089</b>

## Repairs & maintenance:

- Total repairs and maintenance costs were £6k favourable at the end of June.
- Responsive repairs are lower than budget by £60k, noting that completed jobs are broadly in line with the same period last year and in line with our expectation.
- Cyclical repairs are in line with budget.
- Overall compliance and overhead expenditure is £55k unfavourable to budget due to the phasing of the programme delivery at this point in the year.

Investment Programme Grant Income	YTD P3			FY budget
	Actual £ks	Budget £ks	Variance £ks	£ks
Medical adaptations	591	591	0	1,575
<b>Total</b>	<b>591</b>	<b>591</b>	<b>0</b>	<b>0</b>
Investment Programme	Actual	Budget	Variance	FY Budget
Core programme (excl SHNZ)	3,641	4,063	422	15,854
Capitalised Voids	2,312	2,732	420	10,119
Adaptations	754	771	17	2,857
Capitalised staff	1,468	1,458	(10)	5,846
City Building ovh allocated	2,676	2,676	0	10,734
Capitalised Repairs	2,464	2,170	(294)	8,419
<b>Total</b>	<b>13,316</b>	<b>13,870</b>	<b>554</b>	<b>53,829</b>

## Investment programme:

- Net investment in our existing homes was £12,725k which was £554k lower than budget. The variance mainly relates to lower core programme and void spend, partly offset by increased capitalised repairs spend.
- Core programme expenditure of £3,641k is £422k favourable to budget due to the timing of the planned spend.
- Void costs, which include the cost of the NETs void squad, are capitalised in line with Group policy. At P3 there is £420k underspend, following the implementation of planned improvements to the delivery of the works, which is partly offset by higher than budget capitalised repairs.
- Adaptations spend of £754k is £17k under budget at the end of June.

<b>Net Investment Spend</b>	<b>12,725</b>	<b>13,279</b>	<b>554</b>	<b>53,829</b>
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# 2b. New Build Programme Spend



Net spend on new build properties of £7.6m has been incurred by end of June. This is £2.5m higher than budget.

## Social Rent

- **Abbotshall Avenue (SR/67):** Site start is now likely to be Q1 2025 however feasibility work has commenced.
- **Kelvin Wynd:** Works commenced in August 2023, programme delayed but good progress expected in the quarter
- **Shandwick St (SR/47):** The site was fully acquired on 31 March 2023 and the acquisition offer of grant was accepted and drawn down in 2022/2023. Following approval works commenced on site in September 2023 and are progressing well. Remaining grant will be fully drawn by August 2024
- **North Toryglen (SR48 / MMR10):** Budgeted to start on site in April 2024 however, following WDS Board approval and grant offer in March 2024, site start is now anticipated in September 2024. Forecast costs for the year of £3.6m will be below budget.
- **Sighthill (SR/42):** A revised mix for phase 2 is under negotiation with Keepmoat and is likely to be around 42 homes. This phase has a potential site start during Q3 2024, later than budgeted, however remediation works may delay this further. Ringfenced grant funding of £4.4m is available to support the project in 2024/25 however reduction in forecast costs to £1.7m due to later site start will result in a lower grant draw down.
- **Spoutmouth (SR/34):** Working towards WDS board approval for acquisition and advance works in Q3 2024/25. Delays due to need to resolve advance works contract for archaeological investigations.

	*Status	Contractor	YTD P3			Full Year
			Actual	Budget	Variance	Budget
Springfield Rd	Feasibility	-	0	0	0	104
Abbotshall Avenue	Feasibility	MCTAGGART	23	9	(14)	1,978
Lochend Road Ph 1	Feasibility	TBC	40	0	(40)	7
Albion	Feasibility	TBC	2	0	(2)	22
Caledonia Rd	Feasibility	TBC	0	35	35	1,890
Calton Village Ph 3	Feasibility	MCTAGGART	21	31	10	2,176
Church St	Feasibility	TBC	0	24	24	1,044
Lochend Road Ph 2	Feasibility	TBC	0	30	30	1,386
Mercaat Building	Feasibility	TBC	4	0	(4)	13
Norby Rd	Feasibility	TBC	0	0	0	2
North Toryglen	Approved	CRUDEN	0	2,313	2,313	8,163
St Benedicts	Feasibility	TBC	0	0	0	45
St Mungos	Feasibility	TBC	0	0	0	36
Spoutmouth	In Development	CCG	1	12	11	1,206
Sighthill	On Site	KEEPMOAT	4	2,203	2,199	11,550
Stormoway St	Feasibility	TBC	43	0	(43)	5
Shandwick St	On site	CCG	2,602	2,684	82	6,118
Kelvin Wynd	On site	-	1,207	2,245	1,038	8,828
<b>Total Social Rent</b>			<b>2,947</b>	<b>9,599</b>	<b>5,441</b>	<b>44,574</b>

[redacted]

[redacted]

Development Fund	-	-	0	0	0	200
Property Acquisitions	-	-	1,151	1,151	0	10,850
Capitalised Insurance	-	-	8	8	0	34
Capitalised Interest	-	-	0	0	0	995
Capitalised Staff	-	-	807	811	4	3,255
<b>Total New Build Investment</b>			<b>12,746</b>	<b>17,653</b>	<b>4,907</b>	<b>85,317</b>

Grant Income			5,911	11,405	(5,494)	43,188
Other Grant Income			741	741	(0)	6,174
<b>Net New Build Cost</b>			<b>6,094</b>	<b>5,507</b>	<b>(587)</b>	<b>35,955</b>

Grant Income Completions New Build			0	0	0	20,527
Grant Income Completions Acquisitions			741	741	(0)	6,174

# 3. Balance Sheet



	30 June 2024	31 March 2024
	£ks	£ks
<b>Fixed Assets</b>		
Social Housing Properties	1,792,017	1,784,173
Other tangible fixed assets	63,925	64,810
Investment properties	87,945	87,944
Investments - other	12,073	12,073
<b>Fixed Assets</b>	<b>1,955,960</b>	<b>1,949,000</b>
<b>Debtors Due More Than One Year</b>		
Inter Company Loan	18,504	18,504
<b>Current Assets</b>		
Trade debtors	1,138	1,035
Rent & Service charge arrears	16,076	15,166
less: Provision for rent arrears	(7,397)	(7,445)
Prepayments and accrued income	4,220	4,622
Intercompany debtors	16,328	8,536
Other debtors	6,357	7,311
	<b>36,722</b>	<b>29,225</b>
Bank & Cash	2,463	3,427
<b>Current Assets</b>	<b>39,185</b>	<b>32,652</b>
<b>Current Liabilities</b>		
Trade liabilities	(3,532)	(4,969)
Accruals	(20,247)	(24,273)
Deferred income	(23,811)	(23,811)
Rents & service charges in advance	(12,026)	(20,544)
Intercompany creditors	(34,126)	(35,455)
Other creditors	(13,087)	(12,145)
	<b>(106,829)</b>	<b>(121,197)</b>
<b>Net Current Liabilities</b>	<b>(67,644)</b>	<b>(88,545)</b>
<b>Long Term Liabilities</b>		
Contingent efficiencies grant	(46,280)	(46,280)
Bank finance	(1,056,616)	(1,025,117)
Deferred income	(14,921)	(10,422)
Provisions	(2,132)	(2,133)
Pension liability	(2,035)	(2,035)
<b>Long Term Liabilities</b>	<b>(1,121,984)</b>	<b>(1,085,987)</b>
<b>Net Assets</b>	<b>784,836</b>	<b>792,972</b>
<b>Capital &amp; Reserves</b>		
Retained Income b/fwd	165,997	165,997
Income & Expenditure	(8,136)	0
Revaluation Reserves	626,975	626,975
<b>Funding Employed</b>	<b>784,836</b>	<b>792,972</b>

## Key Commentary:

The balance sheet reported reflects the draft 31 March 2024 year end statutory adjustments, including the revaluation of both housing and investment properties and actuarial valuation of the defined benefit pension scheme.

- **Fixed assets:** movements from the year end reflects investment in existing properties, the new build programme, and other fixed asset additions, less depreciation to date.
- **Current Assets (excluding cash)** are £7.5m higher than the March 2024 position, due to the timing of the settlement of intercompany debtors.
- **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 £14.4m lower than the March 2024 position mainly due to a decrease in prepaid rents due to HB received in March 2024 that related to periods beginning on or after 1 April 2024, increasing the value at year end.
- **Long term bank finance loans** net of amortised fees are £1,068.1m and relate to funding drawn down from WFL1.



## 4b. Q1 Forecast underlying surplus

- As with the year to date results to 30 June 2024, the Q1 Forecast full year out-turn Operating Statement (Income and Expenditure Account) on page 8 is prepared in accordance with the requirements of accounting standards (Financial Reporting Standard 102 and the social housing Statement of Recommended Practice 2014).
- An underlying deficit of £1,489k is expected for the full year as shown in the chart below after adjusting to exclude the accounting adjustments for the recognition of grant income and depreciation, but including capital expenditure on our existing properties to reflect the underlying cash surplus/deficit on our letting activity.
- The forecast underlying deficit is £1,783k lower than the budgeted full year surplus. The variance is due to the additional investment spend released in line with our objective to provide high quality housing and invest to improve the energy efficiency of our homes, offset by efficiencies in group running costs and a favourable forecast interest position. The underlying deficit in WH Glasgow, this can be comfortably accommodated within the context of the RSL Borrower Group where an overall underlying surplus is reported for the financial year to date. Financial performance continues to be managed within the overall budget parameters and covenants for the RSL Borrowers.

WH Glasgow (Deficit)/Surplus - Q1 forecast 24/25			
	Forecast £k	Budget £k	Variance £k
Net operating surplus	47,596	47,876	(280)
add back:			
Depreciation	84,281	84,281	0
less:			
Grant income	(20,527)	(20,527)	0
WDS gift aid income	(2,257)	(3,175)	918
Net interest payable	(53,973)	(54,332)	359
Total expenditure on Investment Programme	(56,609)	(53,829)	(2,780)
Underlying (deficit)/surplus	(1,489)	294	(1,783)



## Report

**To:** Wheatley Homes Glasgow Board

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

**Approved by:** Steven Henderson, Group Chief Executive

**Subject:** Governance update

**Date of Meeting:** 16 August 2024

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### 1. Purpose

- 1.1 This report provides an update to the Board, seeking approval where required, on the following governance-related matters:
- Chair's urgent action;
  - Final schedule of meetings for the remainder of the 2024 calendar year; including the Annual General Meeting ("AGM");
  - Annual Secretary's report;
  - Board appointments;
  - Annual assurance statement; and
  - Policy framework and proposed policy updates.

### 2. Authorising and strategic context

- 2.1 Our Group Standing Orders include a provision for the Chair of the Board to approve any action, within the Board's powers, where it is not feasible or practical to convene an additional meeting or pass a written resolution, ("Urgent Actions").
- 2.2 The Board is responsible for calling meetings, including General Meetings and ordinary Board meetings throughout the course of the year including reporting on governance matters which precede the Annual General meeting. The Board is also responsible for approving the appointment of our tenant Board members.
- 2.3 Under the Group Standing Orders and our Intra-group Agreement, we have a role in adopting Group-wide policies as well as approving our own service policies.

### 3. Background

- 3.1 The use of the Chair's Urgent Actions is permitted 'on a time-sensitive matter reserved to a Board which cannot wait until the next scheduled meeting'. Where the urgent action provision is used, notification is required to the Board as soon as reasonably practical, but as a minimum, at the next Board meeting.



- 3.2 We are required to hold an annual general meeting within six months of the end of each financial year of the Association and provide the Board with the Secretary's report in advance of the AGM.
- 3.3 Our tenant Board member pathway programme has been developed to help ensure we have a pipeline of candidates for any tenant Board member vacancies. This helps us to ensure that tenants are at the heart of our decision-making. Two candidates from our pathway programme are now seeking appointment to our Board.
- 3.4 The requirement to submit an Annual Assurance Statement ("AAS") was introduced by the SHR in 2019. The AAS is a way for us to assure ourselves, tenants, those who are homeless/threatened with homelessness, other service users and the SHR that we comply with our regulatory obligations.
- 3.5 The SHR considers our AAS as part of its annual risk assessment and then uses this to help inform how it will engage with us throughout the year. This is then included within the SHR's engagement plan for us. For group structures such as ours, the SHR requires one AAS covering all RSLs.

#### **4. Discussion**

##### Chair's urgent action

- 4.1 Under our Disposals and Acquisitions policy, disposals by way of a lease of residential property to another charity for non-social housing purposes (except where the lease is to a Local Authority for temporary accommodation purposes) requires Board approval and is notifiable to the Scottish Housing Regulator.
- 4.2 Since our last meeting on 17 May 2024 the Chair approved the Urgent Action to the lease of a property at Wynford Road to the Scottish Association for Mental Health (SAMH). We already lease a number of properties to SAMH. One of those properties required investment work, so we agreed to take this back from SAMH when its service user moved out and instead provide SAMH with an alternative property.
- 4.3 As per our Standing Orders, the action has been recorded in the Register of Urgent Actions. It is confirmed that the Urgent Actions provision has not been used more than three times in the past 6-month period.
- 4.4 Following consideration of the above, we are also proposing to update our Disposals and Acquisitions Policy to remove the requirement for Board approval in circumstances where (1) we lease multiple properties to a third-party provider; (2) for operational reasons we wish to replace one or more of individual properties that have been leased to the provider; and (3) the result is that the provider continues to lease no more than the total number of properties that were previously approved as part of the original leasing arrangement.
- 4.5 Instead, the authority to take back possession of an individual property and replace this with an alternative property would be delegated to any Board member or any member of the Group Executive Team to approve the disposal and execute the transaction documents. The Board would continue to have visibility of all disposals as part of the annual update provided in May each year.

4.6 Our Disposals and Acquisitions Policy sits under the Group Disposals and Acquisitions framework. Approval for this change will also be sought from the Group Board.

#### Remaining 2024 meeting dates and AGM

4.7 We have two further Board meetings scheduled for this calendar year which would take us to the minimum requirement of 6 scheduled meetings for the calendar year:

- Post AGM on Friday 13 September 2023 and;
- Friday 22 November 2024 at 10.30am.

4.8 It is proposed that we call our AGM for 13 September 2024 at 10am. The meeting and business thereof will be called in line with the requirements of our Rules. This will be followed by the Board meeting at approximately 10.30am. All required paperwork for the AGM will be circulated in advance to Members. It is intended that we also hold a short Board workshop following the Board meeting focussed on regeneration and neighbourhoods. We would anticipate concluding by 2pm.

4.9 We also have two Group events planned. We are hosting a Governing our Group event in New Mart Road, Edinburgh at 5pm on Wednesday 25 September 2024. This event will be for all Board members and will be attended by the Minister for Housing, Paul McLennan. We will then hold our annual Group Christmas lunch at 1pm on Wednesday 18 December 2024.

#### Annual Secretary's report

4.10 In advance of the AGM, Rule 68 states that:

*“At the last Board meeting before the annual general meeting, the Secretary must confirm in writing to the Board that Rules 62 to 67 have been followed or, if they have not been followed, the reasons for this”.*

The Secretary's report about each Rule referred to in Rule 68 is as follows:

<b>Rule</b>	<b>Secretary's report</b>
<b>62</b>	Minutes are up to date and are signed digitally via DocuSign.
<b>63</b>	The seal is not routinely used. It is kept at the registered office.
<b>64 and 65</b>	All registers have been checked and maintained throughout the year and are held at our registered office.
<b>66</b>	Our registered name has been displayed at our registered office and at every office where our business is carried out throughout the year. Our name is clearly marked on business letters, notices, adverts, official publications and financial documents.
<b>67</b>	Our books of account, registers, securities and other documents are kept at our registered office.

## Board appointments

- 4.11 Under our Rules there is provision for a Board of up to 10 Board members:
- Up to four Tenant Board members;
  - Up to one Independent Board member;
  - Up to two Council Board members; and
  - Up to three Parent Appointees.
- 4.12 We currently have two tenant Board members. Following the update to our Board in May 2024, we are now in a position to propose the appointment of two pathway members, Rhona Paterson and Mary-Ann Amiweru. Both Rhona and Mary-Ann have received coaching and mentoring from an independent coach and have had the opportunity to attend and shadow a previous meeting.
- 4.13 It is recommended that Rhona and Mary-Ann be appointed with immediate effect. We would then commence their formal induction process ahead of them attending their first meeting on 13 September 2024.
- 4.14 Additionally, following the AGM, the Board will have one further vacancy for a tenant Board Member, due to the retirement of a current tenant Board Member, Robert Keir who will reach his tenure limit.
- 4.15 We have a third candidate currently on the pathway programme. It is intended that they will continue as part of the programme and that we will discuss the opportunity for them to join the Board in early 2025. This would then take the Board to our target number of four tenant members.
- 4.16 To support our proactive approach to succession planning we will seek to recruit further tenants to the pathway programme towards the end of 2024. This will allow us to recruit for the next retirement of a tenant Board Member scheduled for 2026.
- 4.17 Under our Rules, Board members are appointed for fixed three-year terms. Board members may serve three terms, but following nine years of service may thereafter only be appointed on an annual basis. Any decision to reappoint a Board member beyond their three-year term should take into account their continued effectiveness and be approved by our parent company.
- 4.18 Councillor Kenny McLean was first appointed in 2014 and has therefore served his nine-year term plus one further extension of a year. It is proposed that we recommend to the Group Remuneration, Appointments, Appraisal and Governance (“RAAG”) Committee that Councillor McLean has his term extended for a further year.

## Annual Assurance Statement

- 4.19 We have now carried out the annual assurance exercise that we require to complete each year, between April and October, for submission to the SHR. As part of the completion of our self-assessment, we identified and recorded the sources of assurance.

- 4.20 In line with previous years, in assessing materiality we have based this on the SHR's guidance which states that we should consider whether the issue could:
- Seriously affect the interests and safety of tenants, people who are homeless or other service users;
  - Threaten the stability, efficient running or viability of service delivery arrangements;
  - Bring the landlord into disrepute, or raise public or stakeholder concern about your organisation or the social housing sector; and
  - In the case of RSLs, put at risk the good governance and financial health of the organisation.
- 4.21 Our self-assessment is externally reviewed every three years. Last year it was reviewed externally by Campbell Tickell. This year it has been carried out by our Assurance Team. The Assurance Team has now completed their review and confirmed our assessment that we are materially compliant with the regulatory standards.
- 4.22 Tenant and resident safety has always been and will continue to be a key focus of our work. We have robust processes in place to support our approach to tenant and resident safety. This includes teams dedicated to building compliance, supported by a Health and Safety Team which provides support and guidance when required.
- 4.23 During the year, the Board received a report on building safety compliance at its meeting in March 2024 and reports on health and safety and fire prevention and mitigation at its meeting in May 2024.
- 4.24 Of particular note during 2023/24, there has been significant public scrutiny on the use of reinforced autoclaved aerated concrete (RAAC) in public buildings and social housing. We carried out a review of our properties and found that no RAAC is present. We have therefore included a statement confirming this in our AAS.

#### Social Housing Charter

- 4.25 The Charter, distinct from the Framework, contains a total of 16 outcomes and standards that social landlords should aim to achieve. As two of the standards only apply to Local Authorities, 14 apply to us. The Statutory Guidance in relation to the AAS requires us to also include a statement of compliance with the Charter.
- 4.26 The SHR sets a wide range of specific performance measures RSLs must collect as part of compliance with the standards in the charter. The measures form what we report to the SHR each year as part of the Annual Return on the Charter.
- 4.27 The Charter measures are augmented by the SHR prescribing a wide range of specific questions that RSLs must ask as part of their tenant satisfaction surveys relating to the Charter standards. We ask these as part of our satisfaction surveys.

- 4.28 We have in place a very robust approach to assurance and evidence of how we are performing relative to the charter through our core performance reporting framework.
- 4.29 There is a requirement to evidence renewal of Electrical Installation Condition Reports (“EICRs”) every 5 years. Reasonable efforts including making at least two appointments have been made to complete this work for all customers. Where, despite these efforts, access was not achieved the properties are reported as in abeyance in our Annual Return on the Charter.
- 4.30 In relation to the AAS, the SHR has advised that given the importance of tenant and resident safety, if all due EICRs have not been carried out at the point of submitting the AAS then this should be identified in the AAS, including the timeframe for completing all due EICRs. We have included a note to confirm that approximately 0.1% of properties are recorded as not having an up to date EICR. In all cases, reasonable attempts to obtain access had been unsuccessful and enforcement action is being pursued.

#### All relevant legislative duties

- 4.30 This requirement of the AAS is, by its nature, very wide-ranging. Our approach to compliance in this area is a combination of the legal framework for our activities and our internal policies, which give substance to the respective laws and regulations. Policies are reviewed by our specialist teams and, where appropriate, by external advisors. The legislative compliance mapping work being completed by the Assurance team has also provided us with additional assurance that we are clear on what our duties are.
- 4.31 We operate a 3 Lines of Defence Model that provides assurance to senior management and Board members about the operation of internal controls in place to confirm we are meeting our legal obligations.
- 4.32 Beyond our core 3 Lines of Defence Model, we are subject to external scrutiny for example through the annual external audit process in specific areas of legislation and spot inspections, such as HMRC. We have not had any instances where a judgement has gone against the Group that we are materially not meeting legislative duties.
- 4.33 Based on the above and our assessment of the evidence, we have prepared the following statement for approval by the Group Board. This is because the SHR requires a single statement covering all RSLs that are part of a Group-structure.

## **Wheatley Housing Group Limited: Annual Assurance Statement 2023/24**

As the parent in a Group structure, the Board confirms that we have appropriate assurance that all Registered Social Landlords (“RSL”) which are part of Wheatley Housing Group Limited (being Wheatley Housing Group Limited, Wheatley Homes Glasgow, Wheatley Homes East Limited, Wheatley Homes South Limited and Loretto Housing) materially comply with:

- All relevant regulatory requirements as set out in Section Three of the Regulatory Framework
- The Regulatory Standards of Governance and Financial Management
- The relevant standards and outcomes of the Scottish Social Housing Charter
- Our statutory obligations in respect of tenant and resident safety, housing and homelessness and equalities and human rights

We have gained this assurance following a review and assessment of the evidence provided at our Board meeting on [28 August 2024] and from our ongoing oversight and scrutiny of the Group’s affairs throughout the year 2023/24.

The Board has overseen the assurance exercise that supports this Statement and is satisfied that it is comprehensive in its scope to include each of the group members. The Boards of each of the subsidiaries are involved in the Group assurance exercise in so far as it relates to their RSL and have also, through their representation on the parent Board, contributed to the Group assurance review.

The Group Board confirms that we have made strong progress in relation to the collection of equalities information and human rights, as required by the Regulatory Framework. We are assured we have established appropriate systems for the collection of equalities data. We are assured that we have begun using this data to help us take account of equality and human rights issues in our decision, policy-making and day-to-day service delivery.

The Group Board also confirms compliance in relation to our tenant and safety obligations. In particular, we have gained the necessary evidence-based assurance of our compliance in respect of duties relating to gas, electrical, fire, water and lift safety and obligations relating to asbestos, and damp and mould. We have completed our assessment of the potential presence of Reinforced Autoclaved Aerated Concrete (RAAC) in our stock and confirm that none has been identified.

We recognise that we are required to notify the Scottish Housing Regulator of any changes in our compliance during the course of the year and are assured that we have effective arrangements in place to enable us to do so.

We are required to carry out Electrical Installation Condition Reports on our properties every 5 years. Approximately 0.1% of properties were recorded as not having an up-to-date EICR. In all cases reasonable attempts to obtain access have been unsuccessful and enforcement action is being pursued to ensure that all properties have a valid EICR for the year end 31 March 2025.

## Review of our Group policies and frameworks

- 4.34 During the last year we have carried out a comprehensive review of all our corporate and services policies and frameworks (excluding Human Resource policies which had already been reviewed separately). As part of this, we formally documented where we have made specific commitments and tested whether the commitments were still appropriate and how we could evidence we were delivering them.
- 4.35 We consolidated this into a central repository of each of the commitments made through our policies and the evidence/ assurance that we have arrangements to meet those commitments. In the vast majority of cases, we are meeting our commitments and have evidence to demonstrate how we are doing this.
- 4.36 In some instances, the commitments do not specify a timescale for being achieved and for those where we are not meeting such commitments as yet, we have documented the plans for how they will be achieved in future. Examples of this are where we indicate we will train staff and this takes some time to develop as part of the policy implementation.
- 4.37 For a number of policies it is proposed we adjust or clarify the wording as part of the next review stage. This is primarily where the wording is unnecessarily prescriptive e.g. 'all staff' when in practice it means appropriate staff or where our practice has evolved e.g. damp, mould and condensation. Updates to specific policies will be brought back to relevant Boards as appropriate over the next 12 months.
- 4.38 One change we have effected immediately however is to the Group Complaints Policy. The current policy states that we will acknowledge complaints within 48 hours and provide a written response within 5 working days. However, the majority of complaints are received via our Customer First Centre. Complaints are acknowledged by the call handler and wherever possible resolved for the customer during the call. As such, the policy requirement to respond to all stage 1 complaints in writing is not fully compatible with our service approach. As such, we recommend formally removing the requirement for all stage 1 complaints to be responded to in writing. All stage 1 responses will continue to be recorded on our system.
- 4.39 Where a customer is not satisfied with our response at stage 1 then they may escalate their complaint to stage 2 of our process. We will maintain our commitment to respond to stage 2 complaints in writing within 20 working days.

## **5. Customer engagement**

- 5.1 There have been no customer engagement implications related to this report. Our tenant Board member pathway programme is open to all tenants; however, we also directly approach those who are on our Customer Voices programme to seek applications. This is because our Customer Voices are those tenants who have already expressed an interest in engaging with us.

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

- 6.1 There are no environmental or sustainability implications related to the matters in this report.

## **7. Digital transformation alignment**

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

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

8.1 There are no direct financial or value for money implications arising from this report.

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

9.1 The SHR Regulatory Standards of Governance (Standard 6 (6.1) states that all RSLs:

*‘Formally and actively plans to ensure orderly succession to governing body places to maintain an appropriate and effective composition of governing body members and to ensure the sustainability of the governing body.*

9.2 The proposals within this report are consistent with this requirement.

9.3 In accordance with our Rules, we are required to hold an annual general meeting within six months of the end of each financial year of the Association and provide the Board with the Secretary’s report in advance of the AGM.

9.4 The property disposals outlined in this report comply the requirements of the SHR and with our own internal policy on Disposals and Acquisitions.

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

10.1 Our governance arrangements support delivery across each of our strategic themes. Across each of our strategic themes we have a broadly cautious or minimal approach to our legal and regulatory compliance. The matters and recommendations in this report are consistent with this approach.

10.2 We regularly report to the Board on governance-related matters and routinely review our records to ensure that our governance records remain up-to-date and accurate.

## **11. Equalities implications**

11.1 There are no equalities implications related to the matters in this report.

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

12.1 Our tenant pathway programme was a critical element of supporting our longer-term succession planning and ensuring we maintain a strong tenant voice on the Board. The two new appointments will bring and plans for an additional appointment in 2025 will support us in maintaining a strong tenant voice.

12.2 Our Annual Assurance Statement 2023/24 confirms that we are materially compliant with the SHR requirements and will be submitted for Group Board approval on 28 August 2024. Keeping our policies up to date and complying with our governance framework, such as the elements within this report, are core elements of maintaining our compliance.



### **13. Recommendations**

13.1 The Board is asked to:

- 1) Note the use of the Chair's urgent action to lease a property to SAMH;
- 2) Approve the proposed change to our Disposals and Acquisitions Policy;
- 3) Instruct the Secretary to call the Annual General Meeting for Friday 13 September at 10.00am;
- 4) Note the Secretary's Report under Rule 68;
- 5) Approve the appointments of Rhona Paterson and Mary-Ann Amiwero to the Board;
- 6) Approve the re-appointment of Councillor McLean for a further one-year term, subject to the approval by the Group Remuneration, Appointments, Appraisal and Governance Committee;
- 7) Note the outcome of our annual self-assessment against the SHR's Regulatory Framework and proposed Annual Assurance Statement for agreement by the Group Board; and
- 8) Note the update on our review of policies, including the amendment to our Group Complaints Policy.

LIST OF APPENDICES:

None