



## **WHEATLEY HOMES EAST BOARD MEETING**

**Tuesday 21 May 2024 at 2pm  
New Mart Road, Edinburgh**

### **AGENDA**

1. Apologies for absence
2. Declarations of interest
3. a) Minute of 28 March 2024 and matters arising  
b) Action list
4. Chair and Managing Director update

#### **Main business and approvals**

5. 2023/24 year-end performance and Annual Return on Charter
6. 2024/25 Delivery Plan and performance measures
7. [redacted]
8. Fire prevention and mitigation: year-end performance report
9. Health and Safety: year-end performance report
10. [redacted]

#### **Other business**

11. Finance report
12. Group Assurance update
13. Governance update (including acquisitions and disposals update)
14. AOCB

Date next meeting: 22 August 2024

## **Report**

**To:** Wheatley Homes East Board

**Report by:** Laura Henderson, Managing Director

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

**Subject:** 2023/24 year-end performance and Annual Return on the Charter

**Date of Meeting:** 21 May 2024

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### **1. Purpose**

- 1.1 This report presents year end performance for 2023/24, including:
- Draft Annual Return on Charter results for 2023/24 and seeks approval for submission to the Scottish Housing Regulator;
  - Non-Charter strategic results and performance measures; and
  - Delivery Plan strategic projects.

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

- 2.1 The Group Board agreed the 2023/24 programme of strategic projects and performance measures and targets in April 2023. This Board subsequently agreed our own specific measures and targets in May 2023.
- 2.2 Under our Terms of Reference, we are responsible for approving our Annual Return on the Charter for submission to the SHR. The figures reported for the Charter are subject to further validation and checks, including by the SHR.

### **3. Background**

- 3.1 We are responsible for meeting the standards and outcomes set out in the Scottish Social Housing Charter and are accountable to our tenants and customers for how well we do so. The Charter is part of the Scottish Housing Regulator's (SHR's) assessment of how these outcomes are being met. All RSLs and Local Authority housing services are required to complete the Charter indicators and submit these by 31 May each year. The SHR publishes results for all organisations at the end of August each year.
- 3.2 The SHR uses the Charter results to focus attention on important risks and key aspects of landlord performance. The outcomes apply to all social landlords, with the exception of those relating to Local Authorities for their homeless duties and to councils and registered social landlords that manage sites for Gypsies / Travellers.

- 3.3 There are 30 Charter measures, of which 7 have been collected and updated for our 2023/24 submissions through comprehensive customer satisfaction surveys (6 tenant indicators and 1 factored owner indicator).
- 3.4 To reflect our differing rent billing cycles, financial rent-based measures in Appendix 2 continue to report legacy properties as “WHE A” and former WLHP properties that transferred in August 2022 as “WHE B”. The main body of the report uses combined “WHE C” figures.

## 4. Discussion

- 4.1 This report outlines our performance against targets and strategic projects for 2023/24. Unless stated, measures are reported for the year. Draft Annual Charter return measures will firstly be discussed, followed by progress against other Board measures shown by strategic theme. Thereafter, an update will be provided on the year end position with strategic projects.

### Charter Returns

- 4.2 This section presents a summary of key draft Charter measures, highlighting where they are also a strategic result. A full set of draft Charter results against targets is provided in Appendix 1.

#### Tenant satisfaction

- 4.3 The Board discussed at its November meeting the results of our tenant satisfaction survey. The Board reflected that we have exceeded our strategic target to achieve 90% overall tenant satisfaction by 2025/26 with a current figure of 96%, which was underpinned by very high satisfaction levels across all areas including:

- 98% of tenants surveyed said we were good at keeping them informed about services and decisions;
- 99% were satisfied with the opportunities we provide to them to participate in our decision making processes;
- 95% were satisfied with quality of home; and
- 96% feel that the rent for their property represents good value for money.

#### Gross Rent Arrears

- 4.4 Our gross rent arrears for 2023/24 was 4.61%, slightly above our ambitious target but an improved position from last year. We continue to outperform the 6.9% Scottish average published by the Regulator for 2022/23.

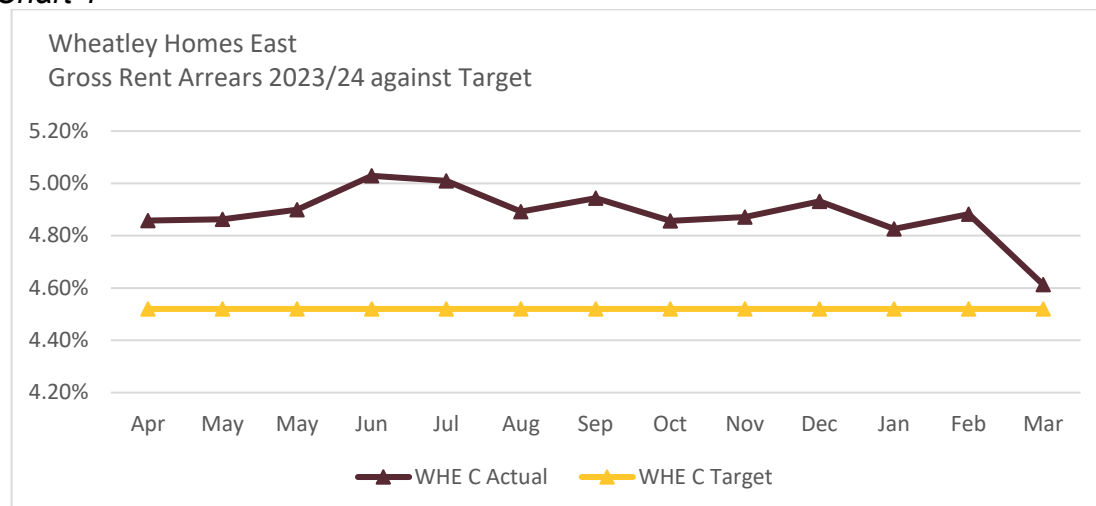
*Table 1*

Gross Rent Arrears (Charter)	2023/24 Results	2023/24 target	2022/23 Result
WHE A	4.48%	N/A	- 4.64%
WHE B	5.58%	N/A	- 4.59%
<b>WHE Combined</b>	<b>4.61%</b>	<b>4.52%</b>	<b>4.63%</b>

It should be noted that our GRA has been manually adjusted from a system figure of 4.68% to account for payments with effective dates during late March 2024 which were received after the Easter public holiday which fell at our year end.

- 4.5 The following chart shows the trend in our combined gross rent arrears against target throughout the year.

**Chart 1**



### Turnover

- 4.6 Our percentage of lettable homes that became vacant – known as turnover – is at 6.25% in 2023/24, better than our 7.3% target and last year's figure of 7.37%.

### Average Days to Re-Let

- 4.7 Our average days to re-let properties for 2023/24 was 13.93 days, well within the 16-day target and an improved position from the 18 days average last year. This is set within the context of the Scottish Housing Regulator publishing a sector average of 55.6 days for 2022/23.

**Table 2**



Average days to re-let (Charter)	2023/24	Target	2022/23
WHE	13.93	16	18.00

- 4.8 It should be noted that our performance in 2023/24 takes into account days lost to health and safety related meter issues where we consider the property unsafe/unfit to occupy. Without these days amended, our average days to re-let increases to 15.8. This is an area we expect the Regulator to revisit and formally clarify in the forthcoming 2024/25 Charter review.
- 4.9 We continue to liaise with power companies, in particular Scottish Power, to address existing barriers to energy supply and tampered meter resolution; therefore, ensuring our staff can turn around voids quickly and efficiently, ensuring we can allocate properties and support tenants in need of a home to move in at the earliest opportunity. We are also working to maximise the benefit of our new Utilita contract, which provides a void switching service and smart meter rollout.

## Tenancy Sustainment

- 4.10 Our tenancy sustainment improved this year with the Charter measure at 91.77% and the revised measure (excluding deaths and transfers to another home within the Group) at 94.52%.
- 4.11 As defined by the Regulator, Charter tenancy sustainment relates to new lets made in the previous year and requires these lets to be sustained for more than one year.



**Table 3**

RSL Tenancy Sustainment	Charter 2023/24	Target		Charter 2022/23	Revised 2023/24	Target		Revised 2022/23
WHE	91.77%	90%		91.23%	94.52%	91%		92.51%

## Repairs


- 4.12 The average time taken to complete emergency and non-emergency repairs for the full year is detailed in the table below. Our average length of time taken to complete both emergency and non-emergency repairs at 3.39 hours and 7.73 days, are outside the target times of three hours and seven days respectively. The non-emergency timescales have however reduced every month during 2023/24 from a high of 9.71 days average in April 2023.

**Table 4**

Average time to complete repairs (Charter)	Emergency (hours)		Non-emergency (days)	
	Target	2023/24	Target	2023/24
WHE	3.00	3.39 	7.00	7.73 


- 4.13 As the following table shows, our repairs right first time has remained high at 92.87%, a slight decrease compared to the prior year but still above target.

**Table 5**

Percentage of repairs completed right first time (Charter)	2022/23	2023/24	Target	
WHE	94.59%	92.87%	90%	

- 4.14 We achieved 96.77% customer satisfaction, a very high result better than the 90% target and an improvement on last year when 91.24%. This is based on 372 surveys completed in the year which is just under 6% of our occupied tenancies.

**Table 6**

RSL	2022/23	2023/24	Target	
WHE	91.24%	96.77%	90%	

## Gas Safety

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

## SHQS

- 4.16 Our Charter 2023/24 results for SHQS and EESSH are shown in the table below, alongside figures for the previous year.

Table 7

RSL	% of properties meeting the SHQS		% of properties meeting the EESSH	
	2022/23	2023/24	2022/23	2023/24
WHE	99.32%	99.52%	99.56%	99.68%

- 4.17 Properties which do not meet SHQS and/or EESSH can be either because they fail the criteria or are subject to exemption or abeyance. We have 23 properties that fail under SHQS including 21 that do not meet EESSH. This is because works are required to heating systems that we have not yet been able to carry out due to access issues.

Exemptions and Abeyances for SHQS and EESSH are detailed below:

Table 8


RSL	SHQS Exemption 2023/24	SHQS Abeyance 2023/24	% of total stock with Exemption or Abeyance 2023/24	EESSH Exemption 2023/24	% of total stock with EESSH Exemption 2023/24
WHE	0	8	0.12%	0	0.00%

- 4.18 Of the 8 properties in Abeyance, one property is where we have had a refusal by the tenant for a kitchen upgrade and seven properties where we have been unable to gain access, following multiple visits, to carry out electrical fixed installation testing.

## Medical Adaptations

- 4.19 During 2023/24, we have completed 226 medical adaptations, only one less than we completed in 2022/23. We improved our average time to complete adaptations at 13.66 days compared to 14.31 days last year. The table below shows the number of households waiting, completions and the average time to complete adaptations.

Table 9

Medical Adaptations	Households Waiting 22/23	Households Waiting 23/24	Number Completed	Average Days to Complete	Target
WHE	9	0	226	13.66	25 

## Other measures

- 4.20 Lowther Homes undertook a baseline owner satisfaction survey during the year and considered in detail at its recent strategy workshop how it responds to the findings. It is a technical requirement of the ARC that because we remain the legal factor the results of the survey require to be included in our return and they are therefore included within Appendix 1.

## Summary Charter Performance

- 4.21 Within the context of a challenging, ever evolving environment we have achieved 17 of 24 targeted measures (71%), a breakdown is provided in Appendix 1.

## Other Key Performance Measures





- 4.22 The following section presents draft year-end performance against non-Charter strategic and compliance measures by strategic theme. The dashboard for Board level measures is shown at **Appendix 2**.

## **Delivering Exceptional Customer Experience**

### Customer First Centre

- 4.23 CFC is firmly established as a core part of our operating model, with the key measure for the CFC recognised as the recently introduced CSAT score. Our overall CFC CSAT score for WHE is 4.2 at the end of 2023/24, remaining static from quarter 3. For March alone, this had improved to 4.6/5. It is important to note that this performance was achieved during a period when we delivered the largest technology change in the CFC in a decade, ahead of schedule and with no disruption to service. The wider year-end results to the end of March - presented in the table below – show the CFC met one of four key targeted measures for 2023/24.

*Table 10*





Measure	2022/23	2023/24		
	Value	Value	Target	Status
CFC SCAT	NEW	4.2	4.5/5	
WHE - % calls answered <30 seconds (Grade of Service)	77.43%	66.78%	Contextual	
WHE - Average waiting time (seconds)	43.76	57.98	Contextual	
WHE - Call abandonment rate	4.21%	5.32%	5%	
Group - % first contact resolution at CFC (Customer Service Advisors)	88.99%	86.41%	90%	
Group – Percentage of CFC customer interactions that are passed to Housing and Lowther staff for resolution	6.15%	6.92%	<10%	

- 4.24 The CFC aim is to provide quality solutions for our customers, negating the need for them to call again or for enquiries to have to be dealt with elsewhere. We are mindful that a balance has to be struck between our ability to provide a first contact resolution through an appropriate length of call and the time customers are waiting for their call to be answered.
- 4.25 For 2023/24, 66.8% of our customers waited less than 30 seconds to have their call answered (Grade of Service) and the average wait time was only 58 seconds. Overall, the call abandonment rate for our customers is off target at 5.32%.
- 4.26 Our CFC Customer Service Advisors (“CSAs”) resolved 86.41% of Group-wide calls handled at first contact, a reduction from the 90% last year. In addition, the CFC continue to support Housing and Lowther staff with only 6.92% of customer interactions passed to them for resolution, better than the 10% target.

### Complaints Handling

- 4.27 Our complaints handling timescale performance has continued to improve over 2023/24 as shown in the table below. Our Stage 1 complaints continue to be responded to in less than 4 days on average, now at only 3.79 days, while Stage 2 complaints take over 1 day less on average than last year at 16.70 days. Both achieved the respective targets.

**Table 11**

Charter - average time for a full response to complaints (working days)				
Subsidiary	2022/23		2023/24	
	Stage 1	Stage 2	Stage 1 (5-day target)	Stage 2 (20-day target)
WHE	3.89 	18.27 	3.79 	16.70 

- 4.28 Our full complaints Charter measures are included alongside other Charter measures in Appendix 1.
- 4.29 In addition to the Charter measures, we also report SPSO measures. The key complaints performance measures to the end of 2023/24 for SPSO are summarised below, with Stage 1 and escalated complaints improving since last year. While Stage 2 has reduced to 80% from 100% in 2022/23, it is based on only 10 complaints in 2023/24. Further detail on SPSO measures is included in Appendix 3, alongside a Charter complaints summary.

**Table 12**

SPSO Indicator 2 - number and % of complaints at each stage that were fully closed within timescales of 5 and 20 working days			
Subsidiary	Stage 1 - responded to within 5 working days	Stage 2 - responded to within 20 working days	Escalated complaints - responded to within 20 working days
WHE	95.70%	80.00%	100.00%



- 4.30 This strong performance in complaint handling – across both Charter and SPSO measures – is despite an increase in the volume of complaints. Our contact with the SPSO confirms that most organisations within their remit have seen a similar trend of increasing complaints. Housemark – the UK benchmarking body – has also recently reported a significant increase has been recorded in 2023/24.
- 4.31 Repairs, as our highest volume service, continues to result in the most complaints (46%). Last year we carried out almost 32,000 reactive repairs, however complaints amount to only 0.78% of the volume of repairs. We continue to improve our repairs service and our investment planning. Complaints analysis is informing this wider customer insight driven approach to service delivery.
- 4.32 An immediate focus during 2023/24 has been to improve the customer experience and quality of responses for stage 2 complaints. The success of this is shown by the fact that none of the complaints taken to the SPSO from WHE progressed to full investigation. This demonstrates the effectiveness of our continued focus on improved stage 2 responses. This action will support further improvements in Charter and SPSO measures in the future.



## Making the Most of Our Homes and Assets

### New Build Programme

- 4.33 We completed a total of 197 handovers within the financial year against a business plan target of 204. We handed over 168 social homes against a target of 156 and handed over 29 MMR homes against a target of 48. This included the successful handovers as identified below.

*Table 13*

Sites	Handovers 23/24	Target 23/24	Diff.
<b>WHE</b>	<b>197</b>	<b>204</b>	<b>-7</b>
The Wisp Phase 3C (Social)	12	35	-23
Roslin Ph1 (Social)	12	12	0
Roslin Ph 2 (Social)	6	0	6
Roslin Ph 2 (MMR)	14	0	14
Penicuik (Social)	35	35	0
Wallyford Area 7 (MMR)	15	15	0
Wallyford Area 7 (Social)	33	33	0
Raw Holdings (Social)	34	38	-4
Macmerry (Social)	36	36	0

- 4.34 As our commitment to progressing our new build pipeline and regeneration work progresses, prominent updates are summarised below:
- Funding approval received for 243 homes in 2023/24, comprised Blindwells (23 units), Dalhousie South Phase 1 (30 units), Deans South Phase 1B (46 units), Doctor's Field Rosewell (25 units), Sibbalds Brae (29 units) and Wallyford 5 (90 units).; and
  - Site start was achieved for 283 units at Deans South Phase 1B, St Crispin's, Sibbalds Brae, Winchburgh BB, Doctor's Field Rosewell and Wallyford 5.

## Investment in Improvement, Modernising and Maintaining Homes

- 4.35 This year we have completed a smaller number of investment projects than previous years modernising bathrooms and kitchens in customers' homes. We have made good progress with retrofitting pre-1919 properties with 25 complete to date. Actual capital core programme total spend for WHE was on budget at £7m.
- 4.36 When considering repairs spend, total investment in improving, modernising and maintaining homes is even higher.

## Volume of Emergency Repairs

- 4.37 Our Strategic aim is to reduce the volume of emergency repairs by 10% by 2026, based on 2022/23 as the baseline year. We completed 0.07% fewer emergency repairs in 2023/24 than the previous year as shown in the table below.

**Table 14**

Area	Completed Emergency Repairs		
	2022/23	2023/24	Variance to 2022/23
WHE	8,944	8,938	-0.07%

## Rate It

- 4.38 Our 'Book It, Track It, Rate It' app aims to improve visibility and communication during the repair journey. The Rate It element was launched on the 7 June, providing an opportunity for customer feedback on repair appointments.
- 4.39 For the year following launch, the 'Rate It' score is 4.3/5 (from 3,761 customer responses, representing 16.72% of feedback links shared with customers).

## Responsive repairs: Damp and mould

- 4.40 We continue to monitor repairs related to mould, with updates provided to help facilitate greater scrutiny over these types of repairs. The CFC are now raising every job related to damp, mould, condensation or rot as a mould line.
- 4.41 Since introducing our refreshed process and implementing system recording enhancements during 2023/24, to the 31 March 2024 75.1% of mould inspections in our tenants' homes were attended within 2 working days and 90.34% completed in 15 days. Through our new reporting, we'll monitor the reasons inspections are taking place out with 2 working days, we will categorise which were due to no access, customer choice or lack of appointment availability and where it is within our control, take steps to address this.
- 4.42 In 11.5% of inspections no mould was found. Where mould was present, 65.9% were categorised as mild and 34.1% moderate. There were no severe cases.
- 4.43 Mild cases reflect a small area of mould spores, such as around a window ledge or bath, and require a fungicidal wash down and decoration (completed in one appointment). Moderate cases cover a larger physical area and therefore a longer appointment to complete (albeit still completed in one appointment). Severe cases reflect more extensive mould with an underlying issue which will require more than one appointment or a more structural fix following the treatment of the mould.



## Changing Lives and Communities

### Peaceful Neighbourhoods

- 4.44 The Group five-year strategic target is that 70% or more of our Group tenancies should be classified as “Peaceful” by 2026. Peaceful communities are defined as communities where customer reported incidents of anti-social behaviour to Police Scotland are reducing. The proven most effective way to achieve this target is by reducing the incidence of customer reported anti-social behaviour by our customers to Police Scotland.
- 4.45 As the table below shows, the Group achieved the 2023/24 strategic objective of 76.16% of tenancies classified as ‘Peaceful’, an increase from 68.50% from last year.

*Table 15*

Percentage of Wheatley Group tenancies classified as (year to date average):	2022/23	2023/24	
	Percentage	Number	Percentage
<b>Safe</b>	11.6%	3,559	5.98%
<b>Calm</b>	19.9%	9,706	17.83%
<b>Peaceful</b>	68.5%	47,956	76.16%

- 4.46 Overall, the number of Anti Social Behaviour (“ASB”) incidents reported in the Charter return increased slightly from 891 last year to 908 this year, with 100% resolved.
- 4.47 During 2023/2024 we reviewed our approach towards safer communities, including the:
- Review of our ASB Framework;
  - Creation of RSL specific ASB and Neighbourhood Management Policies;
  - Introduction of our new improved ASB recording system, Safer Communities Antisocial Behaviour Intervention and Prevention Officers and CIP Police Officers are now aligned to a geographical area; and
  - Enhanced ASB training for frontline housing officers, shaped by staff feedback.

### Accidental Dwelling Fires

- 4.48 We have had 9 accidental dwelling fires in 203/24, the same as the previous financial year. The profile of the 9 fires during 2023/24 is set out in the table below.

*Table 16*

Number of recorded accidental dwelling fires	2023/24			
	Q1	Q2	Q3	Q4
WHE	2	2	2	3

- 4.49 As of the end of March 2024, 120 accidental dwelling fires have been recorded across the Group RSLs against the upper limit for this year of 200 to be on-track to achieve the strategic result. During the first three years of the strategy period accidental dwelling fires have reduced by 44%.

#### Reducing Homelessness

- 4.50 We made 274 lets to homeless applicants in 2023/24. We provided 59.13% of relevant lets to homeless applicants (this non-Charter measure excludes lets such as mutual exchanges and LivingWell where we have limited control on the source of tenancy).

**Table 17**

RSL	2023/24 Number of lets to homeless applicants (ARC)	% relevant lets made to homeless applicants	2022/23 Number of lets to homeless applicants (ARC)
WHE	274	59.13%	314

#### Jobs and Opportunities

- 4.51 Foundation programmes focus on supporting our customers and those in our communities, accessing jobs, training, and apprenticeship opportunities, support vulnerable children, and alleviate poverty. Overall, we have exceeded the 2023/24 targets for all three foundation measures.
- 4.52 The Group Welfare Benefits Advice and Fuel Advice service also supported over 13,000 group customers this year with an overall financial gain of around £14m.

**Table 18**

Strategic Results	2023/24 Target	Year-end performance 2023/24	
4,000 jobs, training and apprenticeship opportunities delivered for customers and communities	39 – WHE	220 – WHE	■
10,000 vulnerable children benefit from targeted Foundation programmes in Wheatley communities	53 – WHE	124 – WHE	■
20,000 Wheatley Customers accessing services which help alleviate poverty in Wheatley communities	1012 – WHE	1257 – WHE	■



### **Developing our Shared Capability**

#### Sickness Absence

- 4.53 We lost 3.50% of working time due to staff sickness in the year 2023/24, above our target of 3% albeit a slight improvement from 3.53% reported at the end of 2022/23. This figure includes Care staff whose target is 5%. For 2024/25 this will now be reported separately

Table 19

Sickness Rate	Target	2023/24	2022/23
WHE	3%	3.50% 	3.53% 

- 4.54 Minor Illness was the dominant reason for absence in Q4, accounting for 53% of total absence during this period.
- 4.55 Assistance for staff members experiencing issues and managers supporting staff members was provided in Q4 via a variety of new workshops including Supporting Staff Through Bereavement, Financial Wellbeing and Stress & Anxiety workshops.
- 4.56 These workshops will run throughout 2024 and will complement existing support services for stress and anxiety offered through our Employee Assistance Provider, our bespoke counselling services and through e-learning modules.



## Summary of Strategic Project Delivery

- 4.57 The full list of our strategic projects is attached to this report as Appendix 4. Five projects completed during quarter 4 of 2022/23:
- Repairs technical enhancement programme;
  - My Voice – real time customer feedback reporting;
  - Migration to new cloud telephony platform;
  - Implement Group sustainability framework; and
  - Develop a new, integrated Neighbourhood Planning Approach.
- 4.58 While most of our strategic projects have now concluded, one did not fully conclude within the anticipated milestones. More information on this project can be found below:
- **Interest cover covenant revision** - EIB credit approval now in place. Legal documentation now underway (estimated completion end-May 2024).

## 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 One of our strategic projects for 2023/24 focused on the implementation of the Group sustainability framework. This included a refined sustainability performance framework and delivery plan which is overseen by the Wheatley Solutions Board.

## **7. Digital transformation alignment**

- 7.1 Our strategy is underpinned by digital transformation. The strategic projects for 2023/24 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.

## **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 Despite an ever-evolving landscape, we continue to perform strongly in a wide range of areas, including relative to wider sector benchmarking. This includes areas such as overall tenant satisfaction, keeping tenants informed, satisfaction with opportunities provided to participate, quality of home and the landlord's contribution to the management of the neighbourhood, views that rent represents value for money, SHQS, gas safety checks, turnover, average days to re-let, tenancy sustainment, time to complete medical adaptations, time to respond to complaints and sickness absence.
- 12.2 Areas we continue to focus on improving include emergency and non-emergency repairs timescales, void loss rent, the percentage of complaints responded to in full at stage 2 and factored owner satisfaction.

### **13. Recommendations**

The Board is asked to:

- 1) Approve the draft Annual Return on the Charter results for submission to the Scottish Housing Regulator;
- 2) Delegate authority to the Group Managing Director of RSLs or any member of the Group Executive Team to make any non-material updates to finalise the results before submission; and
- 3) Note the outturn year-end performance against non-Charter measures and strategic projects.

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

Appendix 1 – Draft Annual Return on the Charter Results Matrix 2023-24  
Appendix 2 – Board Measures Dashboard 2023-24  
Appendix 3 – Complaints SPSO and ARC - Q4 2023-24  
Appendix 4 – Strategic Projects Dashboard 2023-24

	Appendix 1		Wheatley Homes East				SHR Scottish Average
	Charter Indicators		2022/23 Results	2023/24 Draft Results	2023/24 Target		2022/23
	Annual survey questions - results pre 2023/24 are from 2019/20.						
01	Percentage of annual tenants satisfied with the overall service		96.02%	95.58%	>90%		86.70%
02	Percentage of annual tenants who feel their landlord is good at keeping them informed about their services and decisions		95.03%	98.07%	90%		89.70%
03a	Percentage of complaints responded to in full at Stage 1		94.78%	96.04%	95%		95.30%
03b	Percentage of complaints responded to in full at Stage 2		84.48%	89.02%	100%		92.50%
04a	Average time in working days for a full response at Stage 1		3.89	3.79	5		5.80
04b	Average time in working days for a full response at Stage 2		18.27	16.70	20		19.30
05	Percentage of annual tenants satisfied with the opportunities given to them to participate in their landlord's decision making processes		93.64%	99.45%	90%		85.90%
06	Percentage of stock meeting the Scottish Housing Quality Standard (SHQS)		99.32%	99.52%	100%		79.00%
07	Percentage of annual existing tenants satisfied with the quality of their home		95.42%	95.03%	>90%		84.20%
08	Average time to complete emergency repairs (hours)		3.13	3.39	3		4.20
09	Average time to complete non-emergency repairs (working days)		6.93	7.73	7.0		8.70
10	Percentage of reactive repairs completed right first time		94.59%	92.87%	90%		87.80%
11	Number of times in the reporting year that you did not meet your statutory obligation to complete a gas safety check within 12 months of a gas appliance being fitted or its last check.		0	0	0		N/A
12	Percentage of tenants satisfied with repairs or maintenance carried out in last 12 months		91.24%	96.77%	90%		88.00%
13	Percentage of annual tenants satisfied with the landlord's contribution to the management of the neighbourhood they live in		88.62%	93.09%	90%		84.30%
14	Percentage of tenancy offers refused during the year		9.57%	8.35%	Contextual		30.90%
15	Percentage of anti-social behaviour cases reported in the last year which were resolved		100%	100%	98%		94.20%
16	Percentage of new tenancies sustained for more than a year - overall		91.23%	91.77%	90%		91.20%
17	Percentage of lettable houses that became vacant		7.37%	6.25%	7.3%		7.40%
18	Percentage of rent due lost through properties being empty		1.03%	1.02%	0.6%		1.40%
19	Number of households currently waiting for adaptations to their home		9	0	Contextual		N/A
20	Total cost of adaptations completed in the year by source of funding (£)		£256,632	£227,837	Contextual		N/A
21	Average time to complete approved applications for medical adaptations (calendar days)		14.31	13.66	25		46.80
22	Percentage of court actions initiated which resulted in eviction - overall		26.32%	52.63%	Contextual		17.20%
23a	Percentage of referrals under Section 5, and other referrals for homeless households made by the local authority, that resulted in an offer		68.23%	59.81%	Contextual		37.80%
23b	Percentage of offers made to LA Section 5 and other referrals for homeless households that result in a let		92.24%	109.60%	Contextual		82.50%
25	Percentage of annual tenants who feel that the rent for their property represents good value for money		87.65%	95.86%	85%		81.80%
26	Rent collected as % of total rent due		98.55%	98.77%	Contextual		99.00%
27	Gross rent arrears (%)		4.63%	4.61%	4.52%		6.90%
28	Average annual management fee per factored property.		£201.76	£215.89	Contextual		£107.59
29	Percentage of annual owners satisfied with the factoring service		86.67%	48.09%	60%		61.80%
30	Average length of time taken to re-let properties (calendar days)		18.00	13.93	16.00		55.60
















## Appendix 2 - WHE Board - Delivery Plan 23/24 - Strategic Measures







### 1. Delivering Exceptional Customer Experience

Measure	2022/23	2023/24		
	Value	Value	Target	Status
Average time for full response to all complaints (working days) - overall	5.29	5.28	Contextual	
Average time for full response to all complaints (working days) - Stage 1	3.89	3.98	5	✓
Average time for full response to all complaints (working days) - Stage 2	18.27	16.47	20	✓
CFC CSAT	NEW	4.2/5	4.5/5	⚠
Group - % of first contact resolution at CFC	88.99%	86.41%	90%	⚠
Group - Call abandonment rate	4.72%	5.45%	5%	⚠
WHE - Call abandonment rate	4.21%	5.32%	5%	⚠
Group - Percentage of CFC customer interactions that are passed to Housing and Lowther staff for resolution	6.15%	6.92%	10%	✓
Group - % calls answered <30 seconds (Grade of Service)	76.79%	69.35%	Contextual	
WHE - % calls answered <30 seconds (Grade of Service)	77.43%	66.78%	Contextual	
Group - Average waiting time (seconds)	57.64	59.33	Contextual	
WHE - Average waiting time (seconds)	43.76	57.98	Contextual	
% new tenancies sustained for more than a year - overall	91.23%	91.77%	90%	✓


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

Measure	2022/23	2023/24		
	Value	Value	Target	Status
Reduce the volume of emergency repairs by 10% by 2025/26 (target -3.34% for 2023/24)	Apr to Mar 22/23 – 8,944	8,938	-0.07%	
Average time taken to complete emergency repairs (hours) – make safe	3.13	3.39	3	
Average time taken to complete non-emergency repairs (working days)	6.93	7.73	7	
% reactive repairs completed right first time	94.59%	92.87%	90%	
Number of gas safety checks not met	0	0	0	
% of tenants who have had repairs or maintenance carried out in last 12 months satisfied with the R&M service	91.24%	96.77%	90%	
Average time to complete approved applications for medical adaptations (calendar days)	14.31	13.66	25	
% Planned repair spending	50.1%	39.1%	60%	
% Reactive repair spending	49.9%	60.9%	40%	
New build completions - Social Housing	251	168	156	
New build completions - Mid-market	32	29	48	
Number of HSE or LA environmental team interventions	0	0	0	
Group - Number of open employee liability claims	13	13	Contextual	
Group - Number of days lost due to work related accidents	464	649	Contextual	
Number of new employee liability claims received	1	0	0	




### 3. Changing Lives and Communities

	2022/23	2023/24		
Measure				
	Value	Value	Target	Status
% ASB resolved	100%	100%	98%	
% Lets Homeless Applicants (ARC)	47.79%	50.74%	Contextual	
% Relevant lets to Homeless Applicants	58.62%	59.13%	Contextual	
Number of lets to homeless applicants (10,000 for Group by 2025/26)	314	274	Contextual	
Total number of jobs, training places or apprenticeships created including Wheatley Pledge	137	220	39	
Group - % of our customers live in neighbourhoods categorised as peaceful	68.50%	76.16%	69%	
Group - 100% of relevant properties have a current fire risk assessment in place	100%	100%	100%	
Group - The percentage of non-relevant properties that have a current fire risk assessment in place	100%	100%	100%	
Number of accidental fires in workplace	0	0	0	
Number of accidental dwelling fires recorded by Scottish Fire and Rescue	9	9	Contextual	





### 4. Developing Our Shared Capacity







	2022/23	2023/24		
Measure				
	Value	Value	Target	Status
Sickness Rate	3.53%	3.50%	3%	




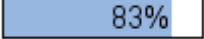
## 5. Enabling Our Ambitions

	2022/23	2023/24		
Measure				
	Value	Value	Target	Status
% lettable houses that became vacant	7.37%	6.25%	7.3%	
% court actions initiated which resulted in eviction - overall	26.32%	52.63%	Contextual	
Average time to re-let properties	18.00	13.93	16	
WHE C - Gross rent arrears (all tenants) as a % of rent due	4.63%	4.61%	4.52%	
WHE A - Gross rent arrears (all tenants) as a % of rent due	4.64%	4.48%	Contextual	
WHE B - Gross rent arrears (all tenants) as a % of rent due	4.59%	5.58%	Contextual	

## Appendix 2 - WHE Board - Delivery Plan 23/24 - Strategic Projects

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
Repairs technical enhancement programme (b)	31-Mar-2024			01. Programme of research and engagement with customers on online repairs service to further refine functionality and usability	30-Sep-2023	Yes	DRS updates now implemented in both CBG and WHE. This project is now complete.
				02. CBG IT integration – Boxi reporting system implementation	31-Oct-2023	Yes	
				03. WHS DRS upgrade	31-Oct-2023	Yes	
				04. CBG DRS upgrade	31-Oct-2023	Yes	
				05. Servitor and DRS fully implemented in WHE	31-Mar-2024	Yes	
Group wide implementation of Roll out Book it, Track it, Rate it (b)	31-Aug-2023			01. Pilot commencement in Wheatley Homes East	30-Apr-2023	Yes	Project complete as previously reported
				02. Pilot finalised in with City Building delivered repairs	31-May-2023	Yes	
				03. Pilot commencement in Wheatley Homes South	31-May-2023	Yes	
				04. Pilot evaluation, including customer feedback, and agreement to go live - City Building	30-Jun-2023	Yes	
				05. Pilot evaluation, including customer feedback, and agreement to go live - Wheatley Homes East	31-Jul-2023	Yes	

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
				06. Pilot evaluation, including customer feedback, and agreement to go live - Wheatley Homes South	31-Aug-2023	Yes	
My Voice – real time customer feedback reporting (b)	31-Mar-2024			01. MY Voice CFC pilot concluded	30-Apr-2023	Yes	All milestones now met - this project is now concluded
				02. CFC customer insight operational framework implemented	31-May-2023	Yes	
				03. Implementation plan for key service pillars developed and approved by ET	31-May-2023	Yes	
				04. On-board key service pillars to MY Voice customer insight platform	30-Nov-2023	Yes	
				05. Implement operational frameworks	31-Mar-2024	Yes	
Migration to new cloud telephony platform (b)	31-Mar-2024			01. Group Board approval of contract award	30-Apr-2023	Yes	Project now complete
				02. Vendor Contract Award	31-May-2023	Yes	
				03. Full project delivery plan developed and commenced	31-Jul-2023	Yes	
				04. Phase 1 launch	31-Dec-2023	Yes	
				05. Phase 2 launch	31-Mar-2024	Yes	
Implement Group sustainability framework (b)	31-Dec-2023			01. Sustainability delivery workshop with nominated group leads	30-Apr-2023	Yes	Group Board agreed to remove the final milestone from this project (Annual sustainability progress report via PNAG to Group Board). As a result, this
				02. Refine sustainability performance monitoring framework	31-May-2023	Yes	

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
				03. Develop sustainability delivery plan	30-Jun-2023	Yes	project has now completed.
				04. Quarterly sustainability updates to ET	30-Jun-2023	Yes	
Develop a new, integrated Neighbourhood Planning Approach (b)	28-Feb-2024			01. Deliver workshop with key people involved in Neighbourhood tools and scoring mechanisms to map out roles and remit	31-May-2023	Yes	All RSL Boards presented with neighbourhood approach at February Boards. Final milestone completed.
				02. Develop a technical guidance document around application of tools and the scoring mechanisms within the neighbourhood assessment	30-Jun-2023	Yes	
				03. Trial and test the neighbourhood assessment, including customer engagement, in one neighbourhood within WHG	31-Jul-2023	Yes	
				04. Based on the neighbourhood assessment, propose an example neighbourhood plan	30-Sep-2023	Yes	
				05. Provide worked example to WHG Board to review and agree as a model going forward	30-Sep-2023	Yes	
				06. Draft Neighbourhood approach for wider group to RSL Boards	28-Feb-2024	Yes	
Interest cover covenant revision (b)	30-Sep-2023			01. Formal request to all lenders	30-Apr-2023	Yes	EIB credit approval now in place. Legal

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
				02. Negotiating phase complete	31-May-2023	Yes	documentation now underway (estimated completion end-May 2024)
				03. Final agreed outcome & credit process at each lender - with update to June Board	30-Jun-2023	Yes	
				04. Approval from bank and legals	30-Jun-2023	Yes	
				05. Group and subsidiary Board approvals	31-Aug-2023	Yes	
				06. Revision complete	30-Sep-2023	No	







## Appendix 3 – Q4 2023/24 - ARC and SPSO measures


- 1.1 This appendix provides ARC and SPSO measures for Q4 2023/34.
- 1.2 For Group RSLs, ARC measures include complaints received from all customers who receive a service provided by the Group RSL or on their behalf. This includes factoring services delivered by Lowther Homes on behalf of WHE.
- 1.3 For Group RSLs, SPSO measures include all complaints relating to the RSL, irrespective of the source of the complaint.

### Charter (ARC) Measures

- 1.4 ARC measures are reported to SHR for each Registered Social Landlord (RSLs) in the Group. Performance is for all RSL customers, including those factored owners who receive a service from Lowther Homes on behalf of WHE.
- 1.5 The table below outlines the average time for a full response (working days) for Stage 1 and Stage 2 complaints. All targets are being met for this measure. This is a significant improvement from 2022/23.







Charter - average time for a full response to complaints (working days)				
Subsidiary	2022/23		2023/24	
	Stage 1	Stage 2	Stage 1 (5-day target)	Stage 2 (20-day target)
WHE	3.89 	18.27 	3.79 	16.70 

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

Charter - average time for a full response to complaints (working days)		
Subsidiary	2022/23 - Target 6 days	2023/24 - Not Targeted
WHE	5.29 	*5.29

\*Not targeted for this measure

- 1.7 The additional ARC complaints measures – The percentage of all complaints responded to in full at Stage 1, Stage 2 and overall – are calculated at year end and the results for 2023/24 are displayed below. This simply shows the number that were still in the process of being responded to at the end of the year (i.e., they came in during March and were still within timescale rolling over into April).

Charter – percentage of complaints responded to in full				
Subsidiary	2022/23		2023/24	
	Stage 1	Stage 2	Stage 1 (95% target)	Stage 2 (100% target)
WHE	94.78% 	84.48% 	96.04% 	89.02% 
Charter – percentage of complaints responded to in full				
Subsidiary	2022/23 - Target 96%		2023/24 - Target 96%	
WHE	93.67% 		95.17% 	

## SPSO Measures

- 1.8 We are required to record our performance against the SPSO indicators and report these to the board and senior managers. On request the SPSO can ask that we provide them with details of our complaint handling performance in line with their indicators.
- 1.9 For Group RSLs, SPSO measures include all complaints relating to the RSL, irrespective of the source of the complaint.
- 1.10 Stages of complaints are defined as:
- *Stage 1 complaints* – are first time reports of dissatisfaction with services.
  - *Stage 2 complaints* – directly received as Stage 2, i.e. not escalated from Stage 1. This can be cases which are considered a risk to reputation or requires investigation due to the number of issues raised that could not have been reasonably resolved at Stage 1 as part of a frontline resolution.
  - *Escalated complaints* – complaints that were received into the organisation at Stage 1 and later escalated to Stage 2.
- 1.11 A summary of the year-to date figures for each of the indicators are included below.

### Indicator 1 - total number of complaints received.

- 1.12 Complaints numbers have increased from 2022/23. At the end of Q4 2023/24 WHE had received 571 Stage 1 and nine Stage 2 complaints. In the year-to-date, compared to the same period in 2022/23, complaints numbers for WHG have increased by around 25%.

SPSO Indicator 1 - total number of complaints received		
Subsidiary	Stage 1 (this includes escalated complaints as they were first received at Stage 1)	Stage 2 (directly received as Stage 2, i.e. not escalated from Stage 1)
WHE	571	9

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

SPSO Indicator 2 - number and % of complaints at each stage that were fully closed within timescales of 5 and 20 working days –2023/24			
Subsidiary	Stage 1 - responded to within 5 working days	Stage 2 - responded to within 20 working days	Escalated complaints - responded to within 20 working days
WHE	95.70%	80.00%	100.00%

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

SPSO Indicator 3 - the average time in working days for a full response to the complaints at each stage –2023/24			
Subsidiary	Stage 1 - responded to within 5 working days	Stage 2 - average time in working days to respond to complaint	Escalated complaints - Average time to respond to complaints after escalation from Stage 1 to Stage 2
WHE	3.79	18.30	16.44

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

SPSO Indicator 4 - the outcome of complaints as a % of overall complaints				
Subsidiary	Stage 1 - upheld	Stage 1 - partially upheld	Stage 1 - not upheld	Stage 1 - resolved
WHE	34.23%	10.57%	28.49%	26.70%
	Stage 2 - upheld	Stage 2 - partially upheld	Stage 2 - not upheld	Stage 2 - resolved
WHE	20.00%	40.00%	40.00%	0.00%
	Escalated complaints - upheld	Escalated complaints - partially upheld	Escalated complaints - not upheld	Escalated complaints - resolved
WHE	34.92%	20.63%	42.86%	1.59%

## Report

**To:** Wheatley Homes East Board

**By:** Laura Henderson, Managing Director

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

**Subject:** 2024/25 Delivery Plan and performance measures

**Date of Meeting:** 21 May 2024

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### 1. Purpose

- 1.1 This report provides:
- An overview of the strategic projects contained within the Delivery Plan 2023/24;
  - Our specific 2024/25 strategic projects and associated milestones for consideration and approval; and
  - Our specific key performance and targets 2022/23 for consideration and approval.

### 2. Authorising and strategic context

- 2.1 The Group Board approved the overarching structure for the implementation of our strategy via our Group Performance Management Framework (“PMF”) at its meeting in June 2021. The Group Board agreed the programme of strategic projects and performance measures and targets for 2024/25 in April 2024.
- 2.2 Under its Terms of Reference this Board is responsible for approving its targets and for monitoring performance against agreed targets.
- 2.3 We last approved our strategic projects and measures and targets in May 2023 and approved our own renewed strategy in August 2023.

### 3. Background

- 3.1 As part of agreeing the original PMF in June 2021 the Board recognised that the strategic projects, strategic measures and targets would evolve throughout the life of our strategy as we refreshed and renewed it.
- 3.2 As such, strategic projects and our measures and targets are subject to annual review to take into account what has been delivered to date, our business operating context and the external operating environment.
- 3.3 For the same reasons, we also review and update our 5-year strategy each year. As part of this process, each partner Board within the Group considers its 5-year strategy and what refinements are appropriate within this context.

## 4. Discussion

### Strategic and business context

- 4.1 The Board reflected on the changes in our operating environment during the May 2023 strategy workshop and when subsequently approving our renewed strategy in August 2023. This included the much-changed economic operating environment and customer priorities since the original version of our strategy was approved and implemented in 2021.
- 4.2 This impacted several areas of our strategy and our plans between now and 2026, including keeping the right balance between rent increases, the delivery of repairs, maintenance and capital investment in existing homes and our continued focus on delivering value for money within our operating model.
- 4.3 Over the last twelve months, in particular, our strategic and business context has continued to evolve, including:
- Consumer Price Index inflation rates fell from over 10% to under 3.5% while inflation in areas of large spending for us such as repairs and maintenance and construction did not fall at a corresponding rate;
  - Further increases in the Bank of England Interest rates to over 5% for the first time in over 15 years;
  - A significant reduction in the Scottish Government budget for the Affordable Housing Supply Programme;
  - The Scottish Government's consultation for the Social Housing Net Zero Standard to replace the requirement for existing homes to reach EESSH2 was published, however with no certainty on how achieving it will be funded;
  - The City of Edinburgh Council declared a Housing Emergency in recognition of acute challenges in homelessness and supply;
  - High demand for repairs persisted for all RSLs across the Group, a situation mirrored across the wider UK sector; and
  - The implications of the Cost of Living (Tenant) Protection (Scotland) Act 2022 for our rent setting across all tenures.
- 4.4 Our achievements over the last 12 months represented another significant step towards delivering the key elements of our five-year strategy as we concluded Year 3. We delivered or commenced a wide number of major strategic projects and activities linked to key themes and targets within our strategy, including:
- Independent tenant satisfaction surveys with us **already achieving 90%+**;
  - **Successfully migrated to a cloud telephony platform** within our CFC **ahead of schedule and on budget**. The platform has enhanced our ability to communicate with tenants in responding to events such as severe weather, increased our business continuity and resilience and provides the potential for major service refinements;
  - **Continued to refine our repairs service**, including introducing better customer insight and scrutiny through implementing the Book It, Track It, Rate It real-time customer feedback and a Group Scrutiny Panel thematic review, and better technology by introducing the Servitor platform;

- **Significantly expanding the level of real-time customer feedback** through our My Voice and Localz platforms to provide instant customer satisfaction ratings within the CFC, NETs and Allocations and repairs. As a Group, these tools have enabled the collection of over 40,000 feedback responses during 2023/24 which are now regularly reviewed by frontline teams and managers to drive continuous improvement in service delivery;
  - **Developed a new, integrated Neighbourhood management approach** to allow us to get even closer to our communities; and
  - Continued to lead the way nationally in alleviating homelessness, exceeding our Group target by **providing homes to 2000+ homeless households**.
- 4.5 Reflecting on the achievements over the last 12 months, in terms of delivering the key priorities of our five-year strategy we are well placed as we conclude year three and enter the penultimate year of our strategy. We have delivered or significantly progressed the majority of the major elements of our strategy such as our Stronger Voices, Stronger Communities Engagement Framework, ensuring strong strategic partnerships through Homes for West Lothian and Edinburgh Affordable Housing Partnership, well-advanced homelessness and sustainability strategic frameworks in place, and significant investment in our technology platforms.
- 4.6 As we and our partner Boards across the Group hold strategy workshops in May and June, we will each will reflect on progress to date and the key priorities for the remainder of our individual strategies. The proposed priorities for 2024/25 are set out in further detail below; this includes proposals for those strategic projects that will be included in the quarterly performance paper strategic project dashboards.

#### Delivery Plan 2024/25

- 4.7 As we build the progress over the first three years of the strategy, with many key priorities well advanced or already delivered, the focus for the year ahead is on the areas that will enable us to complete the delivery of our strategy over the next two years.
- 4.8 The proposed Delivery Plan strategic projects focus on three key themes:
- **Delivering excellent, personalised services** – through customer insight and enhancing our understanding of customer needs continuing to reshape how we deliver services to make them even more customer-driven and personal and enable us to achieve our tenant satisfaction strategic targets;
  - **Investing and regenerating our neighbourhoods and communities** – a continued focus on regenerating, building and maintaining the visual appearance of new and sustainable communities, working in partnership with key partners.
  - **Data, automation and self-service** – exploring, enabling and improving our use of new and emerging technology and data to transform how we deliver services, enhance our business efficiency, upskill our staff and, in turn, improve our customer and staff experience;

- 4.9 For completeness, the full list of proposed projects and milestones across Group is set out in **Appendix 1**. For each project, we have also included the specific elements of the strategy that the projects will support or enable the delivery of. There is also one stand-alone project included, a review of defined benefit contribution schemes, based on the pension strategy being a matter reserved to the Group Board.
- 4.10 As with previous years we have identified projects where there are external interdependencies that mean the delivery of those projects is not entirely within our control. A more detailed update on each of the three streams is set out below.

#### Delivering excellent, personalised services

- 4.11 A key priority in our strategy is the delivery of excellent services with an overarching objective of sustaining our 90+% tenant satisfaction. An important element of how we sustain this is ensuring that our services are personalised to the needs of our customers and driven by engagement with and feedback from our customers.
- 4.12 The first project in this area is focused on defining and agreeing our approach to vulnerability and personalised services. This will focus on developing **a strategy which sets out the type of information we will seek to collect and importantly how we will use it to deliver increasingly personalised services**. For example, what information would a CFC agent or repairs operative benefit from having at their fingertips to deliver a more personalised service.
- 4.13 We will engage customers as part of this process to understand the type of information they would feel comfortable with us holding, the types of information they expect us to know and critically how they would expect us to use it to deliver personalised services.
- 4.14 Following our satisfaction surveys and the expansion of real-time feedback in 2023/24 we will **continue to expand our focus on how customer insight drives our services**. This will include, in collaboration with customers, customer journey mapping. We will identify the areas for customer journey mapping based on analysis of our complaints, My Voice and key satisfaction drivers identified in our satisfaction surveys.

#### Investing and regenerating our neighbourhoods and communities

- 4.15 Building new homes and continuing to invest in the homes of existing customers are central elements in our strategy. Delivering new homes, making our neighbourhoods places where our customers feel safe and secure and live in desirable and peaceful communities, and making our properties energy efficient remain key elements of our strategy.
- 4.16 At the Group Board workshop earlier this year the principles for our future Group asset strategy was agreed, with a focus on how we continue to invest in existing tenant's homes. Our Board will have similar discussions at our strategy workshops and the strategic project sets out the milestones for **the development of an asset strategy**.

## Data, automation and self-service

- 4.17 Since we commenced our strategy in 2021 the importance of data alongside the capability automation has increased significantly. The collection and analysis of the right data is also increasingly recognised as an essential element of understanding the experience of customers. The right data is also an essential enabler to being able to take advantage of the capability of AI and automation.
- 4.18 The projects in this stream will focus on **harnessing the potential of our data and automation to redesign our approach to a core business area**, building compliance, **carefully exploring the potential of AI** and automation to deliver increased productivity and enhancing services, and ensuring that **our staff are appropriately skilled for and benefit** from better data and automation.
- 4.19 The first proposed project will see the Group explore these capabilities in three areas. The options for these three areas will be assessed based on criteria such as where there is currently a high level of manual activity e.g. invoice processing, areas where actionable customer insight could be extracted e.g. complaints, where there are large data sets e.g. physical assets, or where we currently have a high level of expenditure e.g. repairs. We will inform this decision and it is anticipated the areas selected could positively impact us as a business and/or our customers' experience.
- 4.20 As part of this, we will agree on measures of success that will be monitored throughout the project. Any future investment will require to be supported by a business case which clearly sets out and quantifies the predicted benefits. For example, we could deliver efficiencies that allow money to be reinvested in our communities or customer feedback indicates that it would enhance service delivery.
- 4.21 Our compliance obligations and the associated delivery programme have significantly expanded in recent years and the timing is appropriate to undertake a review of our approach. Distinct from the pilot areas proposed in the project above, this is an area where we have ongoing legal obligations and as such needs a dedicated focus.
- 4.22 The nature of the programme involves a high degree of scheduling, both appointments and trade capacity, managing customer communications, the flow of data from external contractors and a need to have data in a reportable format. Whilst we have managed our programme very well, the nature of the programme means **there is significant potential to use our data and to manage our compliance differently**.
- 4.23 Our Group-wide focus in 2023/24 was to go live with our CFC cloud telephony platform and ensure that it was operationally effective and resilient for the core activity of handling customer calls. For 2024/25, having achieved this stability, we now plan to **explore how we can leverage the capabilities of our cloud telephony platform to deliver a better, more efficient service**.



- 4.24 As well as drawing on the platform's capability to smartly automate the routing of calls based on the caller's geographic location we will harness the opportunities of automation and AI in areas such as call transcription. This will create the potential to undertake analysis of calls significantly beyond what is viable through call listening and support quality assurance by, for example, identifying calls with trigger words, such as damp and mould, where we want to target quality checks. There is also potential to automate elements of our call handling, such as security checks, and basic enquiries such as when is my repair appointment.
- 4.25 In order for us to realise the potential of data and automation we know that our staff need to be appropriately skilled and engaged. Staff engagement, skills and culture are an essential element of becoming a data-enabled organisation.
- 4.26 In recognition of this, a specific project will focus on how we engage and upskill our staff to support building a culture where staff understand and value the importance of data.

#### Measures and Targets 2024/25

- 4.27 When initially agreeing measures and targets in June 2021, it was recognised these would be subject to ongoing review as well as formal review annually. Despite the continuing business and strategic change during 2023/24, we have once again made significant progress in this period and remain on track to deliver the vast majority of key outcomes and performance measures in our strategy.
- 4.28 Particular highlights include:
- Providing homes to homeless households, contributing **around 900 to the over 7,000 during the first three years** of the strategy. Our contribution will be pivotal in the overall Group target of providing a home to 10,000 homeless people or households by 2026;
  - **Exceeding 90% tenancy sustainment**, demonstrating the success of our wraparound services and contribution to national targets to end homelessness and rough sleeping;
  - **Efficiently managing properties** which became empty, making these available for those waiting on a home, and also minimising void loss, with days to let performance further improving in year three; and
  - **On track to reduce the number of accidental dwelling fires by 10%**, being significantly under our upper limit profile in years one, two and now three to be in a position to achieve this, and potentially to far exceed it by 2025/26.
- 4.29 The list of proposed measures and targets to be reported to the Board quarterly and bi-annually from Year 4 of the strategy, 2024/25, is set out in **Appendix 2**.

- 4.30 It should be noted that this appendix does not include the annual measures e.g. customer satisfaction measures as our ongoing quarterly reports focus on measures which are measured on an ongoing basis. Our annual measures are drawn directly from our strategy and any updates are agreed as part of the annual strategy review as they necessitate a strategy update. It is also noted that it no longer includes several core financial measures which are covered in our financial reporting.
- 4.31 All other proposed changes are captured in **Appendix 2**, with the key updates summarised below:
- **New build:** Targets are currently based on the Business Plan, as per the 5-year plans approved at our last Board meeting. We delivered over 400 new homes in the first two years of the strategy and have delivered a further 197 this year. Our updated targets are for a further 360 in year 4 and 428 in year 5, which would bring our total to over 1,350 new homes during our strategy period;
  - **Replacement sustainability measures:** It is proposed that we replace now out-of-date measures, such as those linked to the former ESSH2, with those being consulted by the Scottish Government in its proposed Social Housing Net Zero Standard (albeit subject to ongoing review) *Fabric efficiency, measured in kWh/m2/year and 'clean' low-carbon heating*. We will use 2024/25 as a baseline year with targets to be agreed thereafter;
  - **Customer First Centre ("CFC"):** We propose a relatively small number of measures to capture and explain performance across the CFC. Customer satisfaction with the CFC (known as CFC CSAT) would remain the key measure, ensuring we place our customers' voices at the heart of performance management. It provides a much greater level of insight into customer perception of the service and inherently reflects all aspects of the experience such as time to answer and the call handler. We would also maintain Board visibility over how well the CFC delivers as part of our wider operating model through the % of contacts resolved within the CFC. Finally, we will report the abandonment rate and a revised abandonment rate, that accounts for our continuing 30s grade of service. Other measures such as grade of service would continue to be monitored operationally;
  - **Average non-emergency repairs timescales:** We remain committed to working towards a 7-day average by the final year of our strategy. To support incremental change, it is proposed we set a target of 7.5 days average during 2024/25 and a **supplementary target** of achieving a 7-day in-month average by March 2025;
  - **Damp, mould and rot:** Reporting will move to contextual for the key measures, however be supported by a much greater degree of supporting analysis. For appointments out with 2 working days we will categorise which were due to no access, customer choice or lack of appointment availability. For repairs not completed within 15 working days, we will provide categories of all cases out with e.g. by timescale and type such as major repair or investment required. It should be noted that whilst repairs may not be completed within 15 working days we would still expect in the vast majority of cases that any mould in the property has been treated. A more detailed update on the future damp, mould and rot reporting will also be included in the Quarter one performance report;

- **ASB resolved:** To reflect the importance of neighbourhoods to our customers, and supported by our new ASB framework, an increase to 100% (from 98%) is proposed for the % of ASB cases resolved;
- **Peaceful neighbourhoods:** While the methodology for this measure is fixed, given it is sourced from Police Scotland, it is proposed that based on our strong performance to date we increase the target to (from 70%) 75% for 2024/25 and 80% for 2025/26;
- **Environmental services:** Formalise inclusion of the NETs MyVoice measure into the PMF, with a target CSAT score of 4.3 / 5. This is currently based on ad-hoc services and will be expanded to close cleaning during 2024/25; and
- **Building compliance:** We have increased the number of building compliance measures that will be reported to the Board every quarter including legionella testing programme progress, EICR testing compliance and fire safety system servicing.

## 5. Customer Engagement

- 5.1 Our Delivery Plan reflects our strong focus on our customers influencing and co-creating with us. Customer engagement is embedded as specific milestones of strategic projects which will directly impact the way we deliver services or the way they can be drawn down by customers.
- 5.2 Newly established real-time customer satisfaction-based measures, and independent customer satisfaction surveys, also reflect the importance of customer feedback driving how we measure the quality of a service and inform future service improvement.

## 6. Environmental and sustainability implications

- 6.1 One of our strategic projects for 2023/24 focused on the implementation of the Group sustainability framework. The sustainability performance framework is now being updated to better reflect the change of priorities, focused on the SHNZS consultation.

## 7. Digital transformation alignment

- 7.1 Our strategy is underpinned by digital transformation. The strategic projects for 2024/25 have once again been fully reviewed to ensure we have the appropriate technical and resource capacity alongside our Digital Programme.

## 8. Financial and value for money implications

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

## 9. Legal, regulatory and charitable implications

- 9.1 There are no specific legal or regulatory implications however we continue to collect all measures required for the Annual Return on the Charter.

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

- 10.1 We do not have a single risk appetite in respect of strategy. Our risk appetite seeks to take into account a range of factors which may impact the delivery of our strategy.
- 10.2 In considering our Group Delivery Plan and KPIs for 2024/25 we have considered the continued level of uncertainty associated with the continuing impact of the pandemic and the current operating context of the Group.
- 10.3 Our strategy is highly ambitious and contains a high degree of interdependencies. The proposed approach seeks to mitigate the risk that the complexity associated with the level of interdependencies is not managed through a structured approach.

## **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 made significant progress over the first three years of our strategy and are well-placed to deliver the key elements by 2026. The proposed strategic projects focus on enabling us to sustain customer satisfaction measures, having a well-defined strategic approach to asset management and neighbourhoods that allows us to invest in tenants' homes and make our neighbourhoods great places to live, and enhancing our use of data and automation to deliver productivity and service enhancements.
- 12.2 The projects will leave us well placed as we enter into the final year of our strategy and begin to set a path for areas of strategic focus such as AI and personalised services which will straddle into our next five-year strategy. The progress to date during the first three years of our strategy and pathway to achieving our key objectives by 2026 will be a focus at the Board strategy workshop.
- 12.2 Our measures and targets have been informed by our performance in 2023/24 and where appropriate wider sector analysis. We will continue to focus on delivering operational excellence to provide us with a foundation for investing in and achieving high customer satisfaction levels.

### **13. Recommendations**

- 13.1 The Board is asked to:
- 1) Provide feedback on the proposed strategic projects to be included in quarterly performance paper strategic project dashboards; and
  - 2) Approve the proposed measures and corresponding targets for 2024/25

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

Appendix 1: Strategic Projects 2024/25

Appendix 2: Strategic Results and KPIs with associated targets for years 4

Project	Milestones	Milestone dates	Strategy deliverable (s) supported
<b>Theme - Delivering excellent, personalised services</b>			
<b>Defining and agreeing our approach to vulnerability and personalised services</b> (propose included in quarterly strategic project performance reports)	Vulnerability strategy and plan developed	30/06/24	<ul style="list-style-type: none"> <li>Our ambition is for an increasingly tailored service that meets the particular needs and expectations of different customer groups</li> <li>Ensure <b>no one is left behind</b> and our services are appropriately tailored to meet the specific needs of particular customer groups.</li> <li>Our staff will continue to deliver highly personal services</li> <li>By 2026 our approach to delivering reactive repairs will be tailored by and for our different customer segments</li> </ul>
	Customer engagement concluded	31/08/24	
	Board approval of strategy and implementation plan	30/09/24	
	Implementation plan commenced	31/10/24	
	Update to Board on implementation	31/03/25	
	Review and refine plan phase 2	31/03/25	
<b>Customer insight driven services</b> (propose included in quarterly strategic project performance reports)	Agree the top 3 priority areas for customer journey mapping based on analysis of customer insight on key satisfaction drivers	31/05/24	<ul style="list-style-type: none"> <li>Overall customer satisfaction is above 90%</li> <li>Better understand where we can improve or tailor our services and ensure they are customer insight and priority driven</li> <li>Enabling customers to have more control over their service journey and the organisational policies and priorities</li> </ul>
	Agree our pulse and thematic survey programme	31/05/24	
	Undertake customer journey mapping, including through direct engagement with customers	31/08/24	
	The Executive Team agree service, process and technology changes required to improve the customer journey and respond to the pulse survey findings	30/09/24	
[redacted]			
<b>Theme - Investing and regenerating our neighbourhoods and communities</b>			
<b>Asset strategy</b> (propose included in quarterly strategic project performance reports)	Asset strategy featured as a key theme in Group partner Board strategy workshops	31/05/24	<ul style="list-style-type: none"> <li>Investing in existing homes and environments</li> <li>Invest £390 million for improving and modernising homes across the Group</li> <li>Investment will be designed to help <b>reduce running costs</b> in the home wherever possible</li> <li>Targeted investment to deal with more systemic causes of damp and mould.</li> <li>Develop an archetype-based approach to investment planning and prioritisation focusing on what most benefits our tenants</li> </ul>
	Customer and staff engagement session	31/05/24	
	Internal review and sign-off	31/05/24	
	Group Board approval of Group Asset Management Strategy	30/06/24	
	Group partner asset management plans approved	30/09/24	
	Staff launch of group asset management strategy and group partner asset management plans	31/10/24	
	Agreed approach through strategy informs 2025 investment plans	28/02/25	
<b>Wyndford regeneration</b> (External interdependency)	Contractor Procurement completion	30/12/24	<ul style="list-style-type: none"> <li>Increasing the supply of new homes</li> </ul>
	Land Transfer completion	31/03/25	
	Planning Application Submission	31/03/25	
<b>Lochside regeneration</b> (External interdependency)	Masterplan Phasing & Capacities Agreed	31/05/24	<ul style="list-style-type: none"> <li>Invest £740m of new public and private finance in new build housing</li> </ul>
	PPIP Submission	31/08/24	
	Contractor Procurement Complete	30/01/25	
	Land Transfer Max High Completion	31/03/25	
<b>Work with our Transforming Communities: Glasgow partner to develop a renewed strategy</b>  (Wheatley Homes Glasgow Board)	TC:G Board strategy workshop to consider key strategic priorities	30/08/24	<ul style="list-style-type: none"> <li>Replacement of unpopular poorer quality homes with new, high quality, energy-efficient homes</li> </ul>
	TC:G strategy refreshed to reflect feedback from Board strategy workshop	31/12/24	
	TC:G Board agree updated strategy	28/02/25	

<i>(External interdependency)</i>			▪Enhancing our regeneration outcomes to be about more than bricks and mortar
	WHG Board updated on key strategic priorities for 2024/25	31/03/25	
<b>Review of charging - district heating and heat with rent schemes</b>	Review of existing policy and approach	31/05/24	▪ Tackling fuel poverty and mitigating long-term increases in energy costs for our customers continues to be a strategic driver  ▪ RSL tenant satisfaction with value for money increased to 85%
	Proposed update(s) to policy and approach reviewed and agreed by the Executive Team	14/06/24	
	Group Board consider and approve updated district heating charging arrangements	30/06/24	
	Customer engagement and communication on updates to charging arrangements	30/08/24	
Theme - AI, data and automation			
<b>Automation &amp; Artificial Intelligence - pilot to explore the potential for productivity gains and service enhancements through MS Co-Pilot and automation</b>	Three priority areas for automation/use of AI (MS Co-Pilot) agreed and associated measures of success identified	31/05/24	▪ We will invest in technologies to <b>optimise automation</b> , standardise core processing and drive efficiency in key areas  ▪ We will exploit technological innovations to enhance the efficiency and convenience of our investment and maintenance services  ▪ Achieve management costs per unit that remain in the lowest quartile
	Deployment plan developed and commenced for each priority area	31/07/24	
	Deployment plan progress update to the Group Executive team	30/12/24	
	Pilot evaluation and lessons learned review completed and recommendations, including a business case if appropriate, presented to the Executive team	31/03/24	
<b>Develop a data driven approach to managing and monitoring building compliance</b> <i>(propose included in quarterly strategic project performance reports)</i>	Review our existing compliance cycles, data management, integration and management information arrangements	31/07/24	▪ Data and information will play an increasingly important role in enabling the delivery of all aspects of our services  ▪ We will become <b>experts in managing and exploiting our data</b> and information  ▪ We will exploit technological innovations to enhance the efficiency and convenience of our investment and maintenance services  ▪ Become digitally enabled and helping create the conditions to deliver our challenging efficiency targets.
	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.	31/10/24	
	Undertake a gap analysis and options appraisal including costs and benefits of the change between current arrangement and desired future model	30/11/24	
	Develop detailed implementation proposal and plan and update Executive Team including on timescales and anticipated benefits	31/12/24	
<b>Improving and evolving our multi-channel customer first centre</b> <i>(propose included in quarterly strategic project performance reports)</i>	Customer Engagement on service improvement opportunities via the Stronger Voices team	30/06/24	▪ Customer Satisfaction with the Customer First Centre is 90%  ▪ Overall customer satisfaction is above 90%  ▪ As we evolve the CFC, we will increasingly focus on the use of data, system automation and intelligent, personalised and tailored services  ▪ Achieve management costs per unit that remain in the lowest quartile
	Agree approach and workplan for geographical subsidiary service delivery	31/07/24	
	Pilot customer call transcription and automated quality assurance	31/10/24	
	Scope and develop an approach for automation of identification and verification (IDV)	31/12/24	
	Year 1 update to the Executive team including customer feedback and Year 2 enhancement plan	28/02/25	
<b>Develop data-enabled organisational capability, leadership and culture</b> <i>(Wheatley Solutions Board)</i>	Establish staff Communities of Practice across the Group to increase organisational engagement	31/05/24	▪ Our staff will be skilled in deriving insight from data  ▪ We will become <b>experts in managing and exploiting our data</b> and information  ▪ Through improved <b>analytics capabilities</b> , including new skills in data science and interpretation, we will create dynamic and real-time reporting environments  ▪ Learning programmes will be designed and targeted to equip staff with the specific skill sets they need  ▪ Explore opportunities to measure the progress in our <b>digital maturity</b>
	Develop a staff communication and engagement plan promoting the value of data	31/07/24	
	Develop a tailored suite of training for staff who engage with data, tailored to their organisational role, including a bespoke programme for Senior leaders	30/08/24	
	Undertake a baseline staff data awareness and capability survey	30/10/24	
	Annual review of the Group Data strategy undertaken and updates considered, including a business case as appropriate, and agreed by the Group Executive team	31/03/25	

Appendix 1 Group Board Strategic Projects 2024/25

			<ul style="list-style-type: none"><li>▪ By 2026 mature data intelligence will support us to deliver services in the right places, to the right people at the right time.</li></ul>
<b>Improving the employee experience through self-service</b>  <i>(Wheatley Solutions Board)</i>	Staff self-service enhancements - managing annual leave and personal details via a mobile device/laptop	30/09/24	<ul style="list-style-type: none"><li>▪ Transition our staff make to self-managed services based on offerings that fundamentally <b>improve services beyond that which is possible in an off-line environment</b>.</li><li>▪ Achieve management costs per unit that remain in the lowest quartile</li><li>▪ We will create dynamic and real-time reporting environments</li></ul>
	Manager self-service enhancements - Managers will have access to new, automated reports and monitoring dashboards for staff absence	30/11/24	
	System integration - automated information integration on new starts, movers and leavers to other systems that use people data	30/11/24	
	Staff-self service enhancements - Staff will be able to process expenses and overtime claims digitally via the CIPHR platform	28/02/25	
Other			
<b>Review of Defined Contribution Pension Schemes</b>	Review and benchmarking of current schemes	31/08/24	<ul style="list-style-type: none"><li>▪ Recruit and retain talented staff by offering competitive terms and conditions</li><li>▪ Staff turnover remains at less than 7%</li></ul>
	Develop proposals and proposed implementation approach	31/10/24	
	Executive Team review and agreement of recommended approach	30/11/24	
	Recommendations agreed by the Group Board as part of the approval of refreshed Group pensions strategy	31/12/24	



## WHE Board Strategic Results and KPIs 2024 to 2026

Proposed Changes from 2024/25 detailed under 'Update' and relevant change shown in **red text**



### 1. Delivering Exceptional Customer Experience

Indicators	Update	Year 4 (2024/25)	Year 5 (2025/26)
<b>"Rate it" score from the book it, track it, rate it repairs approach</b>	Target proposed as a CSAT score of 4.5/5, rather than +10% improvement	4.5/5	Baseline + 10% improvement 4.5/5
Percentage of tenants who sustain their tenancies for more than 12 months (ARC)	No change	90%	90%
New - Percentage of tenants who sustain their tenancies for more than 12 months - revised	Formalising as part of the PMF	91%	91%
New - Percentage of tenants who sustain their tenancies for more than 12 months (ARC) - homeless	Formalising as part of the PMF	Contextual	Contextual
<b>Customer satisfaction with the CFC is 90% - CFC CSAT</b>	No change	4.5/5 (90%)	4.5/5 (90%)
% of contacts to CFC resolved within CFC	New	93%	95%
CFC call abandonment rate	Year 5 target proposed as being updated to <4%	5%	<del>5%</del> <4%
Revised call abandonment rate - those waited over 30secs and abandoned	New	4%	3%
Average number of working days to respond to stage 1 complaints (ARC)	No change	5	5
Average number of working days to respond to stage 2 complaints (ARC)	No change	20	20
Average number of working days to respond to all complaints – Stage 1 and 2 (ARC)	No change	Contextual	Contextual
Percentage of stage 1 complaints responded to within 5 working days (SPSO)	No change	95%	95%

Indicators	Update	Year 4 (2024/25)	Year 5 (2025/26)
Percentage of stage 2 complaints (direct to stage 2) responded to within 20 working days (SPSO)	No change	100%	100%
Percentage of escalated complaints (from stage 1 to stage 2) responded to within 20 working days (SPSO)	No change	100%	100%
Stage 2 repair complaints as a percentage of Stage 1 repair complaints	No change	Contextual	Contextual
<b>Satisfaction with the process of getting my new home is improved to 90% by 10% - Allocations CSAT</b>	Proposed change from 10% improvement to 4.5 / 5 (90%)	4.5 (90%)	<del>Improved by 10%</del> 4.5 (90%)

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

Existing Indicators	Update	Year 4 (2024/25)	Year 5 (2025/26)
<b>Achieve 95% customer satisfaction with their new build home</b>	Methodology to be developed, and baseline established, during 2024/25	Baseline established	95%
<b>Group - Develop <del>4,000</del> 3,200 new homes across all tenures</b>	<p>Targets updated to reflect delivery in Years 1-3 and the revised 5-year development programme agreed by the Board in February 2024.</p> <p>Based on the business plan, our anticipated total is over 1,350 during the strategy period, and the anticipated Group total is 3,168.</p> <p>The strategic targets shall be updated as part of the 2024 strategy refresh process.</p>	WHE – <del>444</del> 360 (199 SR and 161 MMR)	WHE – <del>522</del> 428 (328 SR and 100 MMR)
		Group - 772 (Includes 65 market acquisitions)	Group - 996 (Includes 19 units at Duke Street)
New - % of our stock meeting the lower limit targets in the SG consultation for Fabric efficiency, measured in kWh/m2/year	This is a new measure based on SHNZS consultation and as such will be subject to review. It is however included to provide the Board with visibility.	Baseline established	
New - % of our stock meeting the 'clean' low-carbon heating target in the SG consultation	This is a new measure based on SHNZS consultation and as such will be subject to review. It is however included to provide the Board with visibility.	Baseline established	
<b>Reduce the volume of emergency repairs by 10%</b>	No change	3.5% (cumulative 6.5%)	3.5% (cumulative 10%)
<b>Percentage of customers who have had repairs or maintenance carried out in last 12 months satisfied with the repairs and maintenance service (ARC)</b>	No change	90%	90%
<b>Percentage of reactive repairs carried out in last year completed right first time (ARC)</b>	No change	90%	90%

Existing Indicators	Update	Year 4 (2024/25)	Year 5 (2025/26)
Average length of time taken to complete emergency repairs (ARC)	No change	3	3
Average length of time taken to complete non-emergency repairs (ARC)	Target proposed as 7.5 days for Y4, with supplementary target for in-month to be 7 days by P13/March 2025	<del>7</del> 7.5	7
% of damp, mould <b>and rot</b> cases attended within 2 working days	This has changed to a contextual measure and will be supported with additional information on the reasons why any are out with 2 working days e.g. customer choice, a no access or no available appointment	Contextual	Contextual
% of damp, mould <b>and rot</b> cases resolved within 15 days	This has changed to a contextual measure and will be supported with additional information on the reasons why any are out with 15 working days e.g. customer choice, a no access, no available appointment, major repair required or investment required e.g. a roof repair/renewal	Contextual	Contextual
Number of times during the reporting year we did not meet our statutory obligations to complete a gas safety check within 12 months of a gas appliance being fitted or its last check (ARC)	No change	0	0
The average time to complete medical adaptations (ARC)	To note this is contingent on the availability of funding to undertake the work	25	25
No of households waiting for adaptations to their home (ARC)	No change	Contextual	Contextual
Number of RIDDOR reported	Proposed change to contextual	Contextual	Contextual
Number of Health and Safety Executive or local authority environmental team interventions	No change	0	0

Existing Indicators	Update	Year 4 (2024/25)	Year 5 (2025/26)
Number of new employee liability claims received	No change	Contextual	Contextual
Group - Number of open employee liability claims	No change	Contextual	Contextual
Number of days lost due to work related accidents	No change	Contextual	Contextual
Number of accidental fires in workplace.	No change	0	0
New - Legionella - percentage of applicable properties with a valid risk assessment in place	Formalising as part of the PMF, to provide additional assurance	100%	100%
New -% of electrical installation inspections completed and number due to be completed	Formalising as part of the PMF, to provide additional assurance	100%	100%
New -% of properties with an EICR certificate up to 5 years old	Formalising as part of the PMF, to provide additional assurance	100%	100%
New - % of applicable fire safety systems with a valid annual servicing in place (Fire Safety - Sprinkler Systems, Emergency Lighting and Fire Suppression Systems)	Proposed additional reporting to provide additional assurance	100%	100%

### 3. Changing Lives and Communities

Indicators	Update	Year 4 (2024/25)	Year 5 (2025/26)
Percentage of lets to homeless applicants (ARC)	No change	Contextual	Contextual
Percentage of relevant lets to homeless applicants	No change	Contextual	Contextual
Group - House an estimated 10,000 homeless people or households over 5 years	No change	Group - 2,000	Group - 2,000 (total >10,000)
Group - Over 70% of our customers live in neighbourhoods categorised as peaceful	While the methodology for this measure is fixed, given it is sourced from Police Scotland, it is proposed that we change the strategic target to 80%, with 75% in year 4.	<del>69.5%</del> 75%	<del>&gt;70%</del> 80%
Group - Reduce the number of accidental dwelling fires by 10%	No change	8% reduction from baseline figure (Upper limit: 195)	10% reduction from baseline figure (Upper limit: 193)
100% of applicable properties have a fire risk assessment (HMOs)	No change	100%	100%
>10,000 vulnerable children benefitting from targeted Foundation programmes	Proposed change to Y4-5 targets to reflect current funding. The Group strategic target remains on track, with an end of strategy forecast of >11,000. Our annual target is proposed as 75 and our strategic target increased to 1,300.	WHE – 75	WHE – 75
		Group – <del>4,200</del> 1,000	Group – <del>4,200</del> 1,000
>20,000 Wheatley customers accessing services which help alleviate poverty	Our own target is now shown	WHE – 1080	WHE – 1080
		Group – 9,000	Group – 9,000
4,000 jobs and training and apprenticeship opportunities delivered	Our own annual targets are proposed to change to 90 and our strategic target increased to 620.	WHE – 90	WHE – 90
		Group – 800	Group – 800

Indicators	Update	Year 4 (2024/25)	Year 5 (2025/26)
New – Group – 75% of jobs, training places or apprenticeships created which are secured by our customers	Formalising as part of the PMF	75%	75%
Achieve 85% satisfaction with Wheatley Environmental Services	MyVoice CSAT for ad-hoc services was launched during 2023/24. During 2024/25, MyVoice will also be launched for Close Cleaning. Target proposed as a MyVoice CSAT score of 4.3 / 5	<del>Target to be agreed following baseline</del> 4.3 / 5	4.3 / 5 (85%)
% ASB cases resolved (ARC)	Proposed change of target from 98% to 100%	<del>98%</del> 100%	<del>98%</del> 100%
New – Group – Reduce the number of repeat complaints of ASB by 20%	Formalising as part of the PMF this existing commitment in the ASB Framework.  Baseline year is 2022/23, when there were 985 repeat addresses.	15% cumulative reduction (Upper limit 766)	20% cumulative reduction (Upper limit 721)

4. Developing Our Shared Capacity

Indicators	Update	Year 4 (2024/25)	Year 5 (2025/26)
Staff absence is maintained at 3%	No change	3.0%	3.0%

5. Enabling Our Ambitions

Existing Indicators	Update	Year 4 (2024/25)	Year 5 (2025/26)
<b>Group – Reduce gross rent arrears to <del>4.5%</del> 5% (ARC)</b> <b>WHE – Reduce gross rent arrears to 4.5% (ARC)</b>	<p>This has been updated in line with the agreed change during last year’s Group strategy renewal to have a target of 5% by 2026.</p> <p>Our Y4 target is proposed at 4.52% to reflect incremental improvement in current climate, while maintaining our own strategic target for under 4.5% with a Y5 target of 4.47%.</p>	WHE– <del>4.39%</del> 4.52%	WHE – 4.47%
<b>Average days to let a home maintained at 16 days (ARC)</b>	No change	RSLs - 16	RSLs - 16



## Report

**To:** Wheatley Homes East Board

**By:** Lynsey Murray, Fire Safety Manager

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

**Subject:** Fire Prevention and Mitigation: year-end report

**Date of Meeting:** 21 May 2024

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### 1. Purpose

- 1.1 The purpose of this report is to provide the Board with an update on the implementation and performance of our Fire Prevention and Mitigation Framework (FPMF) including:
- The current rate of Person-Centred Fire Risk Assessments (PCFRAs);
  - The current rate of Accidental Dwelling Fires (ADFs);
  - Progress with our Fire Risk Assessment (FRA) programme;
  - Updates to the Group Fire Prevention and Mitigation Framework following its annual review and as approved by the Wheatley Housing Group Board on 24 April 2024.

### 2. Authorising and strategic context

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

### 3. Background

- 3.1 Fire safety and keeping our customers and communities as safe as they possibly can be is of paramount importance to us. This is recognised within our 2021-2026 Strategy: Your Home, Your Community, Your Future, in which we clearly state that fire safety will remain a top priority.

#### 4. Discussion

- 4.1 In the last 12 months between April 2023 – March 2024, the Group Fire Safety Team have completed 614 PCFRAs across the Group. Of these visits, 74 were carried out in our properties.
- 4.2 In addition to the group Fire Safety Team conducting PCFRAs, there has been a further 161 Home Fire Safety Visits undertaken in our properties by Scottish Fire and Rescue Service (“SFRS”) the Scottish Fire and Rescue Service between April 2023 – March 2024.
- 4.4 In our efforts to reduce the fire risk for our most vulnerable customers, the Fire Safety Team provide fire safety advice, guidance, and fire safety products to help reduce the risk of accidental dwelling fires. As a result of the 74 PCFRAs carried out this year in our properties, the Group Fire Safety Team have arranged for:
- 21 LD1 fire alarm systems to be installed which includes detection in all rooms except the bathroom;
  - 20 stove guards to be installed;
  - 4 customers to receive specialised detection; and
  - 53 customers to receive fire safety products.
- 4.5 As well as PCFRAs, the Group Fire Safety Team undertake post Fire Investigation Visits to assess the extent of the damage within a property and to identify if any lessons can be learned to reduce the risk of accidental dwelling fires re-occurring. Between April 2023 - March 2024, 35 post Fire Investigation Visits have been undertaken by the Group Fire Safety Team. One of these visits was in one of our properties.

##### Accidental Dwelling Fires (ADFs)

- 4.6 The preventative work, such as PCFRAs, undertaken in the last 12 months by the Group Fire Safety Team, continues to be an important factor in reducing the number of ADFs in our customers’ homes.
- 4.7 The number of ADFs experienced in customers’ homes across the Group in 2020/21 was 215. This has been used as the baseline for the strategic target to reduce the number of ADFs by 10% between 2021 and 2026.
- 4.8 Between April 2023 and March 2024, there were 9 ADFs in our properties between April 2023 and March 2024 which is the same as April 2022 – March 2023.

##### Fire Risk Assessment (FRAs)

##### *Relevant Premises (HMO’s, Care Premises, Offices, Depots etc.)*

- 4.9 The completion of FRAs in our relevant premises extends currently to our Corporate Estate that includes, HMO’s, Care Premises, Offices Workshops and Depots.

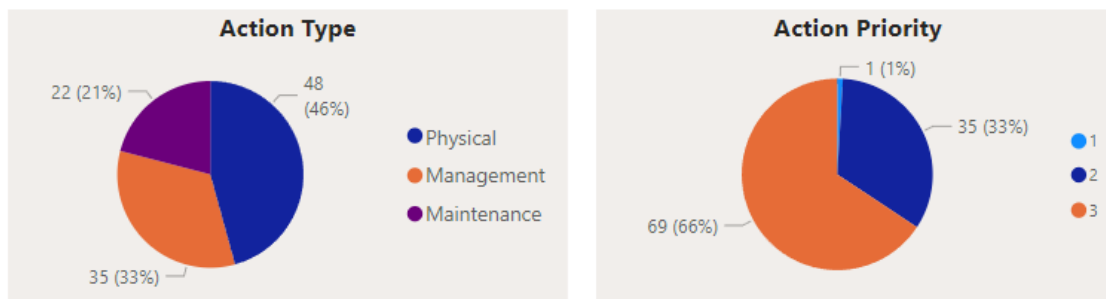
- 4.10 Between April 2023 and March 2024, 11 FRAs in our relevant premises were undertaken to ensure their recommended frequency of review had been met and thereby ensuring ongoing legal compliance.
- 4.11 Currently, all group relevant premises have a valid FRA to satisfy the requirements and legal obligations set out in the Fire Safety Scotland Act 2005 and Fire Safety Scotland Regulations 2006.
- 4.12 No significant issues were identified within our relevant premises during the course of the FRA programme as they have well established, mature fire safety arrangements in place overseen by competent staff and management teams.

#### Non-Relevant Premises (Livingwell)

- 4.13 Between April 2023 and March 2024, there was 1 FRA completed for our non-relevant premises i.e. Livingwell premise.
- 4.14 The completion of FRAs in non-relevant premises is not a legal requirement but one, that is considered best practice in guidance issued by the Scottish Government.
- 4.15 In recognition of Practical Fire Safety Guidance Specialised Housing (Livingwell), the Wheatley Group Board have previously agreed a 3-year recurring cycle of fire risk assessments, in line with the recommendations outlined in said guidance.
- 4.16 However, where any significant change to our Livingwell premises is identified by our Repairs Team, Environmental Teams, or Heads of Housing, such as refurbishment or increase in fire incidents, our fire risk assessments will be reviewed more frequently to ensure fire safety arrangements continue to be robust and effective.

#### Actions Arising from FRAs

- 4.17 Between April 2023 and March 2024, there were 9 FRAs completed for both Wheatley Homes East relevant and non-relevant premises.
- 4.18 The composition of fire safety actions can be broken down into Management (Procedural, Training, Housekeeping Checks etc), Physical (Repairs, Signage, Door Upgrades etc) and Maintenance (Fire Alarms, Extinguishers, Lighting etc) actions that can be associated with various fire safety measures and / or procedural arrangements.
- 4.19 The majority of actions can be categorised as:
  - Priority 1 – action required within 24 hours (1%)
  - Priority 2 – action required within 4 weeks (33%)
  - Priority 3 – action required within 6 weeks (66%)



**Note:** no fire safety improvements, categorised as a Priority 1 were considered a high fire risk and / or threat to life risk during our FRA programme.

4.20 The Fire Risk Assessments across Relevant and Non-Relevant Premises generated the following number of actions in between April 2023 and March 2024:

- All Actions – 105 (100%)
- Closed Actions – 101 (96%)
- Open / Ongoing – 2 (2%)
- Ongoing 3<sup>rd</sup> Party – 2 (2%)

4.21 Open and Ongoing actions that remain to be completed, account for 4% of all actions generated in the FRA Programme between April 2023 and March 2024. These actions are routinely monitored through to full completion.

#### Fire Prevention Mitigation Framework Review

4.22 We have taken this opportunity to update the Fire Prevention and Mitigation Framework and have made several minor amendments. In particular, the definition of 'vulnerability' has been updated to match the definition used by the Scottish Fire and Rescue Service.

4.23 The accidental dwelling fire figures have been updated for 2023/2024 and the most recent local authority comparison figures have been included.

4.24 Reference has also been made to a new bespoke Fire Risk Recognition training course that has been designed by the Group Fire Safety Team which will be launched in quarter one. This course will be a mandatory course for all Housing and Care staff.

4.25 A copy of the updated Fire Prevention Mitigation Framework is attached at Appendix 1.

## **5. Customer Engagement**

5.1 The Group Fire Safety Team works with our Housing colleagues to conduct PCFRAs to customers who are particularly vulnerable to fire, due to physical, cognitive, mental impairments, substance misuse issues or the condition in which they are maintaining their home. At the time of the visit, an assessment of the property and the customer's needs is carried out to determine suitable fire prevention control measures.

- 5.2 As well as PCFRAs, the Group Fire Safety Team undertake post Fire Investigation Visits to assess the extent of the damage within a property and to identify if any lessons can be learned to reduce the risk of further fires occurring. The majority of fires across the Group started in the kitchen and were cooking-related. As a result, recommendations for stove guards were made and the customers were issued with air fryers and fire safety advice and guidance around safe cooking practices.
- 5.3 Between April 2023 and March 2024, the Group Fire Safety Team carried out 14 fire safety engagement events across our communities. At these events, the team issued fire safety advice and guidance to our customers and assisted 38 customers with signing up to Home Fire Safety Visits carried out by the SFRS.

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

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

## **7. Digital transformation alignment**

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

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

- 8.1 The implementation and completion of PCFRAs and FRA programme has significantly increased the number of fire safety repairs since it commenced.
- 8.2 In driving a positive fire safety culture across the group, that impacts the number of ADF's in our homes and workplace, there are significant cost savings associated with the cost of fires, which are not immediately visible.

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

- 9.1 The approach to FRAs in a legal context is one of a statutory nature for relevant premises and best practice for non-relevant premises, that protects the group from unwanted enforcement action, potential prosecution, and reputational risk.
- 9.2 The Fire Safety Scotland Act 2005 and Fire Safety Scotland Regulations 2006 place legal obligations on Duty holders' to conduct FRAs in Relevant Premises (Non Domestic Premises).
- 9.3 Relevant Premises are those premises that are covered by fire safety legislation and enforced under current legislation by Scottish Fire and Rescue. Premises such as HMO's, Care Premises, Offices, Workshops and Depots are legally required to have a current FRA in place.
- 9.4 Livingwell Premises (Practical Fire Safety Guide for Specialised Housing) are recognised as domestic premises and the recommendation to conduct fire risk assessments is one of best practice and not a legal requirement.

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

- 10.1 The Group risk appetite relating to issues of technical compliance is averse, defined as avoidance of risk and uncertainty is a key organisational objective.
- 10.2 The Group Board approved "Your Home, Your Community, Your Future": Our five year-strategy covering 2021-2026. This report provides Board with assurance in relation to the on-going implementation of the strategy and our ability to respond to new guidance and legislation.

## **11. Equalities implications**

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

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

- 12.1 The Group Fire Safety Team carried out 74 PCFRAs within our homes.
- 12.2 Accidental dwelling fires across Group are lower than that of the same period last year (between April and March).
- 12.3 Fire risk assessments in both our relevant and non-relevant premises in accordance with Scottish Government guidelines and best practice maintains the group's position of strong legal compliance for fire safety.
- 12.4 All relevant premises and Livingwell premises continue to have in place a valid fire risk assessment where, a high percentage of recommendations have been actioned and closed.

### **13. Recommendations**

13.1 The Board is asked to:

- 1) note the update and progress of our Fire Prevention and Mitigation Framework for April 2023 – March 2024; and
- 2) note the changes to our Fire Prevention and Mitigation Framework.

#### **LIST OF APPENDICES**

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

## Report

**To:** Wheatley Homes East Board

**By:** David Milligan, Group Health and Safety Manager

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

**Subject:** Health and Safety: year-end performance report

**Date of Meeting:** 21 May 2024

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### 1. Purpose

- 1.1 The purpose of this report is to provide the Board with an update on health and safety performance for the year ended 31 March 2024.

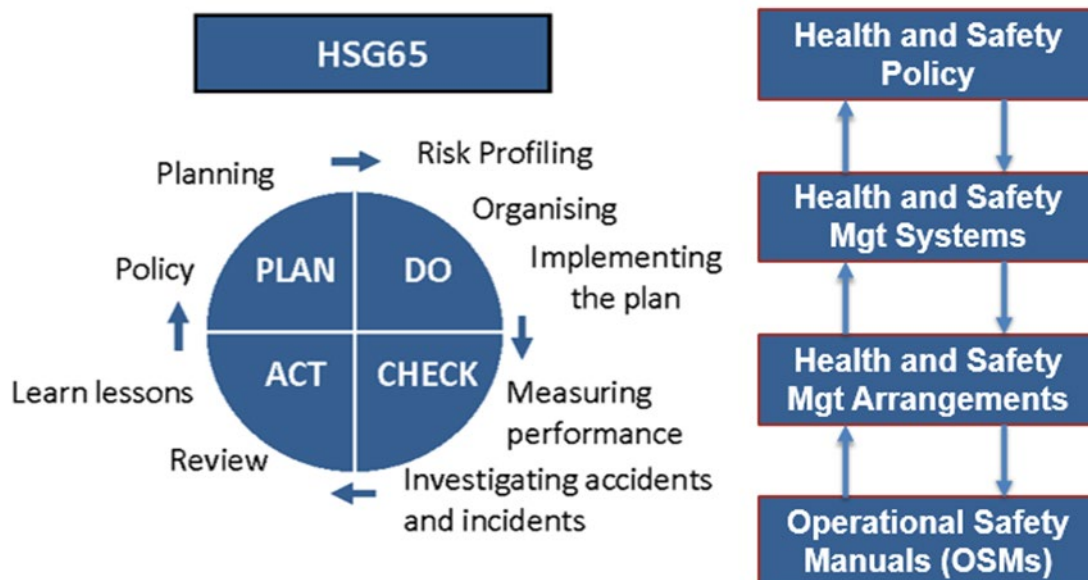
### 2. Authorising and strategic context

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

### 3. Background

- 3.1 The Group Board approved the current Group Health and Safety Policy ("the Policy") in December 2021. The Policy provides the foundation for our health and safety management system and a positive health and safety culture.
- 3.2 The Policy is part of our overall health and safety architecture as shown below, along with our Group Health and Safety Management System, Group Health and Safety Management Arrangements and Operational Safety Manuals ("OSMs").





- 3.3 Monitoring arrangements are in place to maintain the validity and accuracy of the Policy and associated Health and Safety Management Arrangements (HSMAs). This includes considering the implications for the policy of any organisational changes that are taking place, service evolution and any new and emerging legislation or best practice guidance that may impact us.

#### 4. Discussion

##### Group Health and Safety Policy

- 4.1 The Policy was last approved by the Group Board in December 2021 and the next formal review is due in December 2024. In addition to this, interim reviews of the Policy also take place more regularly, with the last interim review taking place in January 2023.
- 4.2 The Group Health and Safety Policy is available to all members of staff and located on WE Connect in digital format.

##### Group Health and Safety Management System (HSG65)

- 4.3 Organisations have a legal duty to put in place suitable arrangements to manage health and safety. These arrangements go beyond our health and safety policy and incorporate a wider and more holistic approach to managing health and safety.
- 4.4 Our Group Health and Safety Management System is one that follows HSE Guidance for Successful Health and Safety Management (HSG65). It is based on a continuous improvement model as outlined above and one, that will lead the Group to recognised accreditation in ISO45001: Occupational Health and Safety Management.

## Group Health and Safety Management Arrangements (HSMAs)

- 4.5 The Group Health and Safety Team is progressing with the integration and harmonisation of existing health and safety procedures across all group subsidiaries, in the form of Health and Safety Management Arrangements (“HSMAs”), to ensure a consistent approach is achieved for legal compliance and managing health and safety, across all business areas where there is a statutory requirement.
- 4.6 Whilst there are well-established procedures in place across our business and that of our Wheatley Partners, the development of Group HSMAs allows us to share best practice and maintain consistency in our approach to health and safety management that captures the roles and responsibilities of management and staff for doing so.
- 4.7 A legal register as it relates to health and safety legislation has been established to demonstrate our legal compliance and best practice approach in health and safety management.
- 4.8 Working groups have been established with cross-wide representation to drive continuous improvement across the business in key areas of health and safety practice. These groups help drive our health and safety culture forward, that include, fire safety, lone working, trades, and safety compliance.
- 4.9 A plan for the development and implementation of Group Health and Safety Management Arrangements (HSMAs) is in place.
- 4.10 To date, the following HSMAs have been established and implemented for key health and safety risks, following a process of consultation:
- Asbestos;
  - Construction Design Management (CDM);
  - Electrical Safety;
  - Fire Safety;
  - Gas Safety;
  - Control of Legionella;
  - Medication (Administration and Management);
  - Control of Vibration;
  - First Aid at Work;
  - Personal Safety; and
  - Safe Driving.
- 4.11 It is anticipated that the integration and harmonisation of existing health and safety procedures across all subsidiaries’ will be complete in a group-wide format (HSMAs), by the end of financial year 2024/25.

### Operational Safety Manuals (OSMs)

- 4.12 The final part of our health and safety architecture, is the Operational Safety Manuals (“OSMs”). These are mandatory, ‘living, breathing documents’ across all subsidiaries that document risk assessments, safe systems of work, local procedures, guidance, and best practice, specific to the nature of the business.
- 4.13 OSMs are kept under review on a 2-year rolling cycle, to maintain risk assessments and safe systems of work for all business areas and ensure that any new and emerging risks are evaluated and assessed for staff and customer safety.
- 4.14 Operational Safety Manuals are developed in line with the nature of the business and have been established for 5 key business areas across the Group, including:
- Care;
  - Housing;
  - Neighborhood and Environmental Teams (NETs);
  - In House Trades; and
  - Corporate Services.
- 4.15 Operational Safety Manuals were subject to a full review in July 2022 and will be updated on an ongoing basis where, their review shall not exceed 2 years or more frequently where, a significant change in legislation, best practice, or safe systems of work is identified.

### Health and Safety Training for Managers

#### *Health and Safety Management*

- 4.16 The Group Health and Safety Team has developed a one-day Health and Safety for Managers course. All Managers, Supervisors, Team Leaders, and Directors must attend the training that provides oversight of the Group Health and Safety Management System.
- 4.17 The training provides an understanding of our legal obligations, roles and responsibilities and the arrangements in place for safeguarding the health, safety and wellbeing of staff and customers. Health and Safety Management Training will be refreshed every 3 years.

### Hand and Arm Vibration (HAV) for Managers

- 4.18 We have established a new Training Course for Managers responsible for environmental teams, whose staff members may be exposed to Noise and Vibration at Work, when using portable power tools and machinery.
- 4.19 The training shall provide an understanding of the risks associated with vibrating tools and machinery, the group arrangements for mitigating risks and the measures in place for staff health surveillance.

#### Construction Design and Management Regulation (Dutyholders)

- 4.20 In conjunction with Glasgow Caledonian University, we have also provided training to respective duty holder roles across the business to ensure there is a clear understanding of the application of the CDM Regulations.
- 4.21 Training was delivered in our Academy, to managers and staff managers and staff from our Property New Build Team, Facilities Management, Procurement and Health and Safety Teams.
- 4.22 We have implemented a Group-wide CDM Health and Safety Management Arrangement (HSMA) following a process of consultation with the Leadership Team and Trade Unions.
- 4.23 The Group HSMA: CDM has also resulted in the development and introduction of revised contractor vetting procedures to ensure that Client duties are upheld for the appointment of competent contractors.
- 4.24 Contractor Vetting is incorporated into the procurement process with the Group Health and Safety Team evaluating the health and safety submission of potential suppliers at the tendering stage.
- 4.25 Going forward, all contractors involved in the delivery of services that attract the application of CDM Regulations, shall be assessed annually as a function of the Contract Management System (CMS).

#### Health and Safety Training (Mandatory)

- 4.21 To ensure the safety of our staff and customers and meet our legal obligations under the Health and Safety at Work Act to provide Information, Instruction and Training, the Group adopts a blended approach to training.
- 4.22 Notwithstanding any face-to-face training or practical training for the use of workplace tools and machinery, the Group has in place an E-Learning Platform for the delivery of mandatory health and safety training across all subsidiaries.
- 4.23 Mandatory e-learning for all groups of staff has been established and implemented across all subsidiaries to supplement role-specific training. This training is monitored by line Managers and reported quarterly at Health and Safety Committees for where further action may be required.

#### Homeworking

- 4.24 Homeworking arrangements are well established in all subsidiaries across the Group. Homeworking Training, Information, Instruction and Training is monitored regularly by the Group Health and Safety Team.
- 4.25 There is currently a 84% compliance rate with Wheatley Homes East Homeworking arrangements for Agile Home-Based Staff. None of our Homeworking Self Assessments has been returned to Management or the Group Health and Safety Team showing unsatisfactory.

### Accident and Incident Reporting

- 4.26 There is a legal requirement for the Group to investigate and report accidents and incidents involving staff, contractors, and customers in accordance with the Reporting of Injuries, Disease and Dangerous Occurrences (RIDDOR Regulations).
- 4.27 In the last financial year, we reported 2 RIDDOR-related incidents to the Health and Safety Executive.
- 4.28 Accident-related incidents resulting in over 7-day absences accounted for all RIDDORs, all of which, are investigated by the Group Health and Safety Team. It should be noted that no further correspondence from the HSE or Environmental Health occurred following the reporting of all RIDDOR incidents.

<b>RIDDOR Incidents</b>	<b>2023/24</b>			
<b>Subsidiary</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>
Wheatley Homes East	1	0	0	1
<b>TOTALS</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>

<b>RIDDOR Incidents</b>	<b>2023/24</b>			
<b>Incident Type</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>
Dangerous Occurrence	0	0	0	0
Fatality	0	0	0	0
Hospitalisation	0	0	0	0
Occupational Disease	0	0	0	0
Over 7 Day	1	0	0	1
Specified	0	0	0	0
<b>TOTALS</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>

### Employee Liability Claims Experience

- 4.30 We have one Open Employers' Liability Claims being investigated and considered by our Insurer for accidents and incidents at work.
- 4.31 Normally, the financial reserve on each claim varies between £4k - £142k for incidents such as slips, trips, and falls, manual handling to more isolated but significant, eye injuries and physical assault.
- 4.32 The Group Health and Safety Team have procured a digital incident reporting system that shall improve the quality and quantity of information provided on incident reports will improve recurrence rates and our mitigations for liability claims going forward.

### Digital Incident Reporting System (WE Notify)

- 4.33 Currently, the Group Health and Safety Team oversees the development and implementation of a paper-based incident reporting system, that does not provide for real-time notifications, alerts, or the raising and tracking of corrective actions.

- 4.34 Following a market appraisal and supplier engagement, the Group Health and Safety Team has appointed a preferred supplier for the development of a digital incident reporting system (WE Notify) that enhances our incident reporting procedures and specifically, for those staff working remotely and from home.
- 4.35 As a strategic project, the digital incident reporting system shall provide access and means to report a wide variety of incidents remotely from laptops, tablets, and mobile phones, providing real-time notification and alerts to the Group Health and Safety Team and Management of incidents occurring across all business areas.
- 4.36 The Notify Incident Reporting System has gone live following a process of consultation, engagement, and training across all business areas. It is anticipated that the system will enhance our reporting procedures and improve our level of reporting and subsequent investigation to prevent recurrence and mitigate the risk of enforcement and liability claims.

#### ISO45001: Occupational Health and Safety Management

- 4.37 The architecture of our Group Health and Safety Management System will lead the Group to Accreditation in ISO45001: Occupational Health and Safety Management, that demonstrates a real statement of intent with regards to our health and safety culture and the arrangements in place for safeguarding the health, safety and wellbeing of our staff and customers.
- 4.38 ISO Standards are a best practice approach and are recognised at an international level amongst industry experts. In the case of health and safety management, ISO45001 demonstrates a best practice approach that is widely recognised amongst regulators and governing bodies.
- 4.39 The Group Health and Safety Team are on a journey to achieving that accreditation status with a targeted timescale for award by April 2025.
- 4.40 Accreditation to ISO45001 as a recognised and effective Health and Safety Management System shall further enhance, the standard and profile of our health and safety management system, leadership commitment, safety culture and reputation as Scotland's leading Housing and Care organisation.

Benefits of ISO45001 Accreditation: -



## 5. Customer Engagement

- 5.1 The Policy and supporting Management Arrangements are subject to consultation with recognised Trade Unions in line with our statutory obligations. No adverse comments were received from those consulted in the review of the Group Health and Safety Policy and subsequent HSMAs.
- 5.2 More generally, discussions have taken place with colleagues and Trade Unions on the development of health and safety management arrangements and the review of operational safety manuals, discussed in this report.
- 5.3 Quarterly Health and Safety Committee meetings take place involving senior staff from across the Group and Trade Union officials. These meetings provide a route for discussing health and safety-related matters, their escalation and means of resolution, as required.
- 5.4 The Group Health and Safety Committee structure ensures that we comply with the requirements for consultation and more specifically, our legal obligation under the Safety Representative and Safety Committee Regulations and Health and Safety (Consultation with Employee) Regulations.

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

- 6.1 Our revised health and safety policy is a necessary and key part of ensuring the success of our new operating model. This operating model, which includes agile home working as highlighted above, will have positive environmental and sustainability implications including through:
- reducing unnecessary travel to an office location;
  - encouraging staff to meet, when necessary, in our new hub locations that include measures to reduce our carbon footprint such as solar PV; and
  - increasingly looking to encourage the use of electric vehicles and power tools, and active travel, where appropriate, to the work being carried out.

## **7. Digital transformation alignment**

- 7.1 Technology is used where appropriate to support safe working arrangements. An illustration of this is the introduction of the lone working app and Pebble device discussed above.
- 7.2 E-learning training is also being developed beyond our Health and Safety Awareness and Fire Awareness courses, to reflect our new operating model.
- 7.3 Over the last 12 months we have introduced many new courses to support staff such as Homeworker, Personal Safety and Introduction to First Aid which also demonstrates our commitment to our legal obligations for the provision of Information, Instruction and Training under the Health and Safety at Work Act.
- 7.4 The Group Health and Safety Team is currently in the process of procuring a Digital Incident Reporting System, that will enhance our current reporting procedures and further safeguard the safety and well-being of staff in addition to strengthening our compliance and mitigation for liability claims.

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

- 8.1 The financial implications associated with this report are recognised in the procurement of a Digital Incident Reporting System.
- 8.2 At the time of writing this report, a preferred supplier for the Digital Incident Reporting System had been identified at a cost of approx. £125k over 5 years.

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

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

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

- 10.1 Our risk appetite relating to issues of regulatory, legal and compliance is cautious and is balanced against our operational delivery where we have an open approach to pursue opportunities that support improvement in the customer experience.



- 10.2 The introduction of our WE Notify system will support us in demonstrating benefits to our customers through digital services and platforms that will improve the customer experience and further safeguard the safety and well-being of staff in addition to strengthening our compliance and mitigation for liability claims.
- 10.3 The Group Board approved “Delivering Safer Communities: Our Fire Prevention and Mitigation Framework” in August 2017. It was agreed at this time the Group would undertake Fire Risk Assessments for Existing High Rise Domestic Premise and Living Well Premise, in addition to all relevant premises.

## **11. Equalities implications**

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

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

- 12.1 The Group Health and Safety Policy is well established and implemented in all areas of the business across the Group. The Health and Safety Policy satisfies a legal requirement under the Health and Safety at Work Act but more importantly, demonstrates the commitment and importance that the Group places on the safety and wellbeing of our staff and customers.
- 12.2 The Health and Safety Management System currently in place is recognised as best practice approach by the Health and Safety Executive for continuous improvement. There are many components to our Health and Safety Management System includes our Health and Safety Policy, Health and Safety Management Arrangements, Operational Safety Manuals (OSMs), Health and Safety Training and the collaboration of our dedicated Working Groups, led by the Group Health and Safety Team.
- 12.3 Our efforts to improve incident reporting procedures that will drive a positive safety culture and mitigate our liability claims experience are moving at pace with the proposed introduction of a digital incident reporting platform. This will improve our current paper-based approach that is no longer fit for purpose in our current operating model where we have staff working remotely from home and in our communities.
- 12.4 Awareness of Health and Safety Management is being heightened in the delivery of our health and safety management training amongst all managers, supervisors, and team leaders. Working in partnership with Glasgow Caledonian University, the Group Health and Safety Team are improving learning and competencies in specific areas of legal compliance such as Construction, Design and Management Regulations 2015.
- 12.5 In developing our Health and Safety Management Arrangements to ensure legal compliance in all areas of health and safety legislation, we are driving the Group towards recognised Health and Safety Accreditation in ISO45001 that will further demonstrate and enhance, the standard and profile of our health and safety management system, leadership commitment, safety culture and reputation as Scotland’s leading Housing and Care organisation.

### **13. Recommendations**

13.1 The Board is invited to note the content of the report.

LIST OF APPENDICES

NONE

## Report

**To:** Wheatley Homes East Board

**By:** Lyndsay Brown, Director of Financial Reporting

**Approved by:** Pauline Turnock, Group Director of Finance

**Subject:** Finance Report to 31 March 2024

**Date of Meeting:** 21 May 2024

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### 1. Purpose

- 1.1 The purpose of this paper is to provide the Board with:
- An overview of the management accounts for the year to 31 March 2024; and
  - To seek the Board's approval to submit the Loan Portfolio and Five Year Financial Projections returns to the Scottish Housing Regulator.

### 2. Authorising and strategic context

- 2.1 Under the terms of the Intra-Group Agreement between Wheatley Homes East ("WH East") and the Wheatley Group and the Terms of Reference for this Board, the WH East Board is responsible for the on-going monitoring of performance against agreed targets, including the on-going performance of its finances.

### 3. Background - Financial performance

- 3.1 The results for the year to 31 March 2024 are summarised below.

£000	Year to Date (Period 12)		
	Actual	Budget	Variance
Turnover	59,284	62,129	(2,845)
Operating expenditure	(34,604)	(35,014)	410
<b>Operating surplus</b>	<b>24,680</b>	<b>27,115</b>	<b>(2,435)</b>
<i>Operating margin</i>	<i>42%</i>	<i>44%</i>	<i>(2%)</i>
Donation to Wheatley Foundation	(380)	-	(380)
Net interest payable	(8,708)	(8,683)	(25)
<b>Surplus</b>	<b>15,592</b>	<b>18,432</b>	<b>(2,840)</b>
<b>Net Capital Expenditure</b>	<b>34,793</b>	<b>48,683</b>	<b>13,890</b>

## 4. Discussion

### 4.1 Year to 31 March 2024

Statutory surplus is £15,592k for the year to 31 March 2024, £2,840k unfavourable to budget, with the timing of the recognition of new build grant income and lower than budgeted gift aid receivable from WDS contributing to the variance.

Overall WH East shows an underlying surplus of £5,555k, £379k favourable to budget mainly due to lower levels of expenditure than budgeted. This is reported before the agreed release of the additional £378k of investment spend in the final quarter and the donation of £380k provided to the Foundation given the discretionary nature of those decisions.

Key points to note:

- Grant income recognised is £995k unfavourable to budget due to handovers at the Wisp 3C budgeted to complete in 2023/24 completing early in 2022/23;
- Other income is £1,408k unfavourable to budget, primarily due to a reduction in budgeted gift aid income from Wheatley Development Scotland due to reduced new build spend in the year. This is an intra group adjustment;
- Operating expenditure is £410k favourable to budget, with lower ER/VR costs as well as lower than budgeted bad debts contributing to the variance;
- Net interest payable of £8,708k is £25k unfavourable to budget due to a higher variable rate than budgeted; and
- Net capital expenditure is £34,793k for the year, £13,890k lower than budget. Core investment spend is £42k lower than budget with reprofiling of core programme works offset by overspend in capitalised repairs and void works. New build expenditure is £24,705k lower than budget due to reduced spend relating to timing of golden brick payments, as well as delays caused by infrastructure works and contractor delays.

### 4.2 Five Year Financial Projections

- The Five Year Financial Projections is a web based return designed by the Scottish Housing Regulator to collect the financial projections and related information of all RSLs in Scotland in a standard format. The information provided is used to calculate a number of financial ratios and is used by the SHR as part of its annual review of the financial viability of RSLs and in making decisions on the level of engagement. It is also used to allow developing trends, patterns and emerging issues to be identified and considered across the sector;
- The return incorporates the draft results for 2023/24 and the financial projections for the next five years. At other points in the year we submit our long term financial projections i.e. our 30 year business plan which was presented to the February Board and the annual accounts which will be presented to the August Board meeting;

- The return includes outturn and forecast Statements of Comprehensive Income, Financial Position and Cashflow together with other key assumptions such as movements in stock numbers and pension costs;
- The five year forward financial projections reported within the return are based on the 2024/25 Financial Projections previously approved by the WH East Board in February. The 2023/24 figures in the projections have been updated to reflect the 2023/24 year end management accounts;
- The five year forward projections also include estimates for non-cash year-end accounting adjustments not included in the management accounts. The reconciling items between the P12 management accounts in appendix 1 and the SHR return are shown below:

	£k	
<b>WHE P12 Draft Statutory Surplus</b>	<b>15,592</b>	
Social housing property valuation movement	7,822	Business plan estimated
Investment property valuation movement	(859)	pending final JLL valuations
Gain on sale of properties	740	
<b>Surplus before tax per SHR return</b>	<b>£23,295</b>	

- The summary sheet and accompanying financial data and five year projections to be submitted to the regulator are attached at Appendix 2. The Board are requested to consider and approve these financial projections. Once approved, these will be submitted to the Scottish Housing Regulator.

#### 4.4 Scottish Housing Regulator ("SHR") Loan Portfolio Submission

- We are required to submit its loan facilities and borrowing position, as at 31 March 2024, to the Scottish Housing Regulator via the regulators' online portal. The submission report appended contains the details which will be transferred to the portal, showing both the information and the layout;
- The submission report contains the information relating to the intragroup funding from Wheatley Funding No. 1 Limited and on the debt position of the RSL as at the financial year end;
- [redacted]

As part of the submission to the Scottish Housing Regulator, the Chair of the Board and Director/Chief Executive are required to confirm the following:

"I hereby certify for and on behalf of the RSL that the information provided in this return is, to the best of my knowledge and belief, an accurate and fair representation of the affairs of the RSL."

## 5. Customer Engagement

- 5.1 This report relates to our financial reporting and therefore there is no direct customer implications arising from the Finance 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 the Finance Report.

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

- 8.1 The statutory surplus for the year to 31 March 2024 is £2,840k unfavourable to budget. Our cost efficiency targets are built into the budget and delivery of these is a key element of continuing to demonstrate value for money. After adjusting the net operating surplus for new build grant income, depreciation, one off payments not related to underlying surplus and including capital expenditure in our properties, an underlying surplus of £5,555k is reported which is £379k favourable to budget.
- 8.2 Within the context of the RSL Borrower Group, an overall RSL underlying surplus is reported for the financial year to date with financial performance 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 the Finance Report.

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

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

## **11. Equalities implications**

- 11.1 There are no equalities implications arising from the Finance Report.

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

- 12.1 This paper presents the financial performance position for the year to 31 March 2024.

### **13. Recommendations**

13.1 The Board is requested to:

- 1) Note the Finance Report for the year ended 31 March 2024 at Appendix 1;
- 2) Approve the summary sheet and accompanying financial data and projections at Appendix 2 and authorise these to be submitted to the Scottish Housing Regulator and delegate authority to the Group Director of Finance to undertake any factual data updates required to the data in advance of the submission; and
- 3) Approve the loan portfolio submission in Appendix 3 and authorise this to be submitted to the Scottish Housing Regulator and delegate to the Group Director of Finance authority to approve any factual data updates required to the data in advance of the submission.

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

Appendix 1: Period 12 – 31 March 2024 Finance Report

Appendix 2: Five Year Financial Projections Submission

Appendix 3: [redacted]



# Year to 31 March 2024 Finance Report





# 2) Operating Statement – Year to March 2024

	Year to 31 March 2024		
	Actual £k	Budget £k	Variance £k
<b>INCOME</b>			
Rental Income	38,368	38,215	153
Void Losses	(623)	(475)	(148)
<b>Net Rental Income</b>	<b>37,745</b>	<b>37,740</b>	<b>5</b>
Grant Income Recognised in the Year	14,852	15,847	(995)
Other Grant Income	901	1,348	(447)
Other Income	5,786	7,194	(1,408)
<b>TOTAL INCOME</b>	<b>59,284</b>	<b>62,129</b>	<b>(2,845)</b>
<b>EXPENDITURE</b>			
Employee Costs - Direct	4,697	4,491	(206)
Employee Costs - Group Services	2,883	2,978	95
ER/VR	0	540	540
Direct Running Costs	4,419	4,221	(198)
Running Costs - Group Services	1,583	1,585	2
Revenue Repairs and Maintenance	7,178	7,164	(14)
Bad Debts	214	404	190
Depreciation	13,631	13,631	0
<b>TOTAL EXPENDITURE</b>	<b>34,604</b>	<b>35,014</b>	<b>410</b>
<b>NET OPERATING SURPLUS</b>	<b>24,680</b>	<b>27,115</b>	<b>(2,435)</b>
<i>Net Operating Margin</i>	<i>42%</i>	<i>44%</i>	<i>-2%</i>
Donation to Wheatley Foundation	(380)	0	(380)
Interest receivable	35	13	22
Interest payable	(8,743)	(8,696)	(47)
<b>STATUTORY SURPLUS</b>	<b>15,592</b>	<b>18,432</b>	<b>(2,840)</b>

## Key highlights year to date:

Net operating surplus of £24,680k is £2,435k unfavourable to budget. Statutory surplus for the year to 31 March is £15,592k, £2,840k unfavourable to budget.

Total income of £59,284k is £2,845k unfavourable to budget:

- Gross rent is £153k favourable to budget arising from early completions at Raw Holdings as well as higher than budgeted service charges. Void losses are £148k unfavourable to budget, representing 1.62% vs a budget of 1.25%. This is mainly due to higher voids levels at supported sites and fire safety works/ turnover of rooms at the Harbour.
- Grant income recognised is £995k unfavourable to budget due to the earlier than budgeted completions in 2022/23 at Wisp 3C that were budgeted in 2023/24. Grant income recognised relates to 168 SR and 29 MMR.
- Other grant income of £901k consists of grants recognised for medical adaptations, Scottish Housing Net Zero (SHNZ) and for the Harbour. The variance relates to a reduction in SHNZ income (and compensating reduced costs) due to reprofiling of works to be carried out impacting the level of grant to be claimed.
- Other income of £5,786k is £1,408k adverse to budget arising from lower than budgeted gift aid transferred from WDS due to lower than budgeted new build works carried out by WDS in the year. This is a non cash intra group adjustment.

Total expenditure is £410k favourable to budget:

- Total employee costs are £111k unfavourable to budget. Direct employee costs are £206k unfavourable to budget, due to overtime and agency staff costs at the Harbour and the retirement complexes managed by Wheatley Care, as well as the creation of 4 housing officers to maintain patch sizes within agreed levels. This is offset in part by lower group services staff costs.
- Total running costs are £196k adverse to budget, driven by higher insurance and property costs.
- Revenue repairs and maintenance spend is £14k unfavourable to budget with responsive repairs spend £337k higher than budget reflecting higher levels of customer demand and price increases on materials. This is offset by cyclical maintenance which is £323k favourable, due to the reprofiling and timing of the planned cyclical works. We continue to comply with our legislative obligations. The improvement plan which has been put in place to monitor the drivers of repairs costs, improve efficiency has kept repairs spend within the forecast spend.

A donation of £380k was made in March 2024 to the Wheatley Foundation. This will provide additional support for our customers in future years.

Interest payable of £8,743k represents interest due on the loans due to Wheatley Funding No.1 Ltd and external funders and is £47k adverse to budget due to a higher variable rate than assumed in the budget

Net capital expenditure of £34,793k is £13,890k lower than budget.

- Capital investment income is £10,715k lower than budget due to delayed new build spend resulting in slower than anticipated grant claims, including Westcraigs Ph3, Deans South Ph2, Blindwells and River Gore.
- Core programme spend is £42k favourable to budget, with lower than budgeted spend across a number of lines, offset by higher than budgeted spend on capitalised repairs and voids.
- New build spend of £69,573k is £24,705k lower than budget due to reduced spend relating to timing of golden brick payments as well as delays on sites due to necessary infrastructure works and contractor delays. Sites with reduced spend include Wallyford 5 A/B, Westcraigs Ph3, Deans South Ph2, Sibbalds Brae and Winchburgh BB.

	Year to 31 March 2024		
	Actual £k	Budget £k	Variance £k
<b>INVESTMENT</b>			
<b>Total Capital Investment Income</b>	<b>43,002</b>	<b>53,717</b>	<b>(10,715)</b>
Investment Programme Expenditure	7,037	7,079	42
New Build & Other Investment	69,573	94,278	24,705
Other Capital Expenditure	1,185	1,043	(142)
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>77,795</b>	<b>102,400</b>	<b>24,605</b>
<b>NET CAPITAL EXPENDITURE</b>	<b>34,793</b>	<b>48,683</b>	<b>13,890</b>

### 3) Underlying surplus – Year to March 2024

**Key highlights:**

- 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 table below therefore shows a measure of underlying surplus which adjusts our net operating surplus by excluding the accounting adjustments for the recognition of grant income and depreciation, including capital expenditure on our existing properties.
- For the year to March 2024, an underlying surplus of £5,555k has been generated which is £379k favourable to budget due to lower levels of expenditure.
- In planning for final quarter, it was agreed to accelerate £378k of capital projects which had been deferred into 2024/25 to support improvements in the energy efficiency of our tenants’ home and a year end donation of £380k was made to the Foundation.

WH East Underlying Surplus - March 2024			
	YTD Actual £k	YTD Budget £k	YTD Variance £k
Net Operating Surplus	24,680	27,115	(2,435)
add back:			
Depreciation	13,631	13,631	-
less:			
Grant income	(14,852)	(15,847)	995
Net interest payable	(8,708)	(8,683)	(25)
Investment Programme Expenditure	(6,659)	(7,079)	420
Gift Aid Income	(2,537)	(3,961)	1,424
Underlying surplus	5,555	5,176	379
Donation to Wheatley Foundation	(380)		
Acceleration of 2024/25 energy efficiency capital projects	(378)		
Reported underlying surplus	4,797		

# 4) Property Services Operating Statement – Year to March 2024

## Key highlights:

•In the year to 31 March 2024, a surplus of £132k is reported, £39k favourable to budget.

•Income of £16,455k is £1,745k favourable to budget, due to higher than budgeted income from Lowther, external customers and WHEast due to increased demand. Owner occupied works have also been carried out which are charged to WHEast and subsequently recharged to owners.

•Cost of sales are £960k higher than budget, mainly due to higher demand for services arising from internal, external and owner occupied works.

•Gross profit of £3,492k is £785k favourable to budget.

•Overhead expenditure includes vehicle, rent and running costs, rates, insurance and other staff and office related costs. Spend is £746k higher than budget, due mainly to higher salary, rent & rates, vehicle running costs & waste disposal relating to void clearances. Vehicle running costs are £70k higher than budget due to an increase in vehicle repairs however we are continuing to pursue a clawback from Citroen for faulty vehicles.

	Year to 31 March 2024			Full Year Budget £k
	Actual £k	Budget £k	Variance £k	
<b>INCOME</b>				
Internal Subsidiaries	15,953	14,470	1,483	14,470
External Customers	502	240	262	240
<b>TOTAL INCOME</b>	<b>16,455</b>	<b>14,710</b>	<b>1,745</b>	<b>14,711</b>
<b>COST OF SALES</b>				
Staff	4,189	4,119	(70)	4,119
Materials	2,650	2,049	(601)	2,049
Subcontractor & Other Costs	6,124	5,835	(289)	5,835
<b>TOTAL COST OF SALES</b>	<b>12,963</b>	<b>12,003</b>	<b>(960)</b>	<b>12,003</b>
<b>GROSS PROFIT/(LOSS)</b>	<b>3,492</b>	<b>2,707</b>	<b>785</b>	<b>2,707</b>
Margin %	21%	18%	45%	18%
Overheads	3,360	2,614	(746)	2,614
<b>NET PROFIT/(LOSS)</b>	<b>132</b>	<b>93</b>	<b>39</b>	<b>93</b>

# 5) Wheatley Homes East Harbour – Year to March 2024

	Period to 31 March 2024			Full Year
	Actual £k	Budget £k	Variance £k	Budget £k
<b>INCOME</b>				
Rental Income	877	862	15	862
Void Losses	(76)	(19)	(57)	(19)
<b>Net Rental Income</b>	<b>801</b>	<b>843</b>	<b>(42)</b>	<b>843</b>
Local Authority Contract Income	396	394	1	394
Other Income	64	44	21	44
<b>TOTAL INCOME</b>	<b>1,261</b>	<b>1,281</b>	<b>(20)</b>	<b>1,281</b>
<b>EXPENDITURE</b>				
Employee Costs	864	819	(45)	819
Direct running Costs	303	353	50	353
Revenue Repairs and Maintenance	18	65	47	65
Bad Debts and Depreciation	0	0	0	0
<b>TOTAL EXPENDITURE</b>	<b>1,185</b>	<b>1,237</b>	<b>52</b>	<b>1,237</b>
<b>NET OPERATING SURPLUS / (DEFICIT)</b>	<b>76</b>	<b>44</b>	<b>32</b>	<b>44</b>

## Key highlights:

- The service is reporting a surplus of £76k which is £32k favourable to budget.
- Net rental income of £801k is £42k unfavourable to budget due to higher void levels than budgeted. This is due to fire mitigation works as well as higher turnover of rooms than anticipated during the year.
- Employee costs of £864k are £45k unfavourable to budget due to overtime and relief hours utilised to cover annual leave and 2 members of staff being on long term sick leave throughout the year.
- Running costs of £303k include insurance, travel, safety equipment, printing, stationary and mobile costs. Costs are £50k favourable to budget due to cost savings made in the year.
- Repairs and maintenance expenditure of £18k is £47k favourable to budget.

## 6) Repairs and investment – Period to March 2024

Key highlights:

### Repairs and maintenance

- Responsive repairs spend is £337k unfavourable to budget, due to inflationary pressures on materials and demand for repairs continuing with completed jobs in the year being 8.0% higher than 2022/23.
- Cyclical repairs spend is £323k favourable to budget due to reprofiling of planned works.

Repairs and maintenance	Year to 31 March 2024			
	Actual £ks	Budget £ks	Variance £ks	FY Budget
Responsive Repairs	5,358	5,021	(337)	5,021
Cyclical Maintenance	1,820	2,144	323	2,144
	7,178	7,164	(14)	7,165

### Investment

- Investment expenditure is £42k favourable to budget. The variance reflects underspend across a number of core programme lines, offset by overspend on capitalised repairs, adaptations and voids.
- SHNZ grant income is in line with spend. The variance (with compensating reduced income) is due to reprofiling of works to be carried out impacting the level of grant to be claimed.

WH East Investment Expenditure	Year to 31 March 2024			FY Budget
	Actual £k	Budget £k	Variance £k	
<b>Investment Income</b>				
Disabled Adoptions Grant	232	210	22	210
SHNZ	243	700	(457)	700
<b>Investment Income Total</b>	<b>475</b>	<b>910</b>	<b>(435)</b>	<b>910</b>
<b>Investment Expenditure</b>				
Core Programme (excl. SHNZ)	3,132	3,504	372	3,504
SHNZ	243	650	407	650
Capitalised Repairs	1,236	874	(362)	874
Disabled adaptations	243	197	(46)	197
Voids	1,267	834	(433)	834
Capitalised Staff	916	1,020	104	1,020
<b>Investment Expenditure Total</b>	<b>7,037</b>	<b>7,079</b>	<b>42</b>	<b>7,079</b>
<b>Net Total</b>	<b>6,562</b>	<b>6,169</b>	<b>(393)</b>	<b>6,169</b>

# 7) New Build Programme – Year to March 2024

	Status	Contractor	Period To Date (£'000)			FY Budget
			Actual	Budget	Variance	
BLINDWELLS11	Due on site	Ogilvie Homes	4	3,616	3,612	3,616
DEANS SOUTH	On Site	Springfield	4,815	4,676	(140)	4,676
DEANS SOUTH PH2	Due on site	Springfield	2	5,705	5,702	5,705
MACMERRY	Complete	Balfour Beatty	1,910	1,915	5	1,915
PENICUIK	Complete	Cala	1,161	560	(601)	560
ROSEWELL	On site	Barratt	3,975	3,063	(912)	3,063
ROSLIN	Complete	Taylor Wimpey	516	255	(261)	255
ROWANBANK	On site	Artisan	1,886	2,033	147	2,033
SIBBALDS BRAE	Due on site	Taylor Wimpey	12	4,055	4,042	4,055
WISP 3C	Complete	Springfield	102	203	102	203
<b>Total Social Rent</b>			<b>14,384</b>	<b>26,080</b>	<b>11,696</b>	<b>26,080</b>
RAW HOLDINGS	Complete	Persimmon	1,153	1,146	(6)	1,146
ROSLIN PH2	Complete	Taylor Wimpey	254	461	207	461
SOUTHFORT	On site	Barratt	667	428	(238)	428
ST CRISPINS	On site	Cala	604	62	(541)	62
WALLYFORD 5 A/B	On site	McTaggart	1,177	11,552	10,375	11,552
WALLYFORD PH 2	On site	Cruden Homes	2,772	2,593	(179)	2,593
WESTCRAIGS PH1 & 2	On site	Cruden Building	26,296	16,475	(9,822)	16,475
WESTCRAIGS PH3	On site	CCG	10,361	18,161	7,800	18,161
WINCHBURGH BB	On site	McTaggart	9,176	11,459	2,283	11,459
<b>Total Mixed Tenure</b>			<b>52,458</b>	<b>62,337</b>	<b>9,878</b>	<b>62,337</b>
Property Aquisition			-	-	0	-
Capitalised Interest Costs			771	-	(771)	-
Prior Year			520	380	(140)	380
Feasibility Sites			7	3,939	3,933	3,939
Capitalised staff costs			1,433	1,542	109	1,542
<b>Total New Build Investment</b>			<b>69,573</b>	<b>94,278</b>	<b>24,705</b>	<b>94,278</b>

Grant Income	42,527	52,807	(10,280)	52,807
Net New Build Costs	27,045	41,471	14,426	41,471

Grant Income Completions (Recognised in OPS)	14,852	15,847	(995)	15,847
----------------------------------------------	--------	--------	-------	--------

Investment spend at 31 March was £69.57m against budget of £94.28m, £24.71m lower than budget.

## Completed

- Wisp 3C (SR/35)* May 2023, *Roslin Phase 2 (MMR/14 and SR/24)* June 2023, *Roslin (SR/38)* July 2023, *Penicuik (SR/57)* - (Overspend in year due to underspend in 2022/23) August 2023, *Raw Holdings (SR/38)* October 2023 and *Wallyford Ph 2 (MMR/15 and SR/45)* February 2024 and *MacMerry (SR/36)* March 2024.

## Due on Site/ On Site

- Blindwells (SR/23)*: Spend is behind budget as Golden Brick is delayed due to legal issue on planning condition. Discussions underway with contractor to overcome this with a turnkey approach.
- Deans South (SR/46)*: Spend higher than budget as site acquisition took place this financial year, but was budgeted last year, combined with good progress on site. Estimated completion Q3 2024/25.
- Deans South Ph2 (SR/38)*: Approval reached February 2024. Liaising with the council on availability of grant funding. Site start expected 2024/25, later than budgeted.
- Rosewell (SR/25)*: On site following approval in August 2023. Spend higher than budget due to Golden Brick payments paid in Q3 combined with excellent progress to date. Estimated completion Q3 2024/25
- Rowanbank (SR/33)*: Work on site progressing well, on track to meet revised completion of June 2024.
- Sibbalds Brae (SR/29)*: Missives agreed and signed in November 2023. Spend behind budget as further site remediation work has been identified. Workings towards achieving Golden Brick in June 2024, later than budgeted.
- Southfort (MMR/14 and SR/11)*: Work on site progressing well and ahead of schedule.
- St Crispins (MMR/4 and SR/8)*: Approval received in June 2023 and work on site progressing well.
- Wallyford 5/AB (MMR/61 and SR/29)*: Spend behind budget due to change in contractor. Main site works have commenced following legal contract signed in February 2024.
- West Craigs Phase 1 & 2 (MMR/168 and SR/132)*: Budgeted spend at start of year was initially low, based on concerns on ability to progress site due to potential issue with infrastructure works. However, this has now been resolved and site is progressing well, and is now ahead of programme with first phase handovers scheduled ahead of schedule in Q1 2024/25.
- West Craigs Phase 3 (MMR/55 and SR/70)*: Delayed start, now resolved. Under construction with good progress.
- Winchburgh BB (MMR/29 and SR/52)*: Under construction with good progress to date, following a delayed start.

# 8) Balance sheet

	31 March 2024 £'000	31 March 2023 £'000
<b>Fixed Assets</b>		
Social Housing Properties	505,281	443,504
Other Fixed Assets	11,577	10,392
Investment Properties	37,145	37,145
	<u>554,004</u>	<u>491,041</u>
<b>Current Assets</b>		
Stock	1,029	759
Trade debtors	528	470
Other debtors	6,610	5,689
Rent & Service charge arrears	1,429	1,598
less: Provision for rent arrears	(871)	(997)
Prepayments and accrued income	1,222	790
Intercompany debtors	343	416
Total Debtors	<u>9,261</u>	<u>7,966</u>
Cash & Cash Equivalents	2,310	2,566
	<u>12,600</u>	<u>11,291</u>
<b>Creditors: within 1 year</b>		
Trade Creditors	(6,585)	(622)
Accruals	(3,460)	(7,510)
Deferred Income	(70,298)	(42,667)
Prepayments of Rent and Service Charge	(1,747)	(1,512)
Other Creditors	(839)	(1,479)
Amounts due to Group Undertakings	(8,534)	(9,054)
	<u>(91,462)</u>	<u>(62,844)</u>
<b>Net Current Liability</b>	<u>(78,863)</u>	<u>(51,553)</u>
<b>Long Term Creditors</b>		
Loans	(35,220)	(34,675)
Amounts due to Group Undertakings	(188,862)	(169,347)
Pension Liability	(1,284)	(1,284)
<b>Net Assets</b>	<u>249,774</u>	<u>234,182</u>
<b>Capital and Reserves</b>		
Share Capital	-	-
Revenue Reserve b/f	234,182	221,578
Surplus in the year	15,592	(7,598)
Revenue Reserve transferred from WLHP	0	20,202
<b>Association's funds</b>	<u>249,774</u>	<u>234,182</u>

## Key highlights year to date:

The balance sheet reported at 31 March 2024 is subject to final year end audit and accounting adjustments including the revaluation of both housing and investment properties and actuarial valuation of the defined benefit pension scheme.

•The value of our **fixed assets** reflects additions in the year less depreciation.

•**Debtors** - have increased by £1.3m. Prepayments and accrued income of £1.2m has increased by £0.4m mainly due to the timing of payments and receipt of income. Other debtors of £6.6m, increased by £0.9m from March 2023. This is due to timing of receipt of grant income in 2023/24, claimed from Scottish Government which has been accrued.

•**Cash at Bank** – At 31 March 2024 cash at bank was £2.3m, a reduction of £0.3m from March 2023.

•**Short-Term Creditors** – Amounts due within one year of £91.5m have increased by £28.7m. Trade creditors have increased by £6m due to timing of receipt of invoices and work carried out in P12 with a corresponding reduction in accruals. The deferred income relates to grants received in advance of new build completions and due to the increase in developments undertaken during the year this has increased by £27.6m.

•**Loans** of £224.1m relate to funding drawn down from WFL1 and external funding of £35.2m due to THFC and Allia (inclusive of rolled up interest charges). The increase in loans of £20m has helped to support the development programme.

Landlord Name:	Wheatley Homes East Limited
RSL Reg No.:	116
Report generated date:	14/05/2024 14:15:59

Approval

A1.1	Date approved	
A1.2	Approver	
A1.3	Approver job title	
A1.9	General Comment	



STATEMENT OF COMPREHENSIVE INCOME						
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
	£'000	£'000	£'000	£'000	£'000	£'000
Gross rents	35,756.0	39,193.6	43,074.4	46,464.0	50,543.0	54,020.9
Service charges	2,612.0	2,814.1	2,940.7	3,073.0	3,192.9	3,317.4
<b>Gross rents &amp; service charges</b>	<b>38,368.0</b>	<b>42,007.7</b>	<b>46,015.1</b>	<b>49,537.0</b>	<b>53,735.9</b>	<b>57,338.3</b>
Rent loss from voids	623.0	563.3	490.1	519.4	551.7	580.0
<b>Net rent &amp; service charges</b>	<b>37,745.0</b>	<b>41,444.4</b>	<b>45,525.0</b>	<b>49,017.6</b>	<b>53,184.2</b>	<b>56,758.3</b>
Developments for sale income	0.0	0.0	0.0	0.0	0.0	0.0
Grants released from deferred income	14,852.0	34,745.1	45,481.2	38,280.0	37,667.8	38,258.7
Grants from Scottish Ministers	226.0	210.0	215.0	221.0	226.0	232.0
Other grants	675.0	394.0	394.0	394.0	394.0	394.0
Other income	5,786.0	3,763.0	4,952.0	5,652.0	6,499.0	6,963.0
<b>TURNOVER</b>	<b>59,284.0</b>	<b>80,556.5</b>	<b>96,567.2</b>	<b>93,564.6</b>	<b>97,971.0</b>	<b>102,606.0</b>
Less:						
Housing depreciation	12,901.0	13,675.3	15,695.9	17,032.8	18,760.7	20,209.7
Impairment written off / (back)	0.0	0.0	0.0	0.0	0.0	0.0
Management costs	7,847.8	7,896.3	8,084.9	8,317.9	8,356.9	8,540.5
Service costs	1,844.6	1,891.1	1,938.8	2,006.3	2,064.5	2,124.5
Planned maintenance - direct costs	3,870.0	4,019.8	4,217.1	4,423.0	4,553.5	4,754.6
Re-active & voids maintenance - direct costs	5,358.0	5,286.3	5,560.5	5,789.4	6,039.7	6,313.8
Maintenance overhead costs	0.0	0.0	0.0	0.0	0.0	0.0
Bad debts written off / (back)	214.0	374.7	464.8	493.0	524.3	551.5
Developments for sale costs	0.0	0.0	0.0	0.0	0.0	0.0
Other activity costs	2,219.5	1,861.2	2,020.0	2,078.8	2,981.7	3,052.4
Other costs	730.0	1,555.7	2,359.0	2,208.2	2,151.3	2,147.3
	22,083.9	22,885.1	24,645.1	25,316.6	26,671.9	27,484.6
<b>Operating Costs</b>	<b>34,984.9</b>	<b>36,560.4</b>	<b>40,341.0</b>	<b>42,349.4</b>	<b>45,432.6</b>	<b>47,694.3</b>
Gain/(Loss) on disposal of PPE	740.2	(142.0)	0.0	0.0	0.0	0.0
Exceptional Items - (Income) / Expense	859.1	17,980.0	11,096.0	8,791.0	7,884.0	9,625.0
<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>24,180.2</b>	<b>25,874.1</b>	<b>45,130.2</b>	<b>42,424.2</b>	<b>44,654.4</b>	<b>45,286.7</b>
Interest receivable and other income	35.0	25.0	37.5	50.0	50.0	50.0
Interest payable and similar charges	8,743.0	9,360.1	11,805.7	13,117.2	14,850.4	15,994.7
Increase / (Decrease) in Negative Goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Other Gains / (Losses)	7,822.9	(15,562.9)	(28,110.0)	(21,997.0)	(22,802.0)	(22,335.0)
<b>SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAX</b>	<b>23,295.1</b>	<b>976.1</b>	<b>5,252.0</b>	<b>7,360.0</b>	<b>7,052.0</b>	<b>7,007.0</b>
Tax on surplus on ordinary activities	0.0	0.0	0.0	0.0	0.0	0.0
<b>SURPLUS/(DEFICIT) FOR THE YEAR AFTER TAX</b>	<b>23,295.1</b>	<b>976.1</b>	<b>5,252.0</b>	<b>7,360.0</b>	<b>7,052.0</b>	<b>7,007.0</b>
Actuarial (loss) / gain in respect of pension schemes	0.0	0.0	0.0	0.0	0.0	0.0
Change in Fair Value of hedged financial instruments.	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>23,295.1</b>	<b>976.1</b>	<b>5,252.0</b>	<b>7,360.0</b>	<b>7,052.0</b>	<b>7,007.0</b>

STATEMENT OF FINANCIAL POSITION						
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Non-Current Assets	£'000	£'000	£'000	£'000	£'000	£'000
Intangible Assets & Goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Housing properties - Gross cost or valuation	509,941.2	539,159.0	574,386.0	594,274.0	617,229.0	670,725.0
Less:						
Housing Depreciation	0.0	0.0	0.0	0.0	0.0	0.0
Negative Goodwill	0.0	0.0	0.0	0.0	0.0	0.0
<b>NET HOUSING ASSETS</b>	<b>509,941.2</b>	<b>539,159.0</b>	<b>574,386.0</b>	<b>594,274.0</b>	<b>617,229.0</b>	<b>670,725.0</b>
Non-Current Investments	40,965.5	54,334.0	64,129.0	68,482.0	86,621.0	112,074.0
Other Non Current Assets	10,800.3	11,119.0	10,394.0	9,448.0	8,534.0	7,864.0
<b>TOTAL NON-CURRENT ASSETS</b>	<b>561,707.0</b>	<b>604,612.0</b>	<b>648,909.0</b>	<b>672,204.0</b>	<b>712,384.0</b>	<b>790,663.0</b>
<b>Current Assets</b>						
Net rental receivables	558.0	1,624.7	1,624.7	1,624.7	1,624.7	1,624.7
Other receivables, stock & WIP	9,732.0	7,654.3	7,654.3	7,654.3	7,654.3	7,654.3
Investments (non-cash)	0.0	0.0	0.0	0.0	0.0	0.0
Cash at bank and in hand	2,310.0	2,500.0	2,500.0	2,500.0	2,500.0	2,500.0
<b>TOTAL CURRENT ASSETS</b>	<b>12,600.0</b>	<b>11,779.0</b>	<b>11,779.0</b>	<b>11,779.0</b>	<b>11,779.0</b>	<b>11,779.0</b>
<b>Payables : Amounts falling due within One Year</b>						
Loans due within one year	0.0	0.0	0.0	0.0	0.0	0.0
Overdrafts due within one year	0.0	0.0	0.0	0.0	0.0	0.0
Other short-term payables	55,910.9	62,481.0	59,881.0	59,969.0	61,335.5	74,865.0
<b>TOTAL CURRENT LIABILITIES</b>	<b>55,910.9</b>	<b>62,481.0</b>	<b>59,881.0</b>	<b>59,969.0</b>	<b>61,335.5</b>	<b>74,865.0</b>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>	<b>(43,310.9)</b>	<b>(50,702.0)</b>	<b>(48,102.0)</b>	<b>(48,190.0)</b>	<b>(49,556.5)</b>	<b>(63,086.0)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>518,396.1</b>	<b>553,910.0</b>	<b>600,807.0</b>	<b>624,014.0</b>	<b>662,827.5</b>	<b>727,577.0</b>
<b>Payables : Amounts falling due After One Year</b>						
Loans due after one year	224,082.0	272,061.4	304,056.5	333,581.7	357,557.1	395,472.4
Other long-term payables	0.0	0.0	0.0	0.0	0.0	0.0
Grants to be released	35,553.0	22,110.6	31,760.5	18,082.3	25,869.4	45,696.6
<b>TOTAL LONG TERM LIABILITIES</b>	<b>259,635.0</b>	<b>294,172.0</b>	<b>335,817.0</b>	<b>351,664.0</b>	<b>383,426.5</b>	<b>441,169.0</b>
Provisions for liabilities & charges	0.0	0.0	0.0	0.0	0.0	0.0
Pension asset / (liability)	1,284.0	1,284.0	1,284.0	1,284.0	1,284.0	1,284.0
<b>NET ASSETS</b>	<b>257,477.1</b>	<b>258,454.0</b>	<b>263,706.0</b>	<b>271,066.0</b>	<b>278,117.0</b>	<b>285,124.0</b>
<b>Capital &amp; Reserves</b>						
Share capital	0.1	0.1	0.1	0.1	0.1	0.1
Revaluation reserve	0.0	0.0	0.0	0.0	0.0	0.0
Restricted reserves	0.0	0.0	0.0	0.0	0.0	0.0
Revenue reserves	257,477.0	258,453.9	263,705.9	271,065.9	278,116.9	285,123.9
<b>TOTAL CAPITAL &amp; RESERVES</b>	<b>257,477.1</b>	<b>258,454.0</b>	<b>263,706.0</b>	<b>271,066.0</b>	<b>278,117.0</b>	<b>285,124.0</b>
Intra Group Receivables - as included above	343.0	500.0	500.0	500.0	500.0	500.0
Intra Group Payables - as included above	197,396.0	245,326.0	277,305.0	306,815.0	330,779.0	368,631.0

STATEMENT OF CASHFLOWS						
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Net Cash from Operating Activities</b>						
Operating Surplus/(Deficit)	24,180.2	25,874.1	45,130.2	42,424.2	44,654.4	45,286.7
Depreciation & Amortisation	14,360.9	15,231.0	17,732.0	19,241.0	20,912.0	22,357.0
Impairments / (Revaluation Enhancements)	859.1	17,980.0	11,096.0	8,791.0	7,884.0	9,625.0
Increase / (Decrease) in Payables	988.6	(253.1)	666.2	779.9	694.9	907.6
(Increase) / Decrease in Receivables	(1,324.0)	1,011.0	0.0	0.0	0.0	0.0
(Increase) / Decrease in Stock & WIP	(241.0)	0.0	0.0	0.0	0.0	0.0
Gain / (Loss) on sale of non-current assets	(740.2)	142.0	0.0	0.0	0.0	0.0
Other non-cash adjustments	(14,851.7)	(34,745.1)	(45,481.2)	(38,280.0)	(37,667.8)	(38,258.7)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>23,231.9</b>	<b>25,239.9</b>	<b>29,143.2</b>	<b>32,956.1</b>	<b>36,477.5</b>	<b>39,917.6</b>
Tax (Paid) / Refunded	0.0	0.0	0.0	0.0	0.0	0.0
<b>Return on Investment and Servicing of Finance</b>						
Interest Received	35.0	25.0	37.5	50.0	50.0	50.0
Interest (Paid)	(8,743.0)	(9,360.1)	(11,805.7)	(13,117.2)	(14,850.4)	(15,994.7)
<b>RETURNS ON INVESTMENT AND SERVICING OF FINANCE</b>	<b>(8,708.0)</b>	<b>(9,335.1)</b>	<b>(11,768.2)</b>	<b>(13,067.2)</b>	<b>(14,800.4)</b>	<b>(15,944.7)</b>
<b>Capital Expenditure &amp; Financial Investment</b>						
Construction or acquisition of Housing properties	(70,750.5)	(82,505.1)	(90,965.1)	(62,717.3)	(79,477.6)	(118,456.1)
Improvement of Housing	(7,037.0)	(8,082.0)	(8,958.8)	(9,344.5)	(11,063.1)	(12,662.7)
Construction or acquisition of other Land & Buildings	0.0	0.0	0.0	0.0	0.0	0.0
Construction or acquisition of other Non-Current Assets	(1,138.3)	(1,874.4)	(1,311.1)	(1,262.2)	(1,237.3)	(1,477.3)
Sale of Social Housing Properties	0.0	0.0	0.0	0.0	0.0	0.0
Sale of Other Land & Buildings	0.0	0.0	0.0	0.0	0.0	0.0
Sale of Other Non-Current Assets	1,602.9	663.6	0.0	0.0	0.0	0.0
Grants (Repaid) / Received	42,483.0	28,103.7	51,864.9	23,909.9	46,125.5	70,707.9
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>	<b>(34,839.9)</b>	<b>(63,694.2)</b>	<b>(49,370.1)</b>	<b>(49,414.1)</b>	<b>(45,652.5)</b>	<b>(61,888.2)</b>
<b>NET CASH BEFORE FINANCING</b>	<b>(20,316.0)</b>	<b>(47,789.4)</b>	<b>(31,995.1)</b>	<b>(29,525.2)</b>	<b>(23,975.4)</b>	<b>(37,915.3)</b>
<b>Financing</b>						
Equity drawdown	0.0	0.0	0.0	0.0	0.0	0.0
Debt drawdown	20,060.0	47,979.4	31,995.1	29,525.2	23,975.4	37,915.3
Debt repayment	0.0	0.0	0.0	0.0	0.0	0.0
Working Capital (Cash) - Drawn / (Repaid)	0.0	0.0	0.0	0.0	0.0	0.0
<b>NET CASH FROM FINANCING</b>	<b>20,060.0</b>	<b>47,979.4</b>	<b>31,995.1</b>	<b>29,525.2</b>	<b>23,975.4</b>	<b>37,915.3</b>
<b>INCREASE / (DECREASE) IN NET CASH</b>	<b>(256.0)</b>	<b>190.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Cash Balance</b>						
Balance Brought Forward	2,566.0	2,310.0	2,500.0	2,500.0	2,500.0	2,500.0
Increase / (Decrease) in Net Cash	(256.0)	190.0	0.0	0.0	0.0	0.0
<b>CLOSING BALANCE</b>	<b>2,310.0</b>	<b>2,500.0</b>	<b>2,500.0</b>	<b>2,500.0</b>	<b>2,500.0</b>	<b>2,500.0</b>

ADDITIONAL INFORMATION						
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Number of units added during year to:</b>						
New Social Rent Properties added	168	201	328	267	271	248
New MMR Properties added	29	161	100	91	82	105
New Low Costs Home Ownership Properties added	0	0	0	0	0	0
New Properties - Other Tenures added	0	0	0	0	0	0
Transfers in	0	0	0	0	0	0
<b>Total number of new affordable housing units added during year</b>	<b>197</b>	<b>362</b>	<b>428</b>	<b>358</b>	<b>353</b>	<b>353</b>
<b>Units developed for sale:</b>						
Number of units developed for sale to RSLs	0	0	0	0	0	0
Number of units developed for sale to non-RSLs	0	0	0	0	0	0
Development Assumption Indicator	No					
<b>Number of units lost during year from:</b>						
Sales including right to buy	12	22	0	0	0	0
Demolition	0	0	0	0	0	0
Transfers out	0	0	0	0	0	0
Other	0	0	0	0	0	0
Number of units managed at end of period (exclude factored units)	6,959	7,138	7,466	7,733	8,004	8,252
<b>Units owned:</b>						
Social Rent Properties	6,628	6,807	7,135	7,402	7,673	7,921
MMR Properties	407	568	668	759	841	946
Low Costs Home Ownership Properties	331	331	331	331	331	331
Properties - Other Tenures	0	0	0	0	0	0
<b>Number of units owned at end of period</b>	<b>7,366</b>	<b>7,706</b>	<b>8,134</b>	<b>8,492</b>	<b>8,845</b>	<b>9,198</b>
<b>Financed by:</b>						
Scottish Housing Grants	14,851.7	34,745.1	45,481.2	38,280.0	37,667.8	38,258.7
Other public subsidy	0.0	0.0	0.0	0.0	0.0	0.0
Private finance	16,525.8	38,518.1	41,648.6	32,867.2	23,975.4	37,915.3
Sales	0.0	0.0	0.0	0.0	0.0	0.0
Cash reserves	0.0	0.0	0.0	4,684.8	14,599.9	2,973.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total cost of new units</b>	<b>31,377.5</b>	<b>73,263.2</b>	<b>87,129.8</b>	<b>75,832.0</b>	<b>76,243.1</b>	<b>79,147.0</b>
<b>Assumptions:</b>						
General Inflation (%)	5.0	4.0	2.5	2.5	2.5	2.5
Rent increase - Margin above/below General Inflation (%)	(1.1)	3.5	2.0	2.0	1.4	1.4
Operating cost increase - Margin above/below General Inflation (%)	0.0	0.0	0.0	0.0	0.0	0.0
Direct maint cost increase-Margin above/below General Inflation (%)	2.0	0.0	0.0	0.0	0.0	0.0
Actual / Assumed average salary increase (%)	7.0	4.5	2.5	2.5	2.5	2.5
Average cost of borrowing (%)	4.9	4.9	5.0	5.0	5.0	5.0
Employers Contributions for pensions (%)	5.1	5.1	5.1	5.1	5.1	5.1
Employers Contributions for pensions (£'000)	575.0	600.9	600.7	612.7	625.0	637.5
SHAPS Pensions deficit contributions (£'000)	0.0	0.0	0.0	0.0	0.0	0.0
Min. headroom cover on tightest interest cover covenant (£'000)	0.0	0.0	0.0	0.0	0.0	0.0
Minimum headroom cover on tightest gearing covenant (£'000)	0.0	0.0	0.0	0.0	0.0	0.0

Minimum headroom cover on tightest asset cover covenant (£'000)	0.0	0.0	0.0	0.0	0.0	0.0
Total staff costs (including NI & pension costs) (£'000)	11,346.0	11,856.6	11,853.0	12,090.1	12,331.9	12,578.5
Full time equivalent staff	222.0	222.0	217.0	217.0	217.0	217.0
EESHS Revenue Expenditure included above (£'000)	0.0	0.0	0.0	0.0	0.0	0.0
EESHS Capital Expenditure included above (£'000)	743.0	1,300.0	650.0	600.0	862.0	1,100.0
Total capital & revenue expend on maint pre-1919 properties (£'000)	1,125.0	600.0	750.0	950.0	1,200.0	1,200.0
Total capital & revenue expend on maint all other properties (£'000)	15,140.0	16,787.7	17,986.4	18,606.9	20,506.3	22,531.1
Estimated decarbonisation cost indicator	Yes					
Estimated decarbonisation cost (£'000)	503.0					

**TRENDS & COMPARATORS**

<b>RATIOS</b>	<b>Year -2</b>	<b>Year -1</b>	<b>Year 0</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>National Median</b>
<b>Financial capacity</b>	<b>Actual</b>	<b>Actual</b>	<b>Outturn</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	
Interest cover	234.7%	308.3%	266.120%	269.921%	247.175%	251.625%	245.970%	249.880%	425.2%
Gearing	72.7%	86.0%	86.133%	104.298%	114.353%	122.141%	127.665%	137.825%	44.8%
<b>Efficiency</b>									
Voids	1.5%	1.6%	1.624%	1.341%	1.065%	1.049%	1.027%	1.012%	0.8%
Arrears	1.6%	1.8%	1.478%	3.920%	3.569%	3.315%	3.055%	2.862%	1.9%
Bad debts	0.8%	0.9%	0.567%	0.904%	1.021%	1.006%	0.986%	0.972%	0.5%
Staff costs / turnover	22.0%	17.4%	19.138%	14.718%	12.274%	12.922%	12.587%	12.259%	21.0%
Turnover per unit	£6,881	£8,153	£8,048	£10,454	£11,872	£11,018	£11,076	£11,155	£5,571
Responsive repairs to planned maintenance	1.8	1.4	2.0	2.3	2.4	2.4	2.6	2.8	1.6
<b>Liquidity</b>									
Current ratio	0.6	0.3	0.2	0.2	0.2	0.2	0.2	0.2	1.9
<b>Profitability</b>									
Gross surplus / (deficit)	29.7%	72.1%	40.787%	32.119%	46.735%	45.342%	45.579%	44.137%	16.2%
Net surplus / (deficit)	18.8%	24.3%	39.294%	1.212%	5.439%	7.866%	7.198%	6.829%	11.1%
EBITDA / revenue	37.9%	80.9%	50.678%	39.063%	53.711%	53.559%	53.436%	51.492%	28.8%
<b>Financing</b>									
Debt Burden	3.9	3.5	3.8	3.4	3.1	3.6	3.6	3.9	1.7
Net debt per unit	£26,435	£28,054	£30,108	£34,981	£37,074	£38,987	£40,142	£42,724	£7,062
Debt per unit	£26,756	£28,411	£30,421	£35,305	£37,381	£39,282	£40,425	£42,995	£10,191
<b>Diversification</b>									
Income from non-rental activities	27.3%	42.3%	36.332%	48.552%	52.857%	47.611%	45.714%	44.683%	17.4%
<b>INDICATORS</b>									
Turnover	41,921.0	58,549.0	59,284.0	80,556.5	96,567.2	93,564.6	97,971.0	102,606.0	
Operating costs	20,650.0	23,947.0	22,083.9	22,885.1	24,645.1	25,316.6	26,671.9	27,484.6	
Net housing assets	369,689.0	443,504.0	509,941.2	539,159.0	574,386.0	594,274.0	617,229.0	670,725.0	
Cash & current investments	1,953.0	2,566.0	2,310.0	2,500.0	2,500.0	2,500.0	2,500.0	2,500.0	
Debt	34,147.0	34,675.0	224,082.0	272,061.4	304,056.5	333,581.7	357,557.1	395,472.4	
Net assets / capital & reserves	221,578.0	234,182.0	257,477.1	258,454.0	263,706.0	271,066.0	278,117.0	285,124.0	

## Comments

Page	Field	Comment
SOCI	Gross rents	increase in year 3 - impact of additions planned of 328 handed over throughout the year
SOCI	Grants released from deferred income	Grants released on completion and handover of the development
SOCI	Gain/(Loss) on disposal of PPE	Loss on sale of properties
SOCI	Exceptional Items - (Income) / Expense	Valuation adjustments for investment properties
SOCI	Other Gains / (Losses)	valuation adjustments for housing properties
SOFP	Housing depreciation	property held at valuation
SOCF	Increase / (Decrease) in Payables	movement in payables due to timing of payment of creditors
SOCF	(Increase) / Decrease in Receivables	movement from actual to business plan debtors
SOCF	Construction or acquisition of Housing properties	increased development costs for completion in year 6
Additional Information	'Total cost of new units' / 'Total number of new affordable housing units added during year'	business plan includes a substantial development programme increasing the units by 25% from 2024 closing position to 2029
Additional Information	Development Assumption	Some development schemes are not included within the SHIP and will be appraised for inclusion within the budgets in future years
Additional Information	Other public subsidy	only Housing grants planned to be received
Additional Information	Rent increase - Margin above General Inflation (%)	Year 5 rental income - impacted by the additional units handed over in year 4 and throughout year 5 as well as rent increase
Additional Information	Minimum headroom cover on tightest interest cover covenant (£'000)	covenant calculated at RSL borrower group level
Additional Information	Minimum headroom cover on tightest gearing covenant	Covenant calculated at RSL borrower group level

Page	Field	Comment
	(£'000)	
Additional Information	Minimum headroom cover on tightest asset cover covenant (£'000)	Covenant calculated at RSL borrower group level
Additional Information	Estimated decarbonisation cost	Decarbonisation costs are included within the EESSH spend



## Report

**To:** Wheatley Homes East Board

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

**Subject:** Group Assurance Update

**Date of Meeting:** 23 May 2024

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### 1. Purpose

- 1.1 This report provides the Wheatley Homes East Board (the Board) with an update for noting of the following matters:
- internal audit work reported to the January and May Group Audit Committee meetings; and
  - The rolling Internal Audit Plan.

### 2. Authorising and strategic context

- 2.1 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.
- 2.2 The Group Audit Committee is responsible for monitoring the Group's assurance activities. The Group Audit Committee has responsibility for instructing and keeping under review the rolling internal audit plan for the Group, and monitoring results as presented in quarterly Assurance Updates. The current schedule of work within the rolling Internal Audit Plan will be considered by the Group Audit Committee at its meeting on 15 May 2024.

### 3. Background

- 3.1 In November 2023 and January 2024, the Group Audit Committee approved delivery of the following reviews, as part of the rolling Internal Audit Plan. The reviews highlighted in **blue font** are those relevant to this Board:

**Wheatley Homes – South  
Repairs**

**Financial Efficiency  
Savings**

**Commercial Property  
Management  
(commercial units,  
garages, lock-ups)**

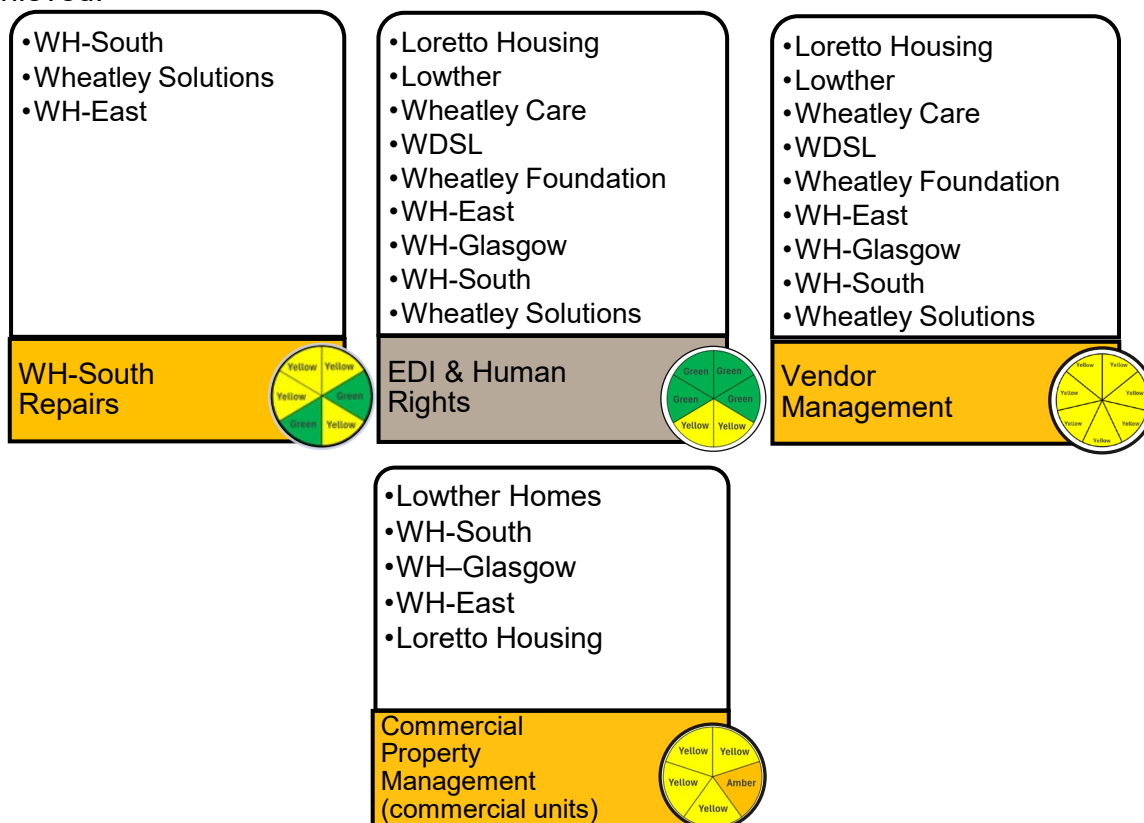
Equality, Diversity, Inclusion & Human Rights	Vendor Management	Group Data Strategy
Repairs Analytics	CBG Working Group Support	Electrical Testing Certification
Legislative Compliance Mapping: <b>Governance, Strategy &amp; Performance, Human Resources &amp; Organisational Development</b>	Legislative Compliance Mapping: <b>Financial Reporting, Asset &amp; Sustainability, and Procurement, Fleet &amp; Utilities</b>	Data Analytics

3.2 The Internal Audit team has now completed these reviews, and details of the relevant findings are set out in the report in **Appendix 1**.

#### 4. Discussion

##### Summary of work in Q3 and Q4 of 2023/24

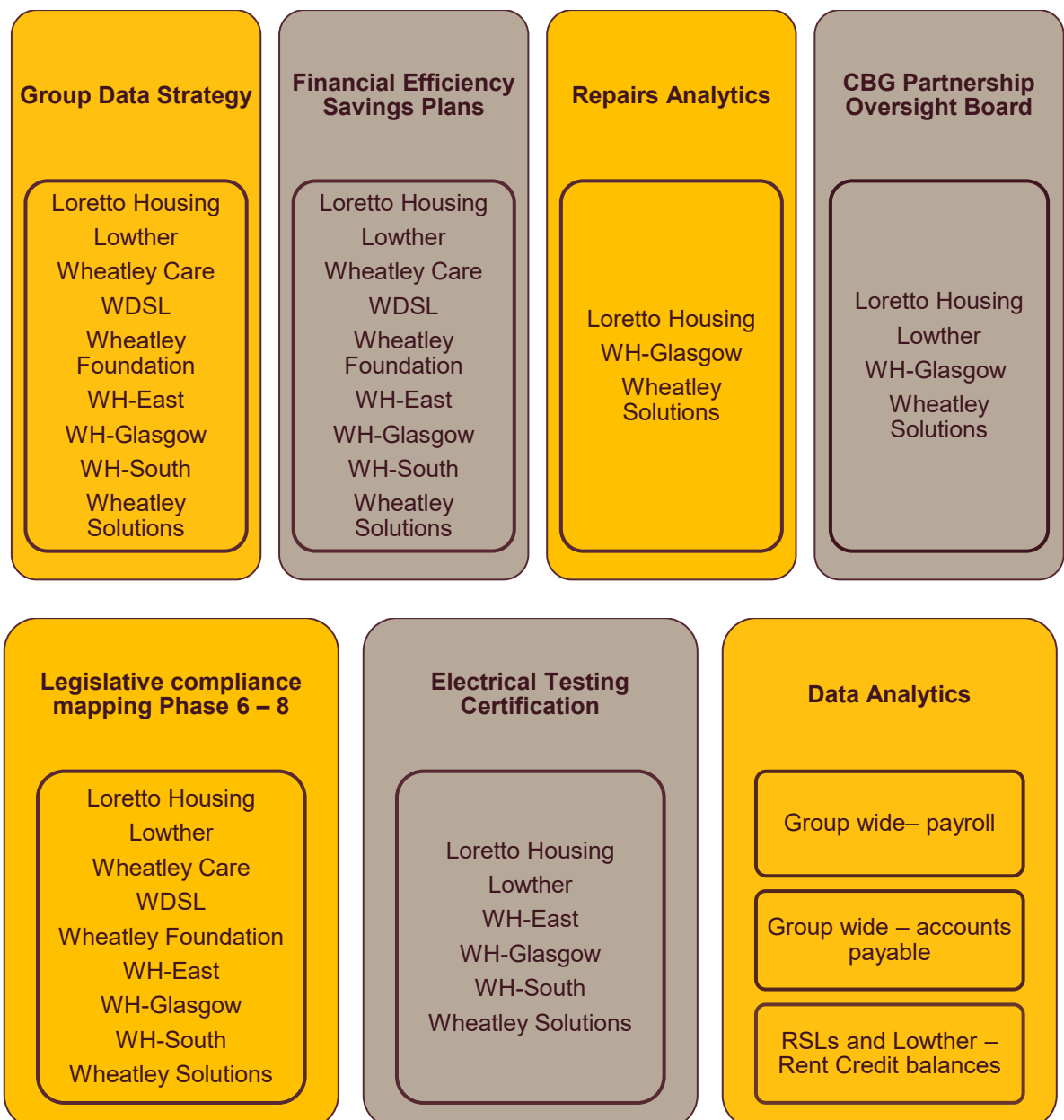
4.1 The diagram below summarises the results of internal audit work completed in the period since our last report. The coloured pie charts represent our assessment of the extent to which the control objectives we audited were achieved.



## 4.2 The control objective ratings are defined below:

Red	Amber	Yellow	Green
<ul style="list-style-type: none"> <li>•Control objective not achieved.</li> <li>•Control weaknesses identified could have a significant and immediate impact on the risks to achievement of the organisation's objectives.</li> </ul>	<ul style="list-style-type: none"> <li>•Control objective not achieved.</li> <li>•Control weaknesses identified could have a moderate impact on the risks to achievement of the organisation's objectives.</li> </ul>	<ul style="list-style-type: none"> <li>•Control objective achieved.</li> <li>•Control weaknesses identified could have some impact on the risks to the achievement of the organisation's objectives.</li> </ul>	<ul style="list-style-type: none"> <li>•Control objective achieved.</li> <li>•Any control weaknesses identified could have limited impact on the risks to the achievement of the organisation's objectives.</li> </ul>

## 4.3 In addition, the following reviews have also been completed. We can confirm there were no significant issues arising in these reports that we would need to highlight to the Board:



- 4.4 More detail on the key findings for each review are set out in the Group Assurance Update in **Appendix 1**. Full reports are available to all Board members upon request.

*Rolling Internal Audit Plan to August 2024*

- 4.5 The Group Audit Committee reviews the rolling Internal Audit Plan at each of its meetings, approving the work scheduled for the coming quarter. In May 2024, the Group Audit Committee will consider for approval the programme of work set out in **Appendix 1**.

**5. Customer Engagement**

- 5.1 No customer engagement implications arise 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 The report on Data Strategy provides assurance on the way digital transformation is delivered across the Group.

**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 is designed to inform the Board members of specific risks arising from internal audit reviews, in order that members can make informed governance decisions. The relevant risk appetite statements are dependent on the nature of each specific risk arising from those internal audit reviews.

**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 the listed reviews. No significant matters were noted to bring to the attention of the Board members and management have agreed actions to address the improvement actions identified during each review. The Internal Audit team will monitor completion of these actions and report progress to future meetings of the Group Audit Committee and this Board.

- 12.2 The Group Audit Committee has approved the Internal Audit team's current programme of work and will continue to oversee and approve the work programme on a quarterly basis.

**13. Recommendations**

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

LIST OF APPENDICES:

Appendix 1 – Group Assurance Update May 2024

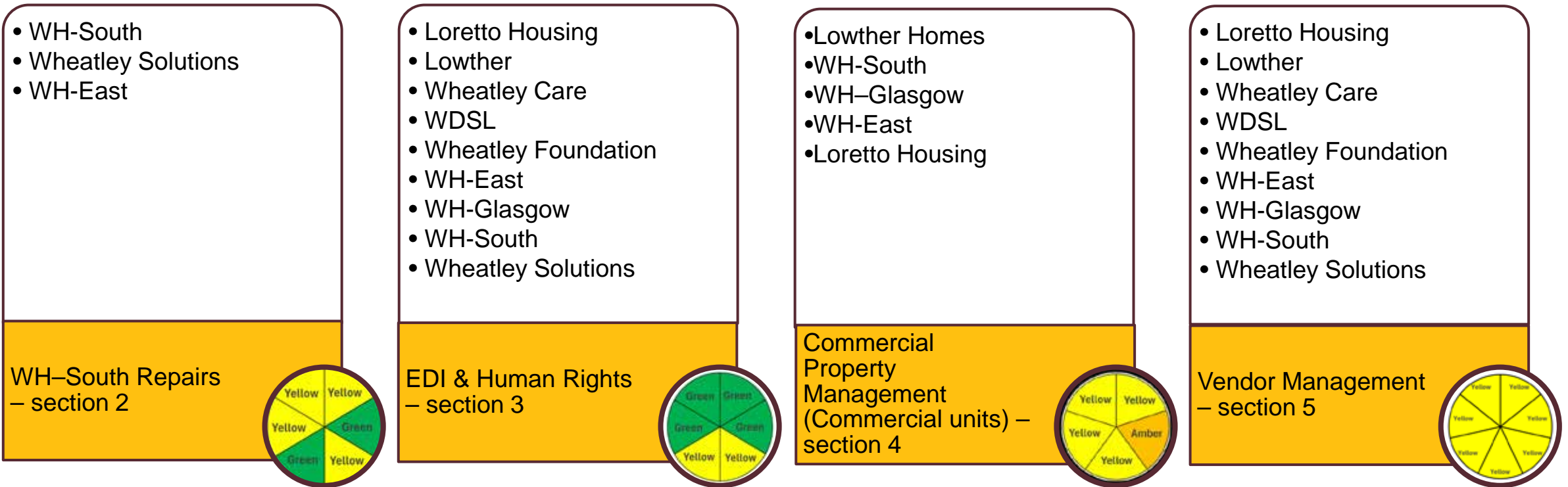
# Group Assurance Update

## May 2024

***Ranald Brown***  
*Director of Assurance*

# 1. Internal Audit Plan Status

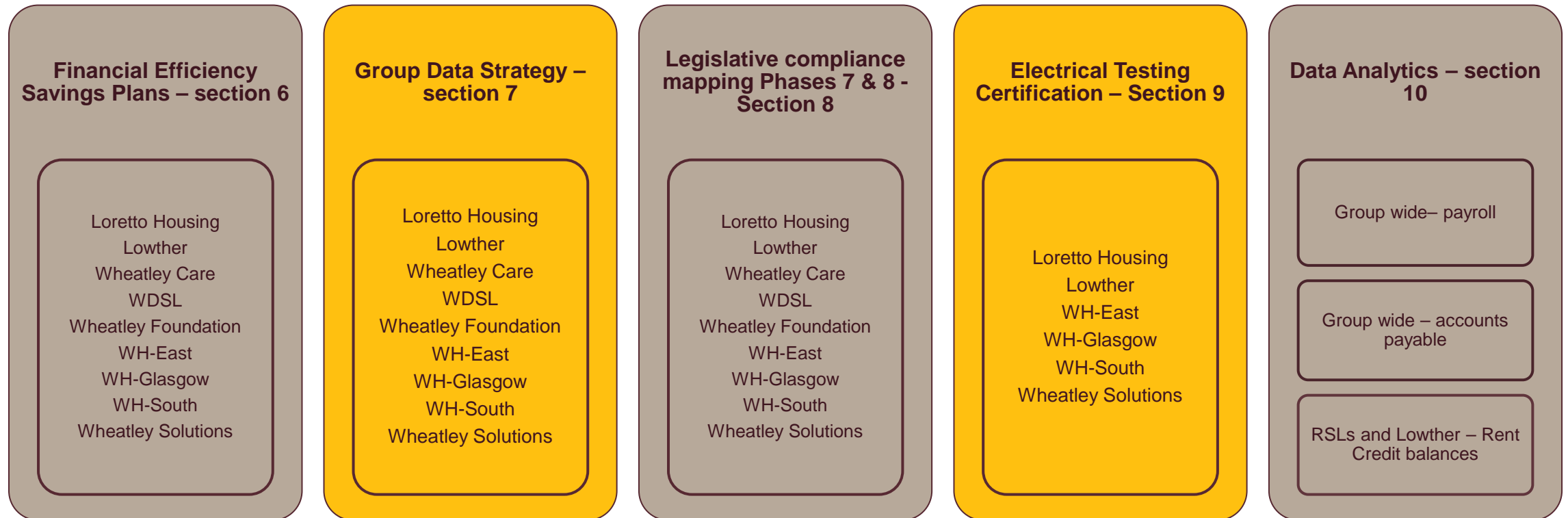
This report summarises the findings of the following Internal Audit activity, which was completed during this period.



The next slide captures additional work completed during the reporting period. A summary of the internal audit work approved for the next period is set out in section 12.

# 1. Internal Audit Plan Status

This report summarises the findings of the following Internal Audit activity, which was completed during this period.



In addition, the team has followed up the implementation of previously agreed management actions (section 11).



## Control Objective Classification:

The audit approach involves assessing the risks to the achievement of the control objectives. Controls to mitigate these risks are then identified and tested in terms design, adequacy and operating effectiveness. Where those controls are considered insufficient to mitigate the risks to the achievement of the control objective, the classification will be “red” or “amber”. Where the controls are adequate to mitigate the risks, the classification will be “yellow” or “green”. The classification allocated is based on audit findings and the Director of Assurance’s professional judgement, which will consider the strategic importance of the area under review.

Red	Amber	Yellow	Green
<ul style="list-style-type: none"><li>• Control objective not achieved.</li><li>• Control weaknesses identified could have a significant and immediate impact on the risks to achievement of the organisation’s objectives.</li></ul>	<ul style="list-style-type: none"><li>• Control objective not achieved.</li><li>• Control weaknesses identified could have a moderate impact on the risks to achievement of the organisation’s objectives.</li></ul>	<ul style="list-style-type: none"><li>• Control objective achieved.</li><li>• Control weaknesses identified could have a minor impact on the risks to the achievement of the organisation’s objectives.</li></ul>	<ul style="list-style-type: none"><li>• Control objective achieved.</li><li>• Any control weaknesses identified could have very little impact on the risks to the achievement of the organisation’s objectives.</li></ul>

## 2. WH-South Repairs

### Report Conclusion

This review assessed the extent to which repairs processes are operating as designed within WH-South; to identify potential improvements to be included within the implementation plans for WH-East. This review was completed prior to the implementation of Book it, Track it, Rate it in WH-South. We found close working between WH-South and WH-East to manage this migration. A decision is required on which diagnostic tool will be used to raise repairs in both subsidiaries going forward. This decision should consider what system is the best fit for WH-South and the long-term prospects of the chosen system.

Our review found that there are controls in place throughout the customer journey from a repair being raised, scheduled, actioned, and then closed with customer feedback being obtained. We identified some areas for improvement that would further strengthen these controls to improve the customer experience, some of which management have already started to progress during this review. Some of these improvement opportunities relate to wider Group work and WH-South should ensure that they feed into these discussions to obtain changes that maximise benefits for WH-South customers.

### Control Objective Classification (see Section 1 for definitions)

Yellow

Repairs are diagnosed, categorised and appointed correctly at the initial call log stage;

Green

The repairs team have effective workforce planning management and scheduling tools in place to ensure that the Group is able to respond to demand for repairs within statutory timescales;

Yellow

Customer expectations are understood and being managed by keeping them fully informed during the full life cycle of the repairs process;

Green

Repairs are delivered as per work programme type, which set out the agreed time scale for completing each repair;

Yellow

Repairs are completed to agreed quality standards and customer is satisfied with final result; and

Yellow

The Group reviews lessons learned from customer feedback/ performance information and takes action to further improve the service from a customer journey perspective.

## 2. WH-South Repairs

### Areas of good practice

- Ü Weekly meetings are held between the WH-S repairs team, WH-East repairs team, IT Project manager and WH-East Finance Manager to discuss changes and keep track of progress on WH-East's migration to Servitor.
- Ü 24/25 repairs in our sample testing were appointed in line with the priority timescale they were raised against and completed within this timescale.
- Ü There are regular meetings and communication between Trades Team Leaders and Planners to identify issues and progress more complex jobs.
- Ü Planners use the DRS Scheduling System which has rules written in to automatically schedule jobs to reduce travel time of Trade Operatives.
- Ü There is a suite of daily, weekly and monthly performance reporting which is shared with both local management for operational review and repairs management to allow areas for improvement to be identified.
- Ü Van stocks have recently been reviewed by WH-South repairs teams to ensure these are fit for purpose and aim to allow Trades to complete the repair at the first visit.
- Ü Tool Box Talks are carried out routinely with Trade Operatives to deliver training and other updates.

## 2. WH-South Repairs

### Opportunities for Improvement

Management has reviewed and agreed both the priority actions and the continuous improvement opportunities set out below.

#### **Priority Actions:**

- Ø A decision is required on whether WH-South will develop the current diagnostic tool in Servitor Express to raise repairs or whether they will adapt the Astra diagnostic tool. This decision should consider the long-term prospects of each system, compatibility of timescales and priority codes, associated costing / payment mechanisms and impact on current reporting. The Group should also use this opportunity to explore whether a Right to Repair marker can be added to facilitate WH-South operational reporting on RTR and actual emergency repairs. In the interim, additional training should be provided for out of hours staff within Lipton CFC in relation to the existing diagnostic process within WH-South.

**Management Response:** *We will continue to meet with colleagues across the Group to agree the new diagnostic tool that will be used to raise repairs in WH-South and training will be developed and rolled out. (Due: 30/06/24)*

- Ø Our sample testing highlighted instances in which an appointment confirmation text was not issued and cases where a customer satisfaction test was not issued at the end of the repair. Management investigation confirmed all of these instances were due to manual intervention in the process rather than a system error. These interventions can occur for expected reasons, such as the repair being an emergency and completed on the same day, or work being completed by sub-contractors. During the audit management started work to develop an exception report to highlight instances where expected communications to customers are not issued, for investigation and resolution. This should be completed, along with work to capture customer feedback for work completed by sub-contractors.

**Management Response:** *We have contacted the service provider Civica and obtained an initial exception report. We will regularly review exceptions to confirm texts are issued as expected. (Due: 29/02/24)*

## 2. WH-South Repairs

### Opportunities for Improvement

#### *Continuous Improvement Actions:*

- Ø A review of the points at which customers are asked for feedback, and the tools used to gather this feedback, is ongoing at Group level. WH-South should contribute to these discussions to confirm the review takes into account the needs of WH-South customers and considers options to automate reporting on the results received.

**Management Response:** *We will join in with wider Group work to review how customer feedback, including ARC customer satisfaction data, is collected. (Due: 31/03/24)*

- Ø A small number of requests for repairs are received each day from front-line staff via the WH-South CFC mailbox; which is also used for queries about other tenancy-related matters. Consequently, there is a risk that a repair requested is not identified and actioned on the day it is received. Management should introduce a separate mailbox for repairs requests, so that the mailbox can be monitored and confirmed as cleared each day.

**Management Response:** *We will introduce a separate mailbox for use by staff when raising repairs through email. (Due: 29/02/24)*

- Ø Currently, the results of ad hoc post inspections are not formally documented and reviewed. Work is in progress to implement a post inspection code and a more standardised approach that will facilitate reporting on inspections completed and outcomes for voids and sub-contracted or high-value repairs. This work should continue to develop reporting on lessons learned from post inspection outcomes.

**Management Response:** *We will continue to trial the new code, which prompts Team Leaders to complete a post inspection, within the repairs team and gather feedback to improve and fully implement this new control. (Due: 29/02/24)*

## 2. WH-South Repairs

### Opportunities for Improvement

#### *Continuous Improvement Actions (continued):*

- Ø WH-South management should engage with Group discussions to review complaints categories for repairs and maintenance complaints. This should include consideration of reporting that may be available as a result and how this can be used to review lessons learned in more detail in the South.

**Management Response:** *We will liaise with Group repairs to input WH-South considerations to the review of repairs and maintenance complaints categories. (Due: 31/03/24)*

- Ø The Business Support team relies on management/ Group IT to inform it of joiners, leavers and movers so that Servitor user access rights are updated. The Business Support Team should run an active user report bi-annually to share with Heads of Housing, CFC management and Repairs management to confirm that users in their area are still appropriate and to identify any changes required.

**Management Response:** *Bi-annually we will run a review of active users in Servitor and share this with Heads of Housing, CFC management and Repairs management for approval. (Due: 29/02/24)*

- Ø At present training records for the WH-South repairs team are held in My Academy (internal training) and in a manually updated spreadsheet (external training). Management should work with MyAcademy colleagues to transfer all records into MyAcademy. This would allow for more automated reporting on completion rates and next due dates.

**Management Response:** *We will work with My Academy to confirm job specific courses for each member of the Wheatley Homes South repairs team and to standardise records of training and performance reviews. (Due: 31/03/24)*

# 3. Equality, Diversity, Inclusion and Human Rights

## Report Conclusion

This audit assessed the extent to which the Group's procedures for the management of equalities, diversity, inclusion (EDI) and human rights have been developed and implemented since a review in 2021/22. The review included the collection and use of protected characteristics data to inform decision-making; management of EDI data held within the Group's systems; and use of Equality Impact Assessments (EIAs).

The Group has made significant progress towards embedding processes and procedures that provide assurance that the Group is meeting its EDI and human rights obligations. We found that training and guidance are available for staff, publications are available for sharing with customers, and there is regular reporting to senior management and Boards. In addition, the Group ran surveys to collect equalities data from customers, staff, and Board Members in 2023, which has improved the data sets available for use in equality impact assessments.

A small number of continuous improvement actions were identified during this review. The most important of which were the strengthening of existing controls around access to and retention of EDI data; and developing additional guidance to help staff determine when an equality impact assessment might be required. In addition, there is an opportunity to review staff Equal Opportunities and Dignity at Work policies, so they are consistent across all Subsidiaries.

## Control Objective Classification

Green

All staff and management have been provided with accessible EDI and Human Rights training and guidance, including policies and procedures.

Green

The Group communicates its EDI and Human Rights commitments and activities to its existing customers, new customers, people on waiting lists, governing body members and staff.

Yellow

The Group has identified systems that routinely collect and hold data on protected characteristics and confirmed this data is held in compliance with the Data Protection Act 2018.

Yellow

The Group's guidance and approach to completion of Equality Impact Assessments meets legislative requirements and is applied consistently and in all applicable situations.

Green

The results of Equality Impact Assessments are reported to Boards and Senior Management in sufficient detail and in time to inform strategic decision making.

Green

Boards and Senior Management receive regular assurance on how the Group is meeting its EDI and human rights responsibilities, including updates on the implementation of actions detailed in the Group Equality, Diversity, Inclusion and Human Rights Action Plan.



### 3. Equality, Diversity, Inclusion and Human Rights

#### Areas of good practice identified

- Ü The Group Equalities, Diversity and Human Rights Policy and formal Statement of Commitment, which advises that the Group is 'committed to ensuring Equality, Diversity and Inclusion (EDI) are reflected in everything they do.', are available to staff and customers on the Group and subsidiary websites.
- Ü An EDI training suite is available for staff which includes a variety of courses, podcasts and links to further external resources relating to equalities and human rights. Review of the content found it provided staff with information on appropriate behaviours in relation to protected characteristics when working with colleagues and customers.
- Ü The EDI training suite includes an EDI awareness eLearning module that is mandatory for all staff. Completion rates are reported monthly to ET and Business Leads. The completion at the beginning of March 2024 was 89%.
- Ü The Group has published its first annual Equalities Report. In addition, progress towards completion of the annual EDI Action Plan is reported quarterly to the Executive Team and the Wheatley Solutions Board; with annual reporting to the other Subsidiary Boards.
- Ü The Group has surveyed staff, customers and Board members to obtain refreshed EDI data, which is available in anonymised form for use in equality impact assessments. Arrangements are in place to repeat the surveys, so the data continues to be refreshed and improved.
- Ü A *Different Together* Community of Excellence (CoE) has been established to identify and implement actions to further embed EDI within the Group. The CoE is supported by six staff networks groups and a *Different Together* hub on WEConnect.
- Ü Delivery of relevant human rights, such as the right to equality, freedom from discrimination, freedom of belief and religion, is well-established within Group policies and services. They are promoted within Group Equalities, Diversity and Human Rights Policy, the new Group Hate Crime Policy and the *Different Together* CoE and hub.



# 3. Equality, Diversity, Inclusion and Human Rights

## Opportunities for Improvement

Management has reviewed and agreed the continuous improvement actions set out below.

### *Continuous Improvement Opportunities:*

- Ø People Services should review and update subsidiary policies on equal opportunities and dignity at work to provide staff with consistent information as far as terms and conditions allow. A Group-wide Equal Opportunities Policy and Dignity at Work Policy should be developed if possible.

**Management Response:** *We will review subsidiary policies and create a standardised one for each subsidiary. (Due date 30/09/24)*

- Ø Although training and guidance on how to complete an equality impact assessment (EIA) is available, this should be reviewed and further promoted with business leads to ensure they are clear on the criteria to determine when an EIA should be completed. The guidance should be used for reviews of policies, strategies and projects, with business leads asked to confirm they have concluded the criteria are not met when an EIA is not completed.

**Management Response:** *We will review the EIA guidance and help ensure business leads are clear on the criteria for use in deciding whether an EIA is required for policies, strategies and projects. This will included requirement for business leads to confirm they have concluded the criteria are not met in instances where an EIA is not completed. (Due date 30/06/24)*

### 3. Equality, Diversity, Inclusion and Human Rights

#### Opportunities for Improvement - continued

##### *Continuous Improvement Opportunities:*

- Ø The EDI data map produced by the Governance team should be updated to include retention periods for those business areas noted as holding protected characteristics data for service delivery purposes. The retention periods, along with the results of user access reviews should be shared with the Data and Information team so the results can be applied to the database used for Equalities PowerBi reporting.

**Management Response:** *We will further develop the EDI data map to include retention periods and frequency of data review. The updated map will be shared with the Data and Information team to provide awareness of retention periods for data within the Equalities PowerBi reporting. We will remind Business areas holding protected characteristics data to review user access to the systems holding the data on a regular basis and include to inform the Data and Information team of changes to user access. (Due date 30/06/2024)*

- Ø Governance should continue to remind Business leads with outstanding actions arising from Equality Impact Assessments to provide detailed updates on the status of all their EIA actions on a quarterly basis, to facilitate Executive Team and Wheatley Solutions Board reporting.

**Management Response:** *We will continue to remind EIA and EDI Action Plan action owners to provide detailed updates on the status of all their EIA actions on a quarterly basis. Where action updates are not provided, this will be escalated to the business lead's line manager. (Due date 31/05/2024)*

## 4. [redacted]

## 4. [redacted]

## 4. [redacted]

## 4. [redacted]

## 4. [redacted]

## 4. [redacted]



# 5. Vendor Management



## Report Conclusion

This review assessed the adequacy of vendor management activities across the end-to-end procurement and contract delivery lifecycle for IT and Digital technology solutions. This assessed policy and procedures relating to vendor management activity, particularly in relation to the service delivery part of the contract.

Overall, the control objectives were met. However, our review identified two areas where there was scope to improve controls. One related to supplier risk management processes. A requirement of the Contract & Supplier Management Guidance is that all projects and long-term contracts maintain a risk register. Our audit testing identified that risk registers were not present for any of the contracts in our sample. The risk registers are expected to allow risks to be monitored and managed throughout the lifecycle of the contract.

We also found that there was no formal guidance or criteria to support contract owners and ensure that they were meeting with suppliers with an appropriate frequency. Our audit testing identified inconsistency in the frequency of supplier meetings. Of the three contracts that have been assessed by the Executive Team as ‘monitor closely’, one had monthly meetings and the other two had annual meetings. The ‘monitor closely’ categorisation requires six-monthly risk assessments of suppliers, though does not specify meeting frequency.

Areas where controls can be enhanced include the development of a pre-procurement checklist to confirm organisational resilience issues are addressed before contracts are agreed; and development of a supply chain security policy which sets out requirements for cyber security KPIs.

## Control Objective Classification

Yellow	Vendor management policy and procedures are in place and are aligned with the corporate risk management processes.
Yellow	Internal roles and responsibilities for the lifecycle of vendor management, including within IT and Digital Services as well as the business, are clearly identified and understood.
Yellow	Processes for identifying suppliers are established and these are prioritised by criticality.
Yellow	Records are kept of all contracts, including renewal information, review requirements and respective business owner.
Yellow	Risk-based pre-procurement due diligence and planning activities are undertaken prior to entering into formal supplier arrangements with any risks from these exercises identified, recorded, prioritised, managed and monitored over the course of the supplier arrangement.
Yellow	Risk-based measures are in place to obtain pre-procurement and ongoing assurance on supplier cyber and data security posture.
Yellow	Vendor performance assessment measures are in place to confirm that delivery is provided in line with the contract and SLAs, with actions taken when these are not met.

# 5. Vendor Management

## Areas of good practice

- Ü The implementation of the Contract Management System (CMS) provides a platform through which contracts can be better managed and monitored.
- Ü Both the Procurement Strategy and Policy had been subject to recent review and update.
- Ü Vendor Security Assessments are performed annually and subject to formal risk assessment

# 5. Vendor Management

## Opportunities for Improvement

Management has reviewed and agreed both the priority actions and the continuous improvement opportunities set out below.

### **Priority Actions:**

- Ø Contract risk registers were not in place for any of the contracts in our sample. This is a requirement of the Contract & Supplier Management Guidance. Two of the five suppliers in our sample had not been subject to formal assessment of their business criticality. In addition, guidance and criteria is needed to support contract owners determine the frequency of supplier management activities.

**Management Responses:** *The Contract & Supplier Management Guidance will be reviewed and this will include specific guidance on how to risk assess suppliers, manage suppliers based on their risk level and incorporate the categorisation approach agreed by the Group Executive team and whether a risk register is required. The revised guidance will be subject to agreement by the Executive team and thereafter deployed to contract and supplier managers. The supplier criticality assessment shall be subject to review by the Group Executive team on a quarterly basis. (Due date 31/07/24)*

- Ø Current policy and guidance should be updated to address roles and responsibilities in scenarios where the service is provided across multiple teams/departments.

**Management Responses:** *The Contract & Supplier Management Guidance will be reviewed and set out specific guidance on roles and responsibilities in relation to contracts which span multiple services. The revised guidance will be subject to agreement by the Executive team and thereafter deployed to contract and supplier managers. (Due date 31/07/24)*

# 5. Vendor Management

## Opportunities for Improvement

### *Continuous Improvement opportunities:*

- Ø There would be benefit in creating a pre-procurement checklist to demonstrate that all organisational resilience requirements are addressed by relevant leads/teams prior to contract award. A supply chain security policy should be created which sets out the security requirements suppliers must fulfil before contract award. This should include suggested cyber security KPIs for contracts.

**Management Responses:** *We will develop a pre procurement checklist, which will also document which type of contracts it applies to. The checklist will be cross-referenced with our Vendor Security Assessment process which will set out our policy position in terms of minimum technical and security requirements. We will consider the use of cyber security KPIs as part of the final recommendation to the Group Executive team in relation to seeking Cyber Essentials accreditation. We will develop a pre-procurement checklist which will identify areas of resilience we wish to have minimum requirements for review and agreement by the Group Executive Team. (Due date 30/10/24)*

- Ø Whilst the CMS has been implemented, the Supplier Relationship Management module is not yet in operational use. There is also a need to implement documentation storage standards for the CMS.

**Management Responses:** *We will develop and implement formal storage standards for contract documentation to be held within all CMS modules. This will include completed contracts, live operational information and post-contract documentation, including areas such as confirmation of deletion of relevant data at the end of the contract by the supplier. (Due date 31/03/2025)*

## 6. Financial Efficiency Savings Plans

### Report Conclusion

This baseline assessment was conducted to understand arrangements in place for identifying recurring and non-recurring efficiency savings, including efficiencies arising from the delivery of strategic projects, pay and non-pay savings plans. We also considered how management assesses the impact proposed savings plans may have on service provision. Finally, we assessed the arrangements in place for implementing the savings measures and reporting on the savings achieved against target.

We found that, in general, the Group's approach to identifying and delivering financial efficiency savings supports management to assess and deliver required savings. Savings initiatives can be linked to strategic aims and the approach is led by the Executive Team. Specific business areas investigate options and present findings for consideration. Workforce planning is a key part of the process, and a three-year rolling plan is used to monitor potential savings opportunities. The People Services team supports business leads to complete options analyses of potential opportunities in advance of the savings targets being built into the annual Business Plan. This means there is time to develop detailed analysis of proposed changes to the workforce model, including consultation with relevant stakeholders such as staff members, unions and customers. Non-pay savings identification is more closely linked to the business planning and budget monitoring processes and savings opportunities are more linked to individual areas.

No priority actions were identified during this review. The continuous improvement actions relate the opportunity to evolve a broader, more "bottom-up" approach to identification of savings and income generation opportunities, and to further promote a "Value for Money" culture across the Group. This should include increasing collaboration across the Group to identify change and savings opportunities, sharing of good practice and more frequent reporting to management on the achievement of target savings.

## 6. Financial Efficiency Savings Plans

### Control Objective

The control objectives shown below reflect the focus of the baseline assessment completed. We have not provided ratings against these control objectives, due to the nature of the review.

CO1 - The Group has arrangements in place for identifying recurring and non-recurring efficiency savings, including consultation with customers, staff and management;

CO2 - There is a clear approach for assessing the impact recurring and non-recurring efficiency savings may have on service provision, including any impact on current and future business plans;

CO3 - Potential saving measures are prioritised, and the risk of achievement of the full savings assessed, as part of the implementation process; and

CO4 - There is regular monitoring and reporting of recurring and non-recurring savings achieved against target to senior management and Boards.

## 6. Financial Efficiency Savings Plans

### Areas of good practice

- Ü The identification of savings is led directly by the Executive Team, with the Group Director of Finance leading a review of key areas of spend within current year's budget. Specific business areas are then asked to investigate options and present findings for consideration.
- Ü The Group's 2023/24 Business Plan, approved by Group Board in February 2023, sets out savings options that have been prioritised in 3 tiers; with Tier 1 being highest priority. The Business Plan also includes a high-level risk assessment of the potential impact of options on customer satisfaction.
- Ü There is regular financial reporting to Group and Subsidiary Boards, including position against in-year budgets, expected outturn against savings plans and mitigating actions where original targets appear unlikely to be achieved. There is also monthly reporting budget monitoring information available for budget holders, to promote achievement of planned savings targets.
- Ü The majority of savings arise from workforce planning and there are well-established arrangements in place, including a 3-year rolling plan that allows People Services to plan future workforce reorganisation in advance. These arrangements include modelling of options; vacancy management; and consultation with management, staff, Trade Unions and customers.
- Ü We noted examples of good practice in relation to the analysis of savings opportunities in different parts of the Group. These showed how business leaders examined options for changes to service delivery within their teams, including the assessment of how changes to their team might impact on other parts of the Group. For example, the analysis completed by one team demonstrated that potential savings from reduced staff costs were likely to be outweighed by reduced rental income.
- Ü We also noted examples of teams across the Group analysing financial data to give further insight to performance measures, and then using this information to inform decision-making. For example, Wheatley Care has developed a model for assessing tenders for new and existing services to determine whether a bid should be submitted.

## 6. Financial Efficiency Savings Plans

### Opportunities for Improvement

#### *Continuous improvement opportunities*

Management has reviewed and agreed the continuous improvement opportunities set out below.

- Ø While there are well-established arrangements in place to identify potential savings and then assess these in detail to quantify likely savings for future years, this process is led by the Executive Team. There is an opportunity to develop a broader process to capture additional savings opportunities identified by staff, to supplement the existing process, with the refreshed Value for Money Group.

**Management Response:** *We will refresh the Value for Money Group, including developing a new Terms of Reference and considering membership. (Due: 31/03/24)*

- Ø We noted that as savings opportunities are assessed and progressed, the quantification of savings tends to capture direct costs only. By sharing information about savings opportunities at the Value for Money Group and thus more widely among the senior leadership team (recognising that some of the proposals are sensitive in nature), there may be opportunities to identify additional indirect savings arising from particular proposals (eg office accommodation, IT and vehicles costs, or application of automation designed in one team within other teams).

**Management Response:** *We will prepare a workplan for the Value for Money Group that will include development of an approach for joint working to assess options for service redesign / savings opportunities. (Due: 31/03/24)*



## 6. Financial Efficiency Savings Plans

### Opportunities for Improvement

#### *Continuous improvement opportunities (continued)*

Management has reviewed and agreed the continuous improvement opportunities set out below.

- Ø We noted elements of good practice applied to some appraisals that could be shared across the Group to improve the overall level of appraisals of savings opportunities.

**Management Response:** *The Value for Money Group will review a sample of previous projects to identify good practice to share with the Group's senior leaders. (Due: 31/03/24)*

- Ø Although there is regular reporting to management and Boards on the position against budget during the year, there is an opportunity to develop more frequent and detailed reporting of overall progress towards achievement of pay and non-pay savings targets for inclusion in the following year's budget.

**Management Response:** *We will develop additional reporting to summarise progress towards achieving the pay and non-pay savings targets that will be included in the following year's budget. (Due: 30/04/24)*

## Report Conclusion

Wheatley Group's Group Data, Knowledge and Information Strategy (the Strategy) was approved in late 2023 to create greater data and analytics functionality and capability. Since then, work on implementation of the Strategy has started with the establishment of a data team and the engagement of business leaders through Communities of Practice (COPs) and the Data Transformation Advisory Group (DTAG) in early 2024. Overall, at the time of our "critical friend" advisory review, processes in relation to implementation of the data strategy were in the early stages of their maturity and this report should be read in that context.

Implementation of a data strategy is a challenging, long-term commitment which relies on clarity on objectives and development of a positive change culture within the organisation. To be successful, data strategy requires strong leadership and engagement from all areas of the business. Our review and this report focuses on providing the Group with medium and longer-term recommendations that are geared towards building on the shorter-term actions set out within the current data strategy and preparing for its future iterations.

The report sets out our assessment of current controls and process to support delivery of the data strategy under three themes: *Identifying and Delivering Strategic Outcomes*; *Developing a Data Governance Framework*; and *Creating a data-enabled culture within the Group*. Recommendations address opportunities to develop the Group's approach to data throughout the end-to-end process (from data input, via data systems to data output).

We noted that the 2024-25 Delivery Plan includes plans that will address some of the findings within this report. In particular, the current Data Strategy includes actions to develop the capacity and capability created through recent recruitment within the data team; and to begin the work to establish a data governance framework. We acknowledge that, due to the complexity of change across the Group, completion of these actions may take in excess of one financial year. Key next steps for the organisation in implementing its digital strategy within each of the three themes are shown on the next slide.

# 7. Data Strategy

Key next steps for the Group in relation to each of the three themes are set out below.

## Identifying and delivering Strategic Outcomes

- Clarifying the core strategic outcomes and anticipated benefits for staff, customers, and stakeholders using visualisation and story-telling approaches.
- Agreeing multi-year objectives aligned to the strategic outcomes and the current workstream /Communities of Practice (COPs) approach, which would allow the Data Transformation Advisory Group (DTAG) and ET to monitor progress against clearly defined deliverables.

## Creating a data-enabled culture within the Group

- Developing a tailored suite of training for staff, and associated communications plan to underscore the importance of data to the organisation and how it is everyone's responsibility.
- The respective roles, responsibilities and effectiveness of the ET, DTAG and COPs should be reviewed, evaluated and refined over the coming months, to confirm that the responsibilities and activities that are recommended by good practice are delivered in a way that is tailored to the Group.

## Developing a Data Governance Framework

- Developing a medium to long-term plan to implement a data governance framework that covers items such as:
  - § Policies, Processes, Roles and responsibilities;
  - § Master Data Management;
  - § Data Life Cycle Management;
  - § Data Architecture and technology; and
  - § Data quality, ethics and compliance.

**Management response:** These actions are agreed and will be completed as part of actions included within the Group Delivery Plan 2024/25.

## 8. Legislative compliance mapping advisory review

### Summary of Findings

Prior to April 2020, management completed a series of local checks to confirm compliance with key procedures. The introduction of home-working across the Group as a result of COVID-19, resulted in some of the compliance checks being suspended. As the Group moved back to a full service-delivery model, the way in which services are now delivered has changed significantly for many teams across the Group. As a result, the compliance checks previously completed may no longer be the most effective way to assess compliance with current or planned procedures. The Internal Audit team was asked to review the status of legislative compliance (“compliance”) checking across the Group. The team has developed a staged approach, rolled out in phases across the Group. There are 3 stages: 1) Internal Audit review of compliance areas; 2) Management review and identification of additional compliance checking; 3) Design and roll-out of updated compliance checking.

During the most recent phases, the Internal Audit team has worked with Governance, Strategy & Performance, Human Resources & Organisational Development, Financial Reporting, Asset & Sustainability, and Procurement, Fleet & Utilities management to complete Stage 1. This involved mapping areas in which the Group is required to comply with legislation or regulation; assessing the potential consequence of any failure to comply; and identifying existing or planned compliance checking that would provide assurance about the extent of compliance. The work completed to date has identified some areas in which management should consider whether additional detective controls need to be implemented to give management comfort that key processes are working effectively and identify any instances of non-compliance.

For **Strategy and Performance**, we found three areas in which the Performance & Strategy Management team should consider improving controls to detect any instances of non-compliance with legislative and regulatory requirements. The Performance & Strategy team provides oversight of ARC reporting to SHR annually, and the Group should consider whether this practice should be rolled out to other areas. The Performance & Strategy team should also continue working with the Data team to document reporting rules as part of the Group’s Data Strategy development. This will ensure there is a clear understanding of data required for specific regulatory KPIs. The team should also include review of controls in place over retention of records.

## 8. Legislative compliance mapping advisory review

### Summary of Findings continued

For **Governance**: We found that the Governance team has controls in place to detect any instances of non-compliance with legislative and regulatory requirements. We identified two areas for further improvement where the team should review and update existing controls. These relate to application of a consistent approach to obtaining appropriate references when recruiting future board members; and review and update of FCA related insurance guidance and training.

For **Human Resources and Organisational Development**: We found that in general the People Services team has controls in place to detect any instances of non-compliance with legislative and regulatory requirements where possible. We identified three areas that the People Services team should review to determine whether the detective controls in place can be strengthened. These include a review of controls in place to confirm: i) employees are following the working time regulations; ii) employees receiving a home working allowance are regularly working from home; and iii) all required actions for registration and supervision of Housing Modern Apprentices are completed. We also noted that for some processes, the nature of the work completed by the team means the controls in place to deliver compliance are typically directive (i.e. procedures/ guidance) and are reliant on individuals and line managers following procedures. For these processes, management have advised that they are satisfied that the directive controls in place are sufficient to mitigate the risk associated with non-compliance. This includes the Grievance Policy, which provides a mechanism for all staff to raise concerns. We have therefore excluded these areas from the compliance map.

For **Financial Reporting**: We found that the Finance team has controls in place to detect any instances of non-compliance with Financial Reporting legislative and regulatory requirements.

## 8. Legislative compliance mapping advisory review

### Summary of Findings continued

For **Asset & Sustainability**: We found detective controls were in place to confirm compliance with legislation and regulation. We identified a small number of areas in which the Assets & Sustainability Management team should complete ongoing work to introduce additional detective controls. These included completion of the planned extension of H&S compliance checking services provided by Equans to WH-South, and review of the controls in place to confirm compliance with retention policies. We noted areas of emerging legislation, particularly from a sustainability perspective. Management is currently monitoring developments in these areas and sharing updates about relevant legislation with colleagues. Further work to update controls and their compliance map may be required to confirm the Group is able to comply with new legislative requirements as they come into force for the Group.

For **Procurement, Fleet & Utilities**: Overall, found detective controls were in place to confirm compliance with legislation and regulation. However, we identified one area where there are no controls in place to detect non-compliance with the requirement to have no-smoking signage in the Group fleet vehicles. The Fleet Manager has also identified planned controls to improve the Group's ability to proactively monitor that fleet vehicles' MOT and road tax are in date and to develop a new Group Speeding policy to support the existing Health and Safety Management Arrangements for Safe Driving.

## 9. Electrical Testing Certification

### Summary of work performed:

Since April 2021, under the Housing (Scotland) Act 2014 (the Act) and the Scottish Housing Quality Standards (SHQS) RSL landlords are required to complete electrical safety inspections every 5 years. The previous requirement was for this to be completed every 10 years and, following the change in the regulations, the Executive Team sought assurance that internal reporting of Electrical Installation Condition Report (EICR) for the Group's RSLs and Lowther Homes was accurate and complete.

### Work completed:

In the West, work to upload PDF certificates from Servitor into PIMSS started in 2022. We have been reviewing the progress made by CBG and the Repairs, Investment and Compliance team to obtain and upload outstanding electrical certificates in the West. As at 15 April 2024, there were 232 outstanding certificates, from the original 2,400 reported in November 2023.

These outstanding certificates relate to abeyances and properties with no access, which are now monitored on a weekly basis by the Repairs, Investment and Compliance team, Housing management, and support agencies to gain access where possible to complete the required checks.

Following the introduction of this weekly monitoring report for electrical certificates, we are satisfied there is an appropriate detective control in place to flag any properties requiring additional focus (in addition to the standard business process) in order to obtain the required electrical certificates. We therefore propose that this is no longer reported to the Group Audit Committee and is now considered "business as usual".



# 10. Data Analytics - summary of work performed

## Payroll

There are no exceptions to highlight to Boards. Internal audit has previously confirmed the operation of the controls through a walkthrough test and developed continuous audit testing scripts. Using these scripts and the data available for Q4 2023/24 we used IDEA to confirm:

1. There are ***no duplicate employee numbers being used*** (across all payrolls)
2. We identified ***18 duplicate bank account numbers in use during Q4*** (across all payrolls). These were matched to the annual remuneration reports and HR spreadsheet of changes and most are clearly joint accounts, with the remainder relating to a change in role or employment status.
3. Our testing confirmed that ***none of the duplicate bank accounts belong to Payroll staff***.
4. There were 19 employees who received no Gross Pay in a payroll run during Q4. These relate to leavers, staff on maternity leave, staff on long term sick and some relief staff. We have confirmed with the payroll team that this is due to the nature of the contracts in place for these staff members.

Given the positive results of the testing in the last year, the Internal Audit team has reviewed its approach to payroll continuous auditing and will now complete the testing on an annual basis.

## Accounts payable

During the last period, the Transaction Services team has obtained an IDEA license. The internal audit team has worked with the Transaction Services team to develop macros that facilitate automated assurance checks and has provided procedure notes and training on the use of the macros.

The Transaction Services team confirmed that the checks were completed as planned during March 2024, and will be completed each month as part of updated local procedures.

The Internal Audit team will continue to provide support when requested, and will reduce the frequency of accounts payable data analytics to an annual review. The next exercise will be completed in August for purchase card transactions and November for Faster Payment transactions.



# 10. Data Analytics- Rent Account Credit Balances

## Update on progress

Further to the last update, work is ongoing to review the rent account credit balances. The position at March 2024, shows that there were 42,177 accounts with credit balances totalling £10m across all RSL subsidiaries and Lowther. These included 16,155 current tenant accounts with credit balances totalling £5.2m, and 26,022 former tenant accounts with credit balances totalling £4.8m. Analysis on numbers and value is detailed below:



Ongoing management actions relate to:

- § Many of the current and former tenant balances are a result of either Universal Credit or Housing Benefits overpayments, and management is liaising with the DWP/Councils to return these balances. Return of these balances is reliant on engagement from DWP and Councils.
- § A legal opinion has been obtained about the treatment of former tenant credit balances and proposals for a revised procedure are being developed, which will be rolled out for all new credit balances in due course.
- § Work is also underway to develop reporting that will allow regular monitoring of credit balances from July 2024.

# 11. Follow Up

## Group-wide action status at 31 March 2024

In Quarter 4 2023/24, 25 of the 40 actions followed up were confirmed by Internal Audit as complete. One action, relating to the review and retention of audit logs for iWorld and Astra was closed as No Longer Relevant. A further 6 actions are currently open – not yet due.

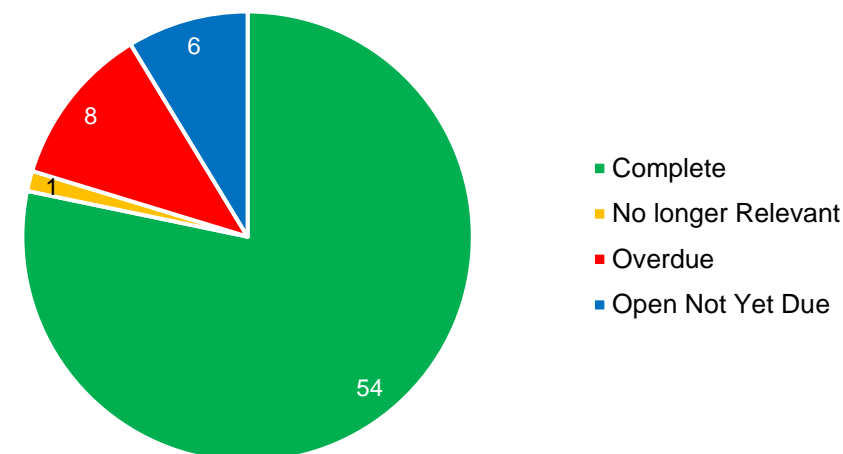
There are 8 overdue actions. The My Academy action is now due 31 May 2024, to allow the MyAppraisal evaluation to consider a full year of data. The 2 WH-South actions have been amended to fit timescales for work elsewhere in the Group. Similarly, the 3 ITGC actions have been realigned to wider IT system upgrades. The Accounts Payable action was dependent on a consultant's development of additional reports that have now been received. The RSL Records Management action relates to confirming retention periods are applied to documents due for deletion.

Review	Overdue actions	Revised due date
ITGC	3	31 October 2024
Accounts Payable	1	31 July 2024
WH-South Repairs	2	31 July 2024
My Academy	1	31 May 2024
RSL Records Management	1	30 June 2024

Status	Actions
Actions brought forward from 30 Sept 2023	31
New actions agreed	38
Total Actions followed up	69

The chart below summarises our assessment of the status of the 69 actions followed up this quarter.

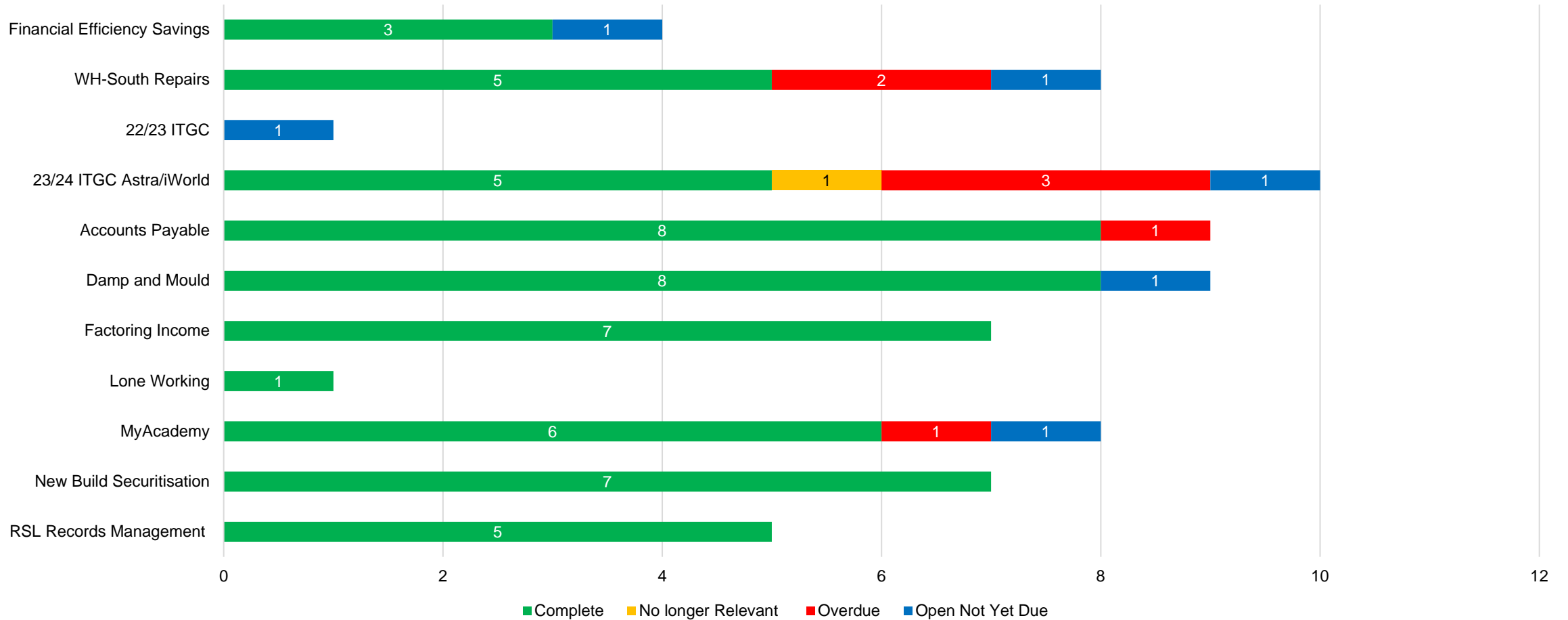
Action Status as at 31 March 2024



The graph on the next slide shows the status of the actions we followed up by review.

# 11. Follow Up

Action Status as at 31 March 2024



## 12. Internal Audit Plan for the next period

<i>Review</i>	<i>Relevant Strategic Risk</i>	<i>Proposed scope</i>
Care Quality Framework (local visits)	RISK005 – Care and support services	We will review the extent to which the Care Quality Framework is now embedded within local care services. We will visit a sample of local services to assess the evidence available to support information recorded within Care Quality checks, and to assess the consistency of application of the expected controls across different services. There will be an interim update on this review at the next meeting. The full review will be reported thereafter.
New build completion and post completion arrangements	RISK180 – Ineffective Programme Management	We will review the processes in place for management of the completion and post-completion stages of new build projects. This will focus on confirmation of whether required documentation is available for other business areas in line with handover timescales, and will include the defect management process.
SHR Annual Assurance Statement	RISK016 – Laws and regulations	We will validate the results of the self-assessment exercise completed by the Governance team in order to prepare the Group's annual Assurance Statement.
Compliance checking advisory review	RISK016 – Laws and regulations	We will complete our mapping of existing legislative compliance checking across the Group, by reviewing all completed areas to identify any potential gaps, and to review options for embedding the results of the exercise within ongoing management review of local controls.
Audit Scotland: National Fraud Initiative	N/A	As noted in the Group Assurance Update, the Group remains keen to participate in this pilot. We will continue to work with Audit Scotland and other RSLs to determine whether concerns about the legal basis for participating can be resolved. If successful, we will also prepare a DPIA and consider the workload implications for teams that would be involved in the exercise. An update on this pilot will be provided at the next Committee meeting.

## 12. Internal Audit Plan for the next period

The Internal Audit team will also allocate resources to the following work; where applicable, reference to specific risks within the Strategic Risk Register are detailed.

<i><b>Review</b></i>	<i><b>Relevant Strategic Risk</b></i>	<i><b>Proposed scope</b></i>
CBG Partnership Oversight Board assurance	RISK006 – Customer satisfaction (tenants)	We will continue to set aside time to support the CBG Partnership Oversight Board and review the progress in implementing the agreed improvement actions.
Quarterly data analytics	N/A	We will complete the annual review of areas set out in slide 5, in accordance with the continuous auditing timetable. We will work with management to follow up on exceptions and to agree actions to address any control weaknesses identified.
Follow-Up review	N/A	Quarterly follow-up exercise.
Risk Management	N/A	Facilitation of the annual Board risk workshops in May and June and review of the Group's Strategic Risk Register for reporting to Group Audit Committee in August 2024.
Global Internal Audit Standards	N/A	Delivery of the actions set out in the Internal Audit Methodology Action Plan. We will report progress against the agreed timetable to the Group Audit Committee in August 2024.



## **Report**

**To: Wheatley Homes East Board**

**By: Stephen Wright, Director of Governance**

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

**Subject: Governance update**

**Date of Meeting: 21 May 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:

- The Scottish Housing Regulator's ("SHR's") revised Regulatory Framework ("the Framework") and associated Statutory Guidance and planned changes;
- Our Engagement Plan with the SHR;
- Changes to our Rules;
- Board member appointment; and
- Annual governance reporting: Disposals and acquisitions; Code of Conduct, Register of Interests, Gifts and Hospitality, Expenses and Allowances.

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

2.1 The SHR is our primary regulator and the framework under which the SHR does this helps to define the parameters for how we are governed.

2.2 We are required to operate under our Rules as well as the Group Standing Orders, our Terms of Reference, intra-group agreement with Wheatley Group and the group-wide governance policies. Under these documents, we are responsible for overseeing our disposals and acquisitions and ensuring we comply with the Group policies.

2.3 As a Registered Society, we are responsible for seeking member approval for changes to our Rules. These changes must also be agreed by our parent company, Wheatley Housing Group Limited.

- 2.4 Having tenants at the heart of our decision-making is one of our priorities. In addition to our extensive customer engagement, the appointment of tenant Board members supports us to achieve this. Under our Terms of Reference, we are responsible for the appointment of our tenant Board members. Our tenant Board member pathway programme has been developed to help ensure we have a pipeline of candidates for any tenant Board member vacancies.

### **3. Background**

- 3.1 We keep our governance arrangements under review to ensure that they remain fit for purpose and effective. Our governance is also set within the context of the need to comply with the requirements of the Framework. As part of this, we are required to prepare an Annual Assurance Statement (“AAS”) in line with the associated SHR Statutory Guidance on how it is prepared and its content.
- 3.2 The SHR consulted on its proposals for its revised Framework and Statutory Guidance at the end of 2023. The Board considered the updated Framework and Statutory Guidance and approved our consultation response at its meeting in November 2023. We supported the iterative nature of the changes.
- 3.3 In relation to our Rules, we last updated these in 2017. Since then, new model Rules have been prepared by the Scottish Federation of Housing Associations, we have received the homes managed by West Lothian Housing Partnership, and have formally changed our name to Wheatley Homes East Limited. We are now seeking to update our Rules to reflect the SFHA model and our new name.
- 3.4 Our Disposals and Acquisitions Policy includes a requirement to report to the Board annually on all disposals and acquisitions undertaken during the year. This allows the Board to maintain oversight over our property disposals and acquisitions and any decisions being taken under the delegated authority given to officers.

### **4. Discussion**

#### Scottish Housing Regulator – Regulatory Framework

- 4.1 The new Framework is attached at Appendix 1. In addition to the new Framework, the SHR also updated some of its associated Statutory and Advisory Guidance and formally confirmed plans regarding the Annual Return on the Charter. An update on each of these areas and the implications for us are set out below:

#### *Regulatory Framework*

- 4.2 The SHR issued its consultation, including a copy of the proposed new Framework, in October 2023. The SHR’s amendments focussed on enhancing the requirement for landlords to ensure their tenants have warm, safe and affordable homes. The amendments also focussed on requiring landlords to actively seek out the concerns and views of tenants, service users and stakeholders and to listen and respond effectively to these.



- 4.3 The SHR's expectation of RSL governing bodies was also updated to include a role for them in ensuring their RSL provides tenants, residents and service users with easy and effective ways to provide feedback and raise concerns, and ensure that the RSL considers this and provides a quick and effective response.
- 4.4 The SHR published the responses to its consultation which focused on three key areas:
- Whilst acknowledging that many landlords do already do so, confirmed it would be introducing a requirement that landlords provide tenants, residents and service users with appropriate ways to provide feedback and raise concerns, and ensure that they consider such information and provide quick and effective responses;
  - Affirmed that it would retain three regulatory statuses and that it would make clear the second status (previously '*working toward compliance*') was non-complaint (now "*Non-compliant – working towards compliance*"); and
  - Confirmed it would significantly revise its Significant Performance Failure section within the Framework to enhance clarity on when and what tenants can raise with the SHR and how this fits with the other routes for tenants to complain to us as their landlord and the Scottish Public Services Ombudsman.
- 4.5 The remainder of the changes set out in the draft revised Framework considered by the Board in November were implemented. As indicated in the report to the Board at that time none of the changes will necessitate any change to our existing governance arrangements. This will be affirmed, with supporting evidence, in our 2024 Annual Assurance Statement.
- 4.6 The changes to the Significant Performance Failure section now see this terminology replaced with '*raising serious concerns*'. The revised wording is now much clearer and the SHR has also now issued *Complaints and serious concerns - Advisory Guidance - Information for social landlords*. A copy of the guidance is attached at Appendix 1. We have never had a Significant Performance Failure and would not expect to have a serious concern given our robust complaints process and commitment to resolving any issues for tenants.

#### Statutory Guidance

##### *Annual Assurance Statement*

- 4.7 The SHR has affirmed that it will, as proposed in the consultation, include a provision to enable it to require landlords to seek "*explicit assurance on a specific issue or issues*" in the Annual Assurance Statement (AAS). This is in recognition that during any given time there may be issues that arise and the SHR would wish to receive assurances they are being addressed and how. Recent examples have included mould and damp, smoke and heat detectors and Electrical Inspection Condition Reports ("EICRs"). Since these issues may be unforeseen, the SHR cannot set out in advance what assurance it will require and has therefore created flexibility so that it can adapt the requirements of the AAS to respond.

- 4.8 The SHR recognised feedback from the consultation in relation to:
- The importance of providing sufficient notice of any specific assurance requirements and some concerns about requests for new information that landlords had not previously been collecting; and
  - The importance of guarding against a year-on-year accrual of specific assurance requirements.
- 4.9 The SHR has committed to providing RSLs with as much advance notice as possible of any specific assurance requirements and that it will communicate this to landlords by no later than the end of April each year. It has also indicated that it will aim to have each specific assurance requirement for one year only, unless there is a good reason to maintain the requirement.
- 4.10 We expect that any specific assurance requirements will relate to areas we already consider as part of our performance management or annual self-assessment. As such we do not anticipate this change giving rise to any material additional work.

#### *Notifiable events*

- 4.11 The SHR indicated that given the positive feedback, it would implement its planned changes to the Notifiable Events Statutory Guidance. The changes are focussed on ensuring that it is clear Notifiable events relate to 'the most significant issues'. In practice, we do not expect the changes to have any impact on our current arrangements as we engage regularly with the SHR including on what matters reach the threshold of a notifiable event.
- 4.12 The SHR reiterated that notifiable events are not indicators of poor performance, which reflects some notifiable events being more administrative such as RSLs granting leases for mid-market rent properties. The SHR has indicated it intends to publish an annual report on the type of Notifiable Events it receives.

#### *Other*

- 4.13 The SHR also made minor updates to its Statutory Guidance on: Tenant consultation and approval; Section 72 reporting events of material significance; Preparation of financial statements; Determination of accounting requirements for RSLs; Consultation where the Regulator is directing a transfer of assets; Determination of what is meant by a step to enforce a security over an RSL's land; and Group Structures. None of the changes, given their nature, will have any impact on our governance arrangements.

#### Annual Return on the Charter

- 4.14 The SHR has now committed to a comprehensive review of the Annual Return on the Charter and will follow this up with a consultation later this year. The new ARC would be introduced from 2025/26 therefore our first return would be submitted in May 2026.
- 4.15 The SHR confirmed that it will aim to include in this review the development of appropriate indicators for the Social Housing Net Zero Standard, following the conclusion of the Scottish Government's consultation on the proposed Standard.

- 4.16 The SHR has established a working group, or groups, to consider all of the indicators in the ARC in which we are represented.

#### Engagement Plan

- 4.17 Under the Framework, the SHR agrees and publishes an engagement plan for every RSL. The engagement plan sets out how the SHR will interact with each RSL during the year. For those in a Group structure such as us, there is a single engagement plan that covers both us and our partner RSLs.
- 4.18 The SHR considers a small number of RSLs to be systemically important. This is because of their stock size, turnover or level of debt, or because of their significance within their area of operation. As part of the largest RSL group in Scotland, we are considered to be systemically important. As such, the SHR uses the engagement plan to set out the additional assurance it requires from us.
- 4.19 A copy of our engagement plan for 2024/25 is attached at Appendix 2. The requirements within the engagement plan are similar to those from previous years with the primary updates being in relation to the provision of information:
- A request for the annual update to our strategy by the end of April 2024, which we will provide;
  - A copy of the report to the Board on our approach to risk management and mitigation; and
  - The provision of evidence (by December 2024) about how we demonstrate affordability for tenants.
- 4.20 The information that required to be provided to the SHR by 30 April 2024 has been submitted. In addition to the provision of information, each year the SHR observes a Wheatley Group Board meeting and a RSL partner Board meeting. This year the SHR intends to observe one of our Board meetings. The date of the meeting has not yet been confirmed.

#### Board membership and recruitment

- 4.21 We currently have a Board of 10 members, with spaces for up to 12 (comprising 7 independent, 4 tenants and 1 parent appointee).
- 4.22 We have one Board member who is due to retire at our AGM in September following the completion of 9 years' service across the Group, Helen Howden. In planning for Helen's retirement we have identified a suitable candidate, Bill Banks. Bill is the former Chief Executive at Kingdom Housing Group in Fife and has significant housing, governance and management experience. Having recently retired, Bill is keen to continue his involvement in the sector and has now met with our Chair who is supportive of the appointment. Bill's appointment would be proposed to the members for approval at our AGM in September.

- 4.23 Helen is a solicitor with legal and governance experience. Helen's retirement therefore also creates a requirement for us to appoint a candidate with a similar skillset. We have considered our recruitment options and identified a suitable candidate with a legal and governance skillset who currently serves on the Board of Wheatley Homes South, Fiona Burden.
- 4.24 Fiona is currently the Legal Director and Company Secretary at Tesco Bank and would welcome the move to Wheatley Homes East. A copy of Fiona's profile is attached at appendix 3. Since this is an intra-group move, Fiona already has approval from our Group Remuneration Appointments and Appraisals Committee. Fiona has discussed the role with our Chair and will join our Board at its May meeting.
- 4.25 At the same time as considering our skills, Wheatley Homes South has also been considering its own skills mix. Wheatley Homes South is seeking a candidate with a general commercial and management background and has identified that Martin Dorby would be a strong candidate for its Board. Accordingly, Martin will move to the Board of Wheatley Homes South at its May Board meeting.

### Rules

- 4.26 We last updated our Rules in 2017. Since that time there have been a number of changes both within the wider sector and our own organisation. While our Rules still support strong governance, there are updates that could be made to reflect how modern organisations operate. For example, the Covid pandemic in 2020 accelerated the use of electronic communications and online meetings. To support efficient administration, we have updated the Rules to include flexibility around the use of telephone conferencing and electronic communication as a means for decision making.

### *Membership*

- 4.27 Currently we operate with an 'open' membership model. Of our 108 members, approximately half are designated in our 'other' category. This is for people and organisations who are not current tenants or Board member. We propose to amend this so that membership is limited to our tenants and current Board members, which is in keeping with the approach of our partner RSLs in the Wheatley Group.
- 4.28 The reason for this change is to ensure that key decisions with an impact on key services to tenants should be made by tenants and Board members only. A consequence of this change would be that 55 shareholding members would have their memberships cancelled.
- 4.29 Having reviewed recent attendance at our general meetings, there are a limited number of general members who have attended a meeting (13 members) or submitted proxies (5 members) in the last five years and who are therefore likely to consider themselves to be affected by this change. Updating our membership criteria would mean that all Board members' membership would automatically cease upon retiring from the Board, save where they are also a tenant of the organisation.

- 4.30 We will engage with affected members to explain the proposals in advance of a formal notice to convene the meeting being issued.

#### *Board recruitment and appointment*

- 4.31 Since joining the Wheatley Group, the number of existing members expressing an interest in becoming a Board member under our Rules has been very low. However, at present our recruitment process still requires individuals to be elected at Annual General Meetings, even where the recruitment is overseen by the Board.
- 4.32 It is proposed that our Rules are updated to reflect how we recruit and move to an appointment basis. This will also start the three- year term at the point of recruitment rather than having to operate 'casual vacancies'.
- 4.33 A copy of the track-changed Rules are attached at Appendix 5.

#### Disposals and Acquisitions Policy: annual update

- 4.34 Our Disposals and Acquisitions Policy was last approved by the Board in May 2023. It is drawn from our Group-wide Disposals and Acquisitions Framework. Under the policy:
- A disposal includes any scenario in which we grant or transfer an interest in land or property such that it is may no longer available for us to use either temporarily or permanently;
  - An acquisition includes the purchase of development sites or turnkey developments as part of a new build strategy or one-off or ad-hoc purchase of residential property; and
  - Our disposal and acquisition approval limits are: up to £120k or over £120k with Board approval or delegation.
- 4.35 To ensure that the Board retains oversight of our disposal and acquisition activity, including activity undertaken under delegated authority, there is a requirement to provide an annual update to the Board.
- 4.36 Our disposals and acquisitions register for the period 01 April 2023- to 31 March 2024 is attached at Appendix 3. During this period we recorded 4 acquisitions and 17 disposals.
- 4.37 There are no identified issues of non-compliance with the policy to report to the Board.

#### Code of Conduct

- 4.38 The Board received and considered the updated Group Code of Conduct (the Code), together with accompanying guidance, at its meeting on 07 February 2024.
- 4.39 The Code sets out the requirements and expectations that are attached to the role of a Board member. Board Members have a personal responsibility to uphold the requirements of this Code.

- 4.40 The Code was circulated to all Board Members for review and signature via our DocuSign system in March, ahead of the implementation date of 1 April 2024. All Board Members have now returned a signed copy of the Code.

#### Register of Interests

- 4.41 Our Group policy on Board member conflicts of interest was approved by the Group Board in June 2022. The policy sets out our Group position and must be read in conjunction with the constitution of each entity in the Group, and our Group Code of Conduct.
- 4.42 Under our Group Code of Conduct, Board members are required to ensure they register any interests and update their entry whenever a new interest arises. Information on Board member interests is also published on our website, along with Board member profiles. In addition, we are required to provide information to our auditors concerning related parties.
- 4.43 A Register of Interests is maintained for Board Members and is available in our Reading Room in AdminControl.
- 4.44 Declaration of Interests form a standing agenda item at each Board meeting, where members are requested to declare any further interests, any amendments to the register of interests, or any conflicts related to specific agenda items.
- 4.45 As part of our year-end procedures we have also sought confirmation from Board members that they have no new declarations that require to be made. Any updates will be recorded in the register and notified to the Chair and the Board as required.

#### Gifts and hospitality

- 4.46 Our Group Policy (Payments, Benefits, Gifts and Hospitality Policy) was approved in June 2022. Under the policy, Board Members are required to declare any offers of gifts and hospitality they make or receive on our behalf. A register of the offer or receipt of any gifts or hospitality is maintained by the Governance team.
- 4.47 During the period 1 April 2023 to 31 March 2024, no declarations have been received from any of our Board members. One gift that required to be declared was made by us to our former Chair, to mark her retirement following her dedicated years of service. The gift was made in accordance with our policy and had a value of less than £100.

#### Governing Body Expenses and Allowances

- 4.48 The Group Policy on Governance Body Expenses and Allowances was approved by the Group Board in December 2022. The policy helps to ensure we have a clear framework for reimbursing Board members.

- 4.49 Board Members are asked to note that under the policy claims should normally be made within one month of incurring the expense and should ideally be made within the tax year in which they are incurred, to allow individuals to make appropriate returns to HM Revenue and Customs. Board Members' expenses are also reported within our annual report and consolidated financial statements. All Board Members have been invited to submit any expenses for the period covering 1 April 2023 to 31 March 2024.

## **5. Customer engagement**

- 5.1 There has been no customer engagement in relation 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 arising from this report.

## **7. Digital transformation alignment**

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

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

- 8.1 There are no financial implications arising from the recommendations contained within this report.

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

- 9.1 This report provided an update on the SHR's Regulatory Framework and Statutory Guidance which we are required to comply with as well as our engagement plan with the SHR. We have arrangements in place to ensure that we meet the SHR's requirements.
- 9.2 Changes to our Rules requires the approval of members in general meeting. It also requires agreement from our parent company, Wheatley Housing Group. In order to effect the Rule change we will convene a special general meeting for the same date as our AGM in September.
- 9.3 As a matter of corporate law, it is important that we manage any potential conflicts of interest. We can support compliance with this by ensuring that we maintain a clear policy position and proactively manage gifts, hospitality and outside interests.
- 9.4 The SHR Regulatory Standards of Governance require that all RSLs uphold and promote standards of behaviour expected of Board members through 'an appropriate Code of Conduct'. By adopting the SFHA Model Code for RSLs we will comply with the requirements of the Regulatory Standards.

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

- 10.1 Our risk appetite in relation to governance is cautious, which is defined as “Preference for safe delivery options that have a low degree of inherent risk and may only have limited potential for reward”.
- 10.2 We mitigate this risk by regularly reporting to the Board on governance-related matters and routinely reviewing our records to ensure that our governance records remain up-to-date and accurate.
- 10.3 There is a risk that our general members do not support the proposed changes to our Rules. Our parent company is entitled to cast 75% of the votes in a general meeting which is sufficient to pass the resolution; however, doing so in the face of significant opposition may negatively affect our reputation.
- 10.4 We propose to mitigate this risk by including an explanatory note within the pack of papers issued for our SGM. In addition, following a review of our register of members we have identified that only a small number of members have attended a general meeting in the last five years. This would suggest that most of our general members do not have a strong interest in attending meetings and remaining involved with us.

## **11. Equalities implications**

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

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

- 12.1 The changes to the Framework and Statutory Guidance are consistent with the proposals within the SHR consultation. We have robust governance arrangements, which we regularly review and are subject to an annual self-assessment. As such we continue to be in a position where we can provide strong evidence to support our compliance with the Regulatory Framework and Statutory Guidance.
- 12.2 Following our name change we now propose to update our Rules to reflect this. This has also provided us with an opportunity to review our Rules more comprehensively.
- 12.3 We have a Board of 10 Board members with a range of complementary skills and experience. The appointments of Fiona Burden and Bill Banks (from our AGM in September) will further enhance the skills mix of our Board and contribute to our effective governance.
- 12.4 From 1 April 2023 - 31 March 2024 we recorded 17 property disposals and 4 acquisitions.



### **13. Recommendations**

#### **13.1 The Board is asked to:**

- 1) Note the update on the changes to the Regulatory Framework and Statutory Guidance;
- 2) Note the disposals and acquisitions annual update;
- 3) Agree the proposed changes to our Rules
- 4) Note the appointment of Fiona Burden;
- 5) Recommend the appointment of Bill Banks as a Board member to the Annual General Meeting in September
- 6) Note the updates on our Code of Conduct, Register of Interests, Gifts and Hospitality, Expenses and Allowances.

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

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

Appendix 2: Engagement plan

Appendix 3 : [redacted]

Appendix 4 : [redacted]

Appendix 5 : Track-change Rules

Appendix 6: Disposals and Acquisitions Register

## Appendix 2 – Engagement Plan

### Why we are engaging with Wheatley Housing Group Ltd (WHG)

We are engaging with WHG about its financial management, development plans and because it is a systemically important landlord.

WHG has four registered subsidiaries: Loretto Housing Association Ltd (Loretto), Wheatley Homes East Ltd (WHEast), Wheatley Homes Glasgow Ltd (WHGlasgow) and Wheatley Homes South Ltd (WHSouth).

We refer to a small number of RSLs as systemically important because of their stock size, turnover or level of debt or because of their significance within their area of operation. We need to maintain a comprehensive understanding of how their business models operate, and how they manage the risks they face and the impact these may have. So, we seek some additional assurance each year through our engagement plans. We consider WHG to be systemically important. We also consider Loretto, WHEast, WHGlasgow and WHSouth to be systemically important due to a combination of their size, turnover and level of debt.

WHG is the largest developer of new affordable housing in Scotland and plans to continue to grow by developing around 5,500 affordable homes over the next five years. WHG's development programme is spread across its subsidiaries and includes homes for social and mid-market rent. WHG will receive significant public subsidy and has told us it will also need to obtain new private finance to support its development programme. We will engage with WHG to get assurance about how it is managing the risks to the organisation including its levels of debt and development plans.

#### WHG must:

- Send us copies of its Board minutes, the RSL subsidiary Board minutes and its audit committee minutes as they become available;
- Send us by 30 April 2024 its annual update to its five-year strategy (2021-26) for WHG and its registered subsidiaries including:
  - Its updated risk register including details of its approach to development risk management and mitigation;
  - 30-year financial projections consisting of a statement of comprehensive Income, statement of financial position and statement of cash flow complete with assumptions and explanatory narrative;
  - A comparison of projected financial loan covenants against current covenant requirements;
  - Financial sensitivity analysis which considers the key risks, the mitigation strategies for these risks and a comparison of the resulting covenant calculations with the actual current covenant requirements; and
  - The report to the Board in respect of the approved 30 year projections, sensitivity analysis and covenant compliance.
- Send us by 30 April 2024 for its non-registered subsidiaries:
  - The approved business plans;
  - The financial projections consisting of statement of comprehensive income, statement of financial position and statement of cash flow complete with assumptions and explanatory narrative; and

- Financial sensitivity analysis which considers the key risks, the mitigation strategies for these risks and a comparison of the resultant covenant calculations with the actual covenant requirements.
- Meet with us three times during the year and send us an update prior to our meetings. The updates should include any emerging risks to the organisation and progress with delivery of its development plans. The development update should include its latest report to the Board or Wheatley Developments Scotland Ltd's Board about development and details of the scale and tenure mix, timescales for delivery and any material delays or changes to the programme;
- Send us by July 2024 the report to the Board about its approach to risk management and mitigation;
- Send us by December 2024 evidence of how it demonstrates affordability for its tenants; and
- Tell us if there are any material adverse changes to its development plans which might affect its financial position or reputation, in line with our notifiable events guidance.

### **What we will do**

- Review the minutes of the Board and audit committee meetings and liaise as necessary;
- Observe WHG's Board and WHEast's Board;
- Review the business plans, financial and other supporting information including the development updates;
- Meet with WHG's senior staff three times during the year to discuss the business plans, the financial and other supporting information and any risks to the organisation; and
- Update our published engagement plan in the light of any material change to our planned engagement with WHG.

### **Regulatory returns**

WHG must provide us with the following annual regulatory returns and alert us to notifiable events as appropriate:

- Annual Assurance Statement
- Audited financial statements and external auditor's management letter;
- Loan portfolio return;
- Five-year financial projections; and
- Annual Return on the Charter.

It should also notify us of any material changes to its Annual Assurance Statement, and any tenant and resident safety matter which has been reported to or is being investigated by the Health and Safety Executive or reports from regulatory or statutory authorities or insurance providers, relating to safety concerns.

## Bill Banks

### Curriculum Vitae

<b>Name</b>	Bill Banks
<b>Contact Details</b>	[redacted]
<b>Qualifications and Professional Memberships</b>	<p>Business Studies; Higher National Diploma (1985)</p> <p>Industrial Administration; Post Graduate Diploma (1987)</p> <p>Administration Management; Bachelor of Arts Degree (1997)</p> <p>Member of institute of Administrative Management (1998); Incorporated Administrator (68511)</p> <p>Charter Institute of Housing (CIH) Member (2013); Member (3012695)</p> <p>CIH Leadership Programme for Housing; Institute of Leadership &amp; Management (2013)</p> <p>Chartered CIH Member (2015)</p> <p>CIPD (Chartered Institute of Personnel and Development) Associate Member (2018)</p> <p>In addition to the above I have completed various training programmes, including courses in management, leadership and governance</p>
<b>Most Recent Employment</b>	<p>Group Chief Executive; Kingdom Housing Group</p> <p>Kingdom Housing Association</p> <p>Saltire Centre, Glenrothes</p> <p>Fife, KY7 5RQ</p>
<b>Professional Work Experience</b>	Kingdom Housing Association; August 1987 to April 2023, covering the following positions;

	<ul style="list-style-type: none"> <li>• Group Chief Executive (including Executive Director of Corporate Support Services responsibilities); October 2013 - April 2023</li> <li>• Chief Executive Fairfield Housing Association; April 2020 - December 2021 (Part of Shared Services Agreement)</li> <li>• Depute Chief Executive/Director of Development &amp; Property Services; May 2008 - October 2013</li> <li>• Development &amp; Property Services Director July 2001 - May 2008</li> <li>• Development Director; April 1993 - July 2001</li> <li>• Development Manager; April 1992 - April 1992</li> <li>• Development Officer; April 1990 - April 1992</li> <li>• Projects Officer; Jan 1989 - April 1990</li> <li>• Administrative Assistant; August 1987 - Jan 1989</li> </ul> <p>Prior to employment with Kingdom; Corporate Planning Officer with Kirkcaldy District Council</p>
<b>Non Executive and Voluntary Positions</b>	<p>My experience gained at executive and senior management level allowed me to gain enhanced knowledge of the requirements and responsibility associated with Non Executive positions. As Kingdoms Group Chief Executive, I had direct responsibility for supporting the Board to undertake the Governance role and responsibilities required of a Trustee and Board Director.</p> <p>The summary below identifies the range of Non Executive and Partnership Board roles I have undertaken.</p> <p>In general terms, as a Board Member, I have had Governance responsibilities associated with the following, which applies to all the non executive and partnership Board roles I have undertaken;</p> <ul style="list-style-type: none"> <li>• Corporate Governance; through scrutinising reports, provided constructive challenge, collective decision making, and supporting the Senior Officer and Management Team.</li> <li>• Strategic Planning; to set the direction and agree the business plan objectives</li> <li>• Risk Management; through agreeing and monitoring strategic risks (financial and non financial) and agreeing actions to address risks.</li> <li>• Compliance; to ensure compliance in relation to rules / constitution, Regulator requirements and compliance in respect of areas such as, legal requirements, procurement, GDPR, Health and Safety</li> </ul>

	<ul style="list-style-type: none"> <li>• Performance Management; through agreeing and monitoring KPIs and monitoring performance against strategic objectives. Providing a foundation and vision for high performance.</li> <li>• Integrity, Accountability and Transparency</li> <li>• Confidentiality and avoiding any conflicts of interest.</li> <li>• Culture; as a Board member I feel I am able to demonstrate behaviors that are consistent with the organisation's values</li> <li>• Preserve and strengthen stakeholder confidence</li> <li>• Board member assessments and succession planning</li> </ul> <p>I feel a Board member should demonstrate responsible and informed decision making and be accountable for those decisions. As a Board member I understand the requirements associated with control and responsibility and I am able to differentiate between the Board role and responsibilities and the responsibilities of Senior Officers and management for the implementation and delivery of the strategy and the operational management of the organisation.</p> <p>In recent years there has been an enhanced emphasis on Environmental, Social and Governance Frameworks and as a Board member I feel good governance is an essential requirement to provide stakeholder and investor confidence in the organisation.</p> <p>The following summarised my non executive positions, expands slightly on the above responsibilities related to the specific post and provides some contextual information related to each position</p> <ul style="list-style-type: none"> <li>• <b>Secretary; Kingdom Housing Association;</b> October 2013 - March 2023; This role was separate from my role as Chief Executive. The main roles and responsibilities related to compliance with the Rules and OSCR requirements . This involved undertaking various compliance audits and ensuring. Also responsible for ensuring meetings were convened correctly, arranging agendas, ensuring arrangements were in accordance with rules for general, special and extraordinary meeting and accurate minutes were recorded and registers maintained.</li> <li>• <b>Secretary; Fairfield Housing Association;</b> October 2020 - December 2021. This role was similar to the above and was undertaken as part of a shared services arrangement and included the provision of Governance Services to the Board, which was distinct from the Management and Operational Services provided to Fairfield from Kingdom</li> <li>• <b>Board Director; Kingdom Initiatives Limited (KI).</b> October 2013 - March 2023. KI is a Private Limited Company and a wholly owned subsidiary of Kingdom Housing Association (KHA) KI undertakes the trading</li> </ul>
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	<p>activities and activities KHA cannot undertake due to its charitable status. To avoid any conflicts of interest I did not report to the KI Board as KHA's CEO and this allowed me to fulfill a non executive position on the Board. For many years KI did not have a vice chair and I assisted the Chair with Board member annual appraisals as part of my role as a Board member. I resigned from the Board when I retired from KHA to allow a clean break.</p> <ul style="list-style-type: none"> <li> <b>Board Director; Kingdom Support and Care CIC (Community Interest Company);</b> September 2016 - March 2023. Kingdom Support and Care (KSC) is another wholly owned subsidiary of KHA and a Community Interest Company. KSC was formed following a strategic options appraisal when it was agreed a longer term viable and sustainable future would be achieved if Kingdoms Care and Support activities were undertaken by a separate organisation. My role on the KSC Board was similar to the KI Board member role, however there was the added governance and regulatory responsibilities associated with the care Inspectorate. Although Kingdoms subsidiaries were not registered with the SHR, as wholly owned subsidiaries of KHA, they both had to demonstrate compliance with SHR standards and requirements. </li> <li> <b>Board Member; Fife Affordable Housing Board;</b> 2013 - March 2023. The Board was a multi agency Partnership Board responsible for the strategic monitoring and strategic management of the Fife Affordable Housing Programme. The governance responsibilities included; strategic performance management, stakeholder collaboration, scrutinising reports and participating and contributing to the strategy that was reflected in the Fife Strategic Housing Investment Plan (SHIP), The Board included senior officers from Fife Council and other agencies and a key challenge was ensuring that the Board decisions did not favour the Council, to avoid any potential conflicts of interest. The Fife Affordable Housing Board reports to the Fife Housing Partnership. </li> <li> <b>Vice Chair; Fife Housing Partnership (FHP);</b> 2013 - March 2023. The FHP is a multi agency Partnership Board, with representatives from Fife Council (at Member / Cllr level), Voluntary Sector Organisations, RSL's, Care Providers, Private Landlords, representatives from Tenants and Residents Associations, Lenders and other stakeholders. The FHP reported to Fife Community Partnership. The FHP is always Chaired by Fife Councils Housing Convenor, however as Vice Chair I regularly chaired the meetings in the absence of the Chair. In </li> </ul>
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	<p>addition to the normal governance responsibilities identified in the general section above I had additional responsibilities for agenda planning, compliance with the partnership remit and performance review meetings with Fife Councils Head of Housing. Although there were no officers from Fife Council on the Partnership Board, as Vice Chair I had to deal with many challenging situations associated with potential political and organisational conflicts of interest</p> <ul style="list-style-type: none"> <li> <p>• <b>Chair; Fife Local Housing Strategy (LHS) Implementation Group; 2013 - March 2023.</b> The LHS Implementation group consisted of officers from Fife Council, RSLs and a range of representatives from Voluntary Organisations. There were 4 LHS Priority Theme Groups who reported to the LHS Implementation Group. As Chair, part of my governance responsibilities included ensuring that all representatives on the group participated in the discussions and decision making process and dealt with many potential organisational conflicts of interest. The LHS Implementation Group reported to the FHP</p> </li> <li> <p>• <b>Chair and Board Member; Scotland's Housing Network (SHN); Board Member Oct 2015 - January 2023 and Chair; November 2018 -November 2022.</b> Scotland's Housing Network is a member organisation and the majority of RSL, and all Local Authorities are members. Although it was mainly officers who attend the programme events, practice exchange forums etc, As an SHN Board member conflicts of interest had to be fully recognised and Board members were required to act in the best interest of SHN and the collective membership, rather than the organisation they worked. for. As Chair I undertook the various activities expected of a Chair, including the following; chairing meetings, agenda planning, pre Board report scrutiny, ensuring meetings were convened in accordance with the Articles of Association presentations at AGM's and Special Events, Board member appraisals, Board member recruitment, recruitment of the CEO, stakeholder engagement and acting as authorised signatory for various articles. As part of my Chairs role I had regular meetings with the CEO and attended various staff events as the Board representative.</p> </li> <li> <p>• <b>Board Member Appointee; Ruchazie Housing Association (RHA); Scottish Housing Regulator (SHR) Board Member Appointee; April 2018 - October 2020.</b> The SHR placed RHA under statutory engagement due to serious governance failures. A Special Manager was also appointed by the SHR and an options appraisal was undertaken. As a Statutory Appointee I had full powers of a</p> </li> </ul>
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	<p>Non Executive Board member and the remit from the SHR included working with the Statutory Manager to review all practices, policies and procedures to ensure legal compliance and compliance with the SHR Regulatory Requirements and Standards of Governance and Financial Management. The original appointment was for 12 months, however this was extended to 2 ½ years. During this time it was established that RHA was financially sound and delivered good services to tenants, however to remain as an independent RSL the governance arrangements, policies and practices needed to be fully reviewed to evidence compliance. This happened during my time as an appointee and the SHR removed the statutory engagement status. RHA is now continuing to operate as an independent RSL and it has a fully compliant Engagement Plan.</p> <ul style="list-style-type: none"> <li>• <b>Mentor; Career Ready;</b> January 2018 - October 2019. The Career Ready Programme is aimed at providing support and guidance to 5th and 6th year school pupils who are not high academic performers. The aim is to build their confidence, provide coaching and mentoring to allow them to consider work or further education choices when they leave school.</li> <li>• <b>Board Member; Our Power;</b> 2015 - 2018. Our Power was established as a Private Limited Company, operating as a social enterprise. It was a membership organisation with over 65 RSL and Local Authority members. I was a Board member when the company was set up and the aim was to provide affordable energy to social rented tenants. I attended the main Board meetings and undertook the normal Board member duties, I also had a specific role related to member engagement. I resigned from the Board in 2018 due to work commitments and the additional time requirements I needed when I undertook the SHN Chairs position. The energy sector is a very competitive market and most small energy companies could not compete with the 'big 6'. This was also a time when the purchase of energy was at a high price and Our Power struggled to increase their customer numbers to a viable level and unfortunately ceased trading in 2019.</li> <li>• <b>Board Member; Fife Construction Forum;</b> November 2006 - November 2013. The Forum was a member organisation, with representatives from private builders, RSLs, consultants and contractors and others involved in the construction sector. It was established in 2006 that the collective voice of those in the Fife Construction sector was not being fully recognised and I was one of the founding members and acted as a Board member for 7 years. During</li> </ul>
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	<p>this time the Board recognised and represented the views of member organisations and undertook collective consultations and responses to both local and national government.</p> <p>In addition to the above I have been a member of various SFHA and Scottish Government Working Groups, where good governance principles needed to be applied. The groups included the 2015 and 2021 Affordable Housing Subsidy Review Groups</p>
<b>Hobbies and Non Work Interests</b>	<ul style="list-style-type: none"> <li>• Spending time with family</li> <li>• Holidays</li> <li>• Dog Walking</li> <li>• Supporting local football team</li> <li>• Badminton</li> <li>• Pickleball</li> <li>• Cycling</li> </ul> <p>I am a qualified Swimming Teachers and teach swimming on a casual basis with Fife Sport and Leisure Trust.</p>
<b>Experience</b>	<p><b>Summary Experience</b></p> <p>Over 35 years experience in the Affordable Housing and Social Care Sector, working with Kingdom Housing Association.</p> <p>During my time at Kingdom we developed over 6,500 homes for Kingdom and partners. The Kingdom Group consisted of Kingdom Housing Association, a Registered Social Landlord and Scottish Charity and two subsidiary companies; Kingdom Initiatives Ltd, a private company that undertook activities that KHA could not do due to its charitable status, including the management of over 1,000 Mid Market Rented homes, and Kingdom Support and Care, a Community Interest Company providing a full range of care and support services to over 250 supported individuals.</p> <p>Until April 2023 I held the senior officer position of Kingdom Group Chief Executive.</p> <p>During this period I have developed skills, knowledge and experience covering areas related to;</p> <ul style="list-style-type: none"> <li>• Leadership and Management</li> <li>• Governance</li> <li>• Compliance and Regulation</li> <li>• Project Management</li> <li>• Collaborative Working</li> <li>• Procurement</li> <li>• Policy Development</li> <li>• Performance Management</li> </ul>

- Benchmarking
- Risk Management.
- Change Management
- Strategic and Business Planning
- Strategic Options Appraisals
- Business & Organisational Development
- Business Continuity Planning
- Collaborative and Partnership Working
- Development of Affordable Housing
- Support and Care
- HR, Learning and Development
- Digital
- Finance
- Housing Management
- Asset Management
- Customer Services
- Community Benefits

In addition to my senior management executive experience I have experience as a non executive Director and Board member. Further details are included in the Non Executive and Voluntary positions section above and includes roles as;

- Company Secretary
- Chair
- Vice Chair
- Non Executive Director
- Partnership Board Representative
- Statutory Appointee

During this time I have been able to apply the knowledge gained at executive management level to the governance roles and responsibilities associated with a Non Executive role. The key skills and experience gained include the following;

- Undertaking a non executive strategic leadership role
- Attendance, participation in Board discussions and collective decision making
- Chairing Board meetings
- Scrutinising reports
- Board appraisals
- Business planning reviews and approval
- Attendance at strategy events
- Risk and Performance Management
- Financial review and analysis
- Options appraisals
- Business case reviews
- Policy review and development
- Dealing with conflicts of interest
- Stakeholder engagement
- Culture programmes
- Supporting Senior Executive Officers and Management
- Carried out the required duties of a Board member, in

	accordance with the Rules / Articles and requirements associated with standing orders, preserved powers and the code of conduct
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## **FIONA BURDEN**

### **SUMMARY**

Fiona is a dual qualified (Scots/English) lawyer with over 20 years' experience in both private practice and large financial services companies. Fiona is the Head of Legal at Tesco Bank where she leads the bank's legal team, providing commercial and regulatory legal advice, including at Board level.

She has also previously held a senior role in the bank's company secretariat department and brings significant experience in relation to corporate governance. Prior to her current role she held commercial lawyer roles at Standard Life PLC, Sigma Capital Group PLC and Aviva PLC.

### **EXPERIENCE**

**Feb 2022 – Present: Legal Director and Company Secretary**

**TESCO BANK**

**June 2019 – Feb 2022: Head of Legal**

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**STANDARD LIFE PLC**

These are the Rules  
of

~~Dunedin Canmore Housing~~ Wheatley Homes East  
Limited

Based upon  
SFHA Charitable Model Rules (Scotland) ~~2013~~  
~~(as amended 2015)~~ 2020

Registered under the  
Co-operative and Community Benefit Societies Act 2014  
and the Housing (Scotland) Act 2010

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## **Further guidance**

### **Further Advice**

A separate document is also available from the SFHA Rules Service, which gives guidance on the use of these rules and the options. Advice is also available from staff at The Scottish Housing Regulator.

Advice on the procedural aspects of making a Rule registration application or Rule Amendment application is also available from the SFHA Rules Service.

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# INTRODUCTION

## Name

- 1 The name of the Society shall be ~~Dunedin Canmore Housing~~ Wheatley Homes East Limited (hereinafter referred to as "the Association").

## Objects

- 2 The objects of the Association are:
- 2.1 to provide for the relief of those in need by reason of age, ill-health, disability, financial hardship or other disadvantage through the provision, construction, improvement and management of land and accommodation and the provision of care; and
- 2.2 any other purpose or object permitted under Section 24 of the Housing (Scotland) Act 2010 which is charitable both for the purposes of Section 7 of the Charities and Trustee Investment (Scotland) Act 2005 and also in relation to the application of the Taxes Acts.
- 3 The permitted activities and powers of the Association will include anything which is necessary or expedient to help the Association achieve these objects.
- 4.1 The Association shall not trade for profit and any profits shall only be applied for the purpose of furthering the Association's objects and/or in accordance with these Rules.
- 4.2 Nothing shall be paid or transferred by way of profit to Members.
- 5 The registered office of the Association is at 8 New Mart Road, Edinburgh, EH14 1RL.

## MEMBERSHIP

- 6 The Members of the Association shall be: (a) those persons ~~or organisations~~ who hold a share in the Association and whose names are entered in the Register of Members; and (b) the Parent.

## Applying for Membership

- 7.1 The Board shall set, review and publish its membership policy for admitting new Members. ~~Other than the Parent and s~~ Subject to the provisions of Rule 7.2, the following shall be eligible to become Members:
- 7.1.1 tenants of the Association;
- 7.1.2 ~~service users of the Association;~~
- 7.1.3 ~~any person who is a Board member and who is not a tenant or a Parent~~ Appointee ~~other persons who support the objects of the Association;~~ and
- 7.1.4 ~~organisations sympathetic to the objects of the Association~~ the Parent.
- 7.2 If you are applying for membership you must send a completed and signed application form and the sum of one pound (which will be returned to you if the

application is not approved) to the Association's registered office. Whilst it is the Association's intention to encourage membership, the Board has absolute discretion in deciding on applications for membership and the following shall constitute grounds for refusal of an application for membership:

- 7.2.1 where membership would be contrary to the Association's Rules or policies; or
  - 7.2.2 where a conflict of interest may exist which, even allowing for the disclosure of such an interest, may adversely affect the work of the Association; and/or
  - 7.2.3 where the Board considers that accepting the application would not be in the best interests of the Association.
- 7.3 Your application shall be considered by the Board as soon as reasonably practicable after its receipt by the Association. An application for membership will not be considered by the Board within the period of 14 days before the date of a general meeting. The Board has the power in its absolute discretion to accept or reject the application.
- 7.4 If the Board approves your application, you will immediately become a Member and your name and other necessary particulars will be included in the Register of Members within seven working days. You will then be issued one share in the Association.
- 7.5 Subject to Rule 37.5, the Board shall have deemed to have admitted a person as a Member from the date on which he/she was appointed as a Board Member under these Rules and his/her name and other necessary particulars will be included in the Register of Members within seven working days. The Board Member will then be issued with one share in the Association.
- 7.6 The Parent shall be a Member and shall have one share to the value of one pound in the Association.
- ~~7.5 The Parent shall apply for a share in terms of these Rules and shall make payment of the sum of one pound to the Association's registered office. The Parent shall then become a Member of the Association and its name and other necessary particulars will be included in the Register of Members within seven working days and shall be issued with a share to the value of one pound (the "Parent Share") in the Association.~~
- 7.6 The Parent and the Association, together with all other organisations in the Group will document, formally and in terms that are transparent and understandable, their constitutional and financial relationships through the Group Agreement or similar document. The role of the Association and its relationship with other organisations in the Group must be undertaken in a manner consistent with the Charities and Trustee Investment (Scotland) Act 2005.
- 7.7 Notwithstanding the other provisions of this Rule 7, the Parent may in its absolute discretion admit or remove any person or organisation as a Member.
- 8 You can apply for membership of the Association from the age of 16.
- 9 No Member can hold more than one share in the Association.

- 10 If you change your address, you must let the Association know by writing to the Secretary at the registered office or by electronic communication within three months. This requirement does not apply (a) to the Parent; or (b) if you are a tenant of the Association and have moved home by transferring your tenancy to another property owned and managed by the Association.

## ENDING YOUR MEMBERSHIP

- 11.1 Your membership of the Association will end and the Board will cancel your share and record the ending of your membership in the Register of Members if:
- 11.1.1 you resign your membership giving seven days' notice in writing to the Secretary at the Association's registered office or by electronic communication;
- 11.1.2 except in the case of the Parent, the Board reasonably believes that you have failed to tell the Association of a change of address as required by Rule 10;
- 11.1.3 except in the case of a Tenant Board Member and the Parent, the Board is satisfied that you are no longer a serving Board Member following:
- 11.1.3.1 retirement pursuant to Rule 39.2;
- 11.1.3.2 removal or disqualification pursuant to Rule 44; or
- 11.1.3.3 resignation of the Chairperson pursuant to Rule 59;
- 11.1.3 for five annual general meetings in a row you have not attended, ~~submitted apologies, exercised a postal vote~~ or appointed a representative to attend and vote on your behalf by proxy;
- 11.1.4 except in the case of the Parent, the Association receives a complaint about your behaviour and two-thirds of the Members voting at a special general meeting agree to end your membership. The following conditions apply to this procedure:
- 11.1.4.1 the complaint must be in writing and must relate to behaviour which could harm the interests of the Association;
- 11.1.4.2 the Secretary must notify the Member of the complaint in writing not less than one calendar month before the meeting takes place;
- 11.1.4.3 the notice for the special general meeting will give details of the business for which the meeting is being called;
- 11.1.4.4 you will be called to answer the complaint at the meeting. The Members present will consider the evidence supporting the complaint and any evidence you decide to introduce;
- 11.1.4.5 the Members can vote in person or through a representative by proxy; and
- 11.1.4.6 if you receive proper notice but do not go to the meeting without providing a good reason, the meeting will go ahead without you and the Members will be entitled to vote to end your membership.
- 11.2 If your membership is ended in accordance with Rule 11.1.4, you will immediately cease to be a Member from the date that the resolution to end your membership was passed and any further application for membership by you will need to be approved by two-thirds of the Members voting at a general meeting.

## REPRESENTING ~~AN ORGANISATION~~ THE PARENT

- 12.1 ~~An organisation which is a Member~~The Parent is free to nominate any person it considers suitable as its representative to the Association. That person will represent all of the ~~organisation's~~Parent's rights and powers at general meetings.
- 12.2 ~~The Parent will~~ e-confirm the identity of a representative, ~~the organisation must send by issuing a notice to~~ the Association ~~a copy of the authorisation or appointment of an individual as a representative. This should be signed by in writing or by electronic communication on behalf of~~ a Director, Secretary or Authorised Signatory of the ~~organisation which signature must be witnessed, or in the case of a local authority, by the Chief Executive, or properly authorised officer of the local authority~~Parent.
- 12.3 ~~An organisation~~The Parent can change the identity of the person entitled to represent ~~that organisation~~the Parent at any time by confirming the identity of the new representative in terms of Rule 12.2 and withdrawing the authority of the original representative.
- 12.4 ~~If you are a~~ representative of the Parent in terms of Rule 12.2, ~~of an organisation which is a Member, you~~ cannot be a Member as an individual ~~yourself~~. If you are already a Member as an individual when you start to represent ~~an organisation which is a Member~~the Parent, the Association will suspend ~~your~~ the representative's membership as an individual, until such time as ~~they are~~you are no longer ~~a~~ the representative of ~~an organisation which is a Member~~the Parent.

## SHARE CAPITAL

### Shares

- 13 The share capital of the Association will be raised by issuing one-pound shares to Members. Shares cannot be held jointly. Joint tenants of the Association may each become individual Members.
- 14 There is no interest, dividend or bonus payable on shares.

### Transferring Shares

- 15 You shall not be entitled to any property of the Association in your capacity as Member and your share is not withdrawable or transferable save in the circumstances set out in Rules 16 and 17.
- ~~16 You cannot sell your share but you can transfer it if the Board agrees other than in respect of the Parent Share which may not be sold or transferred but which may be cancelled on the written request of the Parent.~~
- ~~17.1~~16 ~~If you die or end your membership or have your membership ended, or you are a representative of an organisation which no longer exists,~~ the Board will cancel your share (except in those circumstances outlined in Rules ~~17.2 and 17.3~~) and the value of the share will then belong to the Association.
- 17.2 Prior to your death ~~y~~You can nominate the person to whom the Association must transfer your share in the Association when you die, as long as the person that you nominate is eligible for membership under these Rules and in terms of the Association's membership policies. On being notified of your death, the Board shall transfer or pay the full value of your share to the person you have identified. Your

nomination must be in the terms required by the Co-operative and Community Benefit Societies Act 2014.

- 17.3 ~~If you die or become bankrupt and your personal representative or trustee in bankruptcy seeks to claim your share, the Board (to the extent that your personal representative or trustee in bankruptcy has right) will transfer or pay the value of your share in terms of your representative's or trustee's instructions. If the person you nominate is not eligible for membership or your nomination is not in the said terms required then following your death the Board will cancel your share.~~

## **BORROWING POWERS**

- 18.1 The Association can borrow money as long as the total borrowing at any time is not more than £400 million or such larger sum as the Association, with the prior written consent of ~~The Scottish Housing Regulator~~ and the Parent, determines from time to time in general meeting. The Association can enter into any Guarantee in respect of or to secure by heritable security, mortgage, charge, floating charge, lien or other security which the Association is permitted by law to grant, upon the whole or any part of the Association's property or assets, the obligations and liabilities of any Subsidiary; or of any joint venture established by the Association (or by a Subsidiary) with any entity or entities. The foregoing power is valid notwithstanding, and is in no way limited by, any limits on the borrowing or lending powers of the Association (including the foregoing limits) contained in these Rules or otherwise.
- 18.2 In respect of any proposed borrowing for the purposes of Rule 18.1, the amount remaining undischarged of any index-linked loan previously borrowed by the Association or any deep discounted security shall be deemed to be the amount needed to repay such borrowing in full if the pre-existing borrowing became repayable in full at the time of the proposed borrowing.
- 18.3 For the purposes of Rule 18.1 in respect of any proposed borrowing intended to be index-linked or on any deep discounted security the amount of borrowings shall be deemed to be the proceeds of such proposed borrowings that would be receivable by the Association at the time of the proposed borrowing.
- 18.4 The Association will not pay more than the rate of interest which the Board considers to be the then market rate of interest on any money borrowed, having regard to the terms of the loan on any money borrowed.
- 18.5 The Association will not accept money on deposit.
- 18.6 Subject to the provisions of Rule 19, the Association can, with the prior written approval of the Parent, lend money to any person or organisation including, without limitation, the Parent; any Subsidiary; any joint venture established by the Association or by the Parent or by any Subsidiary, with another entity or entities on terms which the Board deems appropriate at the time of entering into the transaction. Where the Association is using a loan facility to on lend it must comply with the Regulatory Framework and Regulatory Guidance issued by The Scottish Housing Regulator from time to time.
- 18.7 The Association may borrow money from such lawful sources as is permitted by its Treasury Management Policy subject always to the requirement that the Association will comply with the Regulatory Framework and Regulatory Guidance issued by The Scottish Housing Regulator from time to time.

- 18.8 Subject to the foregoing provisions of this Rule 18, the Board can, with the prior written approval of the Parent, determine and change the conditions under which the Association borrows or lends money.
- 19 With the exception of the Parent, the Association shall not lend money to Members.

## GENERAL MEETINGS

### Annual General Meeting

- 20 The Association will hold a general meeting known as the annual general meeting within six months of the end of each financial year of the Association. The functions of the annual general meeting are to:
- 20.1 present the Chairperson's report on the Association's activities for the previous year;
- 20.2 present the accounts, balance sheet and auditor's report;
- ~~20.3 elect Board Members;~~
- 20.43 appoint the auditor for the following year; and
- 20.54 consider any other general business included in the notice calling the meeting.

### Special General Meeting

- 21.1 All general meetings other than annual general meetings are known as special general meetings. The Secretary will call a special general meeting if:
- 21.1.1 the ~~Committee-Board~~ requests one;
- 21.1.2 the Parent requests one in writing; or
- 21.1.3 at least four Members other than the Parent request one in writing. If there are more than 40 Members, at least one tenth of all the Members must ask for the meeting.
- 21.2 Whoever asks for the meeting must give the Secretary details of the business to be discussed at the meeting.
- 21.3 If a special general meeting is requested, the Secretary must within 10 days of having received the request give all Members notice calling the meeting. The meeting must take place within 28 days of the Secretary receiving the ~~Members'~~ request. The Secretary should decide on a time, date and place for the meeting in consultation with the Board or the Chairperson, but if such consultation is not practicable the Secretary can on his/her own decide the time, date and place for the meeting.
- 21.4 If the Secretary fails to call the meeting within 10 days, the Board or the Members who requested the meeting can arrange the meeting themselves.
- 21.5 A special general meeting must not discuss any business other than the business mentioned in the notice calling the meeting.

### Notice for Meetings

- 22.1 The Secretary will call all general meetings by written notice posted or sent by ~~fax or email~~ electronic communication to every Member (which must include the Parent) at

the address, ~~fax number~~ or email address given in the Register of Members at least 14 clear days before the date of the meeting. This notice will give details of:

- 22.1.1 the time, date and place of the meeting;
- 22.1.2 whether the meeting is an annual or special general meeting;
- 22.1.3 the business for which the meeting is being called.

22.2 The Board may ask the Secretary to include with the letter or send separately to the Members any relevant papers or accounts. If a Member, other than the Parent, does not receive notice of a meeting or papers relating to the meeting, this will not stop the meeting going ahead as planned. If the Parent does not receive notice of a meeting or papers relating to the meeting, the meeting cannot go ahead as planned. Each communication sent to a Member by post, addressed to his/her registered address, shall be deemed to have arrived 48 hours after being posted. Each electronic communication sent to a Member ~~by fax or email~~ shall be deemed to have arrived on the day it is sent.

23 The proceedings of a meeting shall not be invalidated by the inadvertent failure of the Association to send a notice calling the meeting to any Member, other than the Parent. Failure of the Association to send a notice calling the meeting to the Parent will invalidate the proceedings of that meeting.

## PROCEDURE AT GENERAL MEETINGS

24.1 For a meeting to take place the Parent and at least seven other Members must either be present at the meeting venue or represented ~~at the venue~~ by a representative approved in terms of Rule 27.1. ~~If there are more than 70 Members, at least one-tenth, including the Parent, must either be present or represented at the venue by a representative in terms of Rule 27.1.~~

24.2 If the Parent is not present in person or by representative and/or not enough other Members are present in person or by representative within half an hour of the time the meeting was scheduled to start, the meeting shall be rescheduled to the same day the following week at the same time and at such place as may be fixed by the chairperson of the meeting and announced at the meeting. There is no need to give notice to Members of the rescheduled meeting with the exception of the Parent, who must receive such notice if it was not present in person or represented at the meeting to be rescheduled. If at that meeting there are not enough Members present in person or by representative at the scheduled starting time the meeting can still go ahead.

24.3 The Parent shall be deemed to be present in person at any general meeting if it is represented in person by an individual (who need not be a Member) who is appointed to act as such ~~in writing signed~~ by or on behalf of the Parent in accordance with Rule 12.

24.4 The Board shall determine the manner in which general meetings of the Association are held, subject to the prior approval of the Parent.

25 If a majority of Members present agree, the chairperson of a meeting can adjourn the meeting. No business can be discussed at the adjourned meeting other than the business not reached or left unfinished at the original meeting. There is no need to give notice to Members of the adjourned meeting.



- 26.1 The Chairperson of the Board will be chairperson at all meetings of the Association. If there is no Chairperson or he/she is not present or willing to act, ~~the Members present must elect a~~ Board Member of the Board to will be chairperson of the meeting. If no Board Members are present, the Members present must elect a Member to be chairperson of the meeting.
- 26.2 If the Chairperson arrives later, after the meeting has commenced, he/she will take over as chairperson of the meeting as soon as the current agenda item is concluded.

## **Proxies/Representatives/~~Postal Votes~~**

- 27.1 To appoint a representative to vote on your behalf by proxy, you must let the Association have a properly completed document in the form shown in Appendix 1, which may be submitted by electronic communication. Your representative does not need to be a Member. The document must reach the Association at least five days before the meeting at which you want to be represented. The Chairperson shall not be entitled to act as a representative for any other Member.
- 27.2 If there is any doubt about whether your representative has authority to vote, the Chairperson will decide and his/her decision will be final.
- 27.3 The maximum number of proxy votes that may be cast by any one person is 10.
- 27.4 To reverse your appointment of a representative, you must let the Association have a properly completed document in the form shown in Appendix 2, which may be submitted by electronic communication. The document must be presented to the Association before the meeting at which you no longer want to be represented convenes. Alternatively, if you declare yourself present before the meeting convenes, the appointment of a representative to vote on your behalf will automatically fall.
- 27.5 The Chairperson will report to the meeting the details of any documents seeking to appoint a representative received but which are not valid. ~~If you represent an organisation, your authorisation or appointment as a representative requires to be in accordance with the terms of Rule 12.2.~~
- ~~27.6 If there is to be an election of Board Members at an annual general meeting, you can vote by post. Not less than 14 days before a meeting is held at which one or more Board Members will be elected, you will receive a ballot paper for the election. You can vote in the election by returning the ballot paper to the Secretary at least five days before the day of the meeting, or by bringing your ballot paper along to the meeting.~~

## **Voting**

- 28 If a decision of a meeting is put to the vote, the outcome will be determined by the majority of those Members voting. Voting will be by a show of hands except where a poll is requested or required. Votes cannot be taken on resolutions which conflict with any provisions of these Rules or the law.
- 29.1 Where a vote is by a show of hands every Member, including the Parent, present in person has one vote (subject in the case of the Parent to the provisions of Rule 29.23). Where a vote is by a poll every Member, including the Parent, present in person or who has appointed a representative has one vote. Where an appointed proxy is present, and he/she advises the Chairperson, the Chairperson shall direct that the vote is by a poll.



~~29.2 In relation to the election of Board Members, the vote is by a poll using the ballot paper issued to the Members prior to the meeting; votes received by post in advance of the meeting will be counted in the total number of votes at the meeting.~~

29.2 The Parent shall be allocated and shall be entitled to cast three quarters of the votes available to be cast:

~~29.3~~ 29.2.1 At any special general meeting called by the Secretary in accordance with these Rules for the purpose of considering and, if appropriate, approving:

~~29.2.1.1~~ any amendments, additions or deletions to any of these Rules; and/or  
~~29.2.1.2~~ any change of name of the Association; and/or

29.2.2 at any annual general meeting, but only for the specific purpose of approving the appointment of the auditors for the following year.

~~the Parent shall be allocated and shall be entitled to cast three quarters of the votes available to be cast at the relevant special general meeting~~ and the other Members of the Association (collectively the "Other Members") shall among them be entitled to cast one quarter of the votes available to be cast at the relevant special general meeting- or in relation to the appointment of auditors at an annual general meeting. Votes exercisable by the Other Members in terms of this Rule ~~29.3~~ 29.2 shall be counted for and against the relevant resolution(s) in the proportions for and against actually cast by each of the Other Members who are present and voting at the meeting in person or by proxy respectively. The Secretary shall make arrangements for such Other Members to vote on the resolution(s) separately and shall count the number of votes in favour and against the resolution(s) and shall notify the special general meeting or annual general meeting of the totals and accordingly the manner in which the one quarter of votes available to be cast at the relevant special general meeting or annual general meeting and exercisable by the Other Members have been cast. The Secretary shall notify the meeting of the decision of the vote having regard to the votes cast by the Parent.

30 Except where a resolution is passed in accordance with the provisions of Rule 29.3, if there is an equal number of votes for and against a resolution, or in relation to the election of Board Members, the Chairperson will have a second and deciding vote. The Chairperson's announcement of the decision of a vote will be final and conclusive. The decision is then recorded in the minutes of the meeting. There is no need to record the number of votes for or against the decision.

31.1 A poll can be required before or immediately after a vote by a show of hands, if at least one-tenth of the Members present at the meeting (in person or by proxy through a representative appointed in accordance with Rule 27.1) request this.

31.2 A poll must take place as soon as the Chairperson has agreed to it, in line with the Chairperson's instructions. The result of the poll will stand as the decision of the meeting.

## **PROCEEDINGS AT GENERAL MEETINGS**

32 All speakers must direct their words to the Chairperson. All Members must remain quiet and orderly while this is happening.

33 You will not be allowed to speak more than once on any individual matter unless it is to explain something or ask for an explanation until every other Member has had the

chance to speak. You will then have the opportunity to speak a second time on a matter but only if the Chairperson agrees. Where the Chairperson raised the matter for discussion initially, he/she shall be permitted to make a final reply on the matter.

~~34~~34.1 The Chairperson will decide how long each speaker is allowed to speak, allowing equal time to each speaker.

~~35~~34.2 If any point arises which is not covered in these Rules, the Chairperson will give his/her ruling. ~~If the Chairperson's ruling is challenged by more than one person, the Chairperson will step down and those present will decide the point raised on a majority vote. If the vote is tied, the Chairperson's original ruling is carried.~~

~~36~~35 Meetings must not last longer than two hours unless at least two-thirds of the Members present agree after the end of that time to continue the meeting.

36.1 A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.

36.2 A Member is able to exercise the right to vote at a general meeting when:

36.2.1 that Member is able to vote, during the meeting, on resolutions put to the vote at the meeting; and

36.2.2 that Member's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.

36.3 The Board may make whatever arrangements it considers appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.

36.4 In determining attendance at a general meeting, it is immaterial whether any two or more Members attending it are in the same place as each other.

36.5 Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

## THE BOARD OF MANAGEMENT

### Composition of the Board

37.1 The Association shall have a Board which shall have a minimum of seven and a maximum (including co-optees) of 12 persons of whom:

37.1.1 up to seven Board Members shall be Independent Board Members;

37.1.2 up to four Board Members shall be Tenant Board Members; and

37.1.3 if appointed, ~~up to~~ one Board Member shall be the Parent Appointee (as defined in Rule 37.7).

37.2 The Association shall keep up to date a register of the names of the Board Members which shall be made available to any person at no cost. The names of Board Members will also be published by the Association on its website, and in its annual reports and other similar documentation.

~~37.2 The first Board Members will be the Members who have signed the application to register the Association. The first Members and all subsequent Members who are eligible shall be Board Members until there are more than seven Members. Once there are more than seven Members of the Association, at the end of the next annual general meeting, all of the Board Members shall retire.~~

37.3 A person must be aged 18 or over and a Member to become a Tenant Board Member. ~~A person must be aged 18 or over but need not be a Member to become (including any person appointed to fill a casual vacancy) other than a person appointed as a co-optee, a person appointed by The Scottish Housing Regulator or the Parent Appointee (as defined in Rule 37.67), each and any of whom must be aged 18 or over but need not be a Member.~~

37.4 With the exception of the Parent Appointee (as defined in Rule 37.67), an employee of the Association, or unless otherwise approved by the Parent, a Close Relative of an employee, may not be a Board Member.

37.5 No Board Member may take office until they have agreed to and signed the Association's code of conduct for Board Members and their appointment has been ratified by the Parent.

~~37.6 Notwithstanding Rule 37.1, if at any time there are fewer candidates standing for election pursuant to Rule 39 to become Tenant Board Members than the number of available vacancies, then it shall become competent for a candidate who satisfies the criteria for election as an Independent Board Member to be eligible for election to fill the relevant place or places.~~

37.67 The Parent may from time to time and at any time by written notice to the registered office of the Association appoint up to one person as a Board Member (a "Parent Appointee") and by like notice remove or replace the Parent Appointee and in each case, such appointment or removal shall take effect upon the date of lodgement of such written notice at the registered office of the Association or such later date as may be specified in the notice.

37.78 Notwithstanding any other provision of these Rules:

37.78.1 the Parent is the parent body of the Association and shall be entitled to appoint any number of Board Members and remove from office any and all Board Members as it may in its sole discretion determine;

37.78.2 any appointments and removals from office in terms of Rule 37.78.1 may be made from time to time and at any time by notice in writing signed or by electronic communication on behalf of the Parent ~~and served on the Association~~ and, in each case, shall take effect upon the date of ~~lodgement of written receipt of the~~ notice by ~~at the Association's registered office~~ Association or such later date as may be specified in the notice; and

37.78.3 all candidates for election, re-election, appointment, or re-appointment as Board Members in terms of these Rules shall first be approved in writing or by electronic communication by the Parent and any such elections, re-election, appointment or re-appointment of a Board Member shall not take effect unless and until such approval has been given.

~~37.9~~37.8 Each of the Board Members shall, in exercising his/her role as a Board Member, act in the best interests of the Association, its tenants and service users and will not place any personal or other interests ahead of his/her primary duty to the Association; and, in particular, must:

~~37.9.1~~37.8.1 seek, in good faith, to ensure that the Association acts in a manner which is in accordance with its objects;

~~37.9.2~~37.8.2 act with the care and diligence which it is reasonable to expect of a person who is managing the affairs of another person;

~~37.9.3~~37.8.3 in circumstances giving rise to the possibility of a conflict of interest between the Association and any other party:

~~37.9.3.1~~37.8.3.1 put the interests of the Association before that of the other party, in taking decisions as a Board Member; and

~~37.9.3.2~~37.8.3.2 where any other duty prevents him/her from doing so, disclose the conflicting interest to the Association and refrain from participating in any discussions or decisions involving the other Board Members with regard to the matter in question; and

~~37.9.4~~37.8.4 ensure that the Association complies with any direction, requirement, notice or duty imposed on it by the Charities and Trustee Investment (Scotland) Act 2005.

37.9 The Board can require that a Board Member who is being investigated for a potential breach of the Association's Code of Conduct for Board Members take leave of absence and not attend any meeting in his/her capacity as Board Member until the Board has completed its consideration of the potential breach. When on such leave of absence, the Board Member will not be entitled to receive minutes and/or documents in his/her capacity as a Board Member relating to the business of the Association.

## Interests

38.1 The Board shall set and periodically review its policy on payments and benefits. If a person is a Member, employee of the Association or serves on the Board or any sub-committee he/she must not receive any payment or benefit unless it is permitted by the policy. In making any payment or conferring any benefit the Association shall act at all times with transparency, honesty and propriety.

38.2 If a person serves on the Board or any sub-committee he/she must declare any personal or other external interests on an annual basis in accordance with the Association's Code of Conduct for Board Members. If while serving on the Board that person has any conflict of interest in any contract or other matter about to be discussed at a meeting, he/she must tell the Board. He/she will be required to leave the meeting while the matter is discussed and will not be allowed to vote on the matter or to stay in the meeting while any vote on the matter is being held. If that person is inadvertently allowed to stay in the meeting and vote on the matter, his/her vote will not be counted. If no quorum exists for the purpose of voting on a matter only because of the operation of this Rule 38.2, provided that there are at least three remaining Board Members who are entitled to remain in terms of this Rule 38.2, such remaining Board Members are deemed to constitute a quorum for the purposes of voting and may proceed to make a decision as a quorate Board.

38.3 If a person serves on the Board or any sub-committee he/she must not receive any payment or benefit unless it is permitted by the Charities and Trustee Investment (Scotland) Act 2005 and as set out in the Association's policy referred to in Rule 38.1. He/she shall also comply with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 in respect of any conflict of interest that might arise.

## ELECTINGAPPOINTING BOARD MEMBERS

- 39.1 Each Board Member ~~elected~~appointed under these Rules shall be ~~elected~~ appointed for a fixed term of office expiring at the conclusion of ~~an annual general meeting three years~~ (a "fixed term"). ~~The fixed term shall be for a term of three annual general meetings, unless the Board has set a lower number of annual general meetings years for the relevant Board Member on their election or nomination~~ appointment. No fixed term shall be set which would cause the relevant Board Member ~~to serve beyond their ninth consecutive annual general meeting, or more than a period of nine years (whether continuous or in aggregate), unless otherwise approved by the Parent in accordance with Rule 39.5.~~
- 39.2 ~~At every annual general meeting~~ Each Board Member who has served their fixed term shall retire from office ~~at the Board Meeting held immediately after expiry of their fixed term~~. Any Board Member who retires from office at an annual general meeting under this Rule 39.2 shall be eligible for ~~re-election~~ re-appointment subject to the following:
- 39.2.1 where any Board Member retiring under this Rule 39.2 has only served one fixed term, that Board Member can ~~stand for re-election without being nominated~~ be re-appointed by the Board;
- 39.2.2 where any Board Member retiring under this Rule 39.2 has served two fixed terms, that Board Member shall be eligible for ~~re-election~~ re-appointment for one further fixed term, but only with the prior approval of the Parent; and
- 39.2.3 where any Board Member has nine years' service on the Board, that Board Member shall automatically retire at the end of their ninth year, ~~regardless of whether this date is the date of an annual general meeting~~, and shall not be eligible for ~~re-election~~ re-appointment, unless otherwise approved by the Parent in accordance with Rule 39.5.
- 39.3 Board Members must also retire if they have been co-opted onto the Board under Rule 42.1 ~~or have filled casual vacancies under Rule 41.~~
- 39.4 If a Board Member leaves the Board for any reason other than by virtue of Rule 39.2, that Board Member will not be eligible ~~to stand for re-election~~ re-appointment or to be co-opted on to the Board until the expiry of five years following the date on which they left the Board, unless otherwise approved by the Parent.
- 39.5 Other than the Parent Appointee (if appointed) no Board Member shall serve more than nine years' service in total on the Board, whether continuously or in aggregate. unless otherwise approved by the Parent. The Parent shall be entitled to approve a longer fixed term for any Board Member following the expiry of nine years' service where the Parent is satisfied that a Board Member is able to demonstrate his/her continued effectiveness as a Board Member. Where the Parent approves the re-appointment of a Board Member in terms of this Rule 39.5, the Parent shall review that Board Member's appointment on an annual basis.
- 39.6 If a Board Member retires from the Board in terms of these Rules and ~~stands for re-election~~ is re-appointed, subject to Rule 39.4, any time previously served on the Board shall count towards their period of service for the purposes of Rule 39.5.
- 39.7 The other terms of this Rule 39 shall not apply to the Parent Appointee (if appointed) who shall not be required to retire at any ~~annual general meeting~~ Board Meeting.
- 40.1 ~~If, at the annual general meeting the number of Members standing for election is less than or equal to the number of vacant places, the Chairperson will declare them~~

~~electd without a vote. If there are more Members standing for election than there are vacant places, those present at the general meeting or those exercising a postal vote in accordance with Rule 27.6 will elect Members onto the Board, in accordance with Rule 29.2. Each Member present or who has appointed a representative will have one vote for each place to be filled on the Board. A Member must not give more than one vote to any one candidate.~~

~~40.2 The Association will post or send by fax or email intimation of the intended date of the annual general meeting and information on the nomination procedure to each Member at the address, fax number or email address given in the Register of Members of the Association not less than 28 days before the date of the meeting. Nominations for election to the Board must be in writing and in the form specified by the Association and must give the full name, address and occupation of the Member being nominated. A Member cannot nominate himself/herself for election to the Board. Nominations must be signed by and include a signed statement from the Member being nominated to show that they are eligible to join the Board in accordance with Rules 37.4 and 43, and that they are willing to be elected. Nomination forms can be obtained from the Association and must be completed fully and returned by hand or by post to the Association's registered office at least 21 days before the general meeting.~~

~~41 If an elected Board Member leaves the Board between the annual general meetings, this creates a casual vacancy and the Board can appoint a Member to take their place on the Board until the next annual general meeting.~~

~~40.1 The Board shall determine the appointment process for Board Members from time to time, subject to the approval of the Parent.~~

~~40.2 An application for appointment to the Board can be rejected by a decision by not fewer than three quarters of the Board Members on one or more of the following grounds:~~

~~40.2.1 where appointment to the Board would be contrary to the Association's Rules or policies;~~

~~40.2.2 where a conflict of interest may exist which, even allowing for the disclosure of such an interest may adversely affect the work of the Association; or~~

~~40.2.3 where there is clear evidence of relevant circumstances from which it is concluded that appointment to the Board would not be in the best interests of the Association.~~

~~41 The rejection of an application for appointment to the Board shall be notified to the person concerned in writing following the relevant Board Meeting.~~

## Co-optees

42.1 Subject to approval by the Parent, the Board can co-opt to the Board or to a sub-committee anyone it considers is suitable to become a Board Member or member of a sub-committee. Co-optees do not need to be Members, but they can only serve as co-optees on the Board or sub-committee until the next annual general meeting for a period of up to one year or until removed by the Board. A person co-opted to the Board can also serve on any sub-committees.

42.2 A person appointed as a co-optee shall undertake the role of Board Member or member of a sub-committee and accordingly will be subject to the duties and



responsibilities of a Board Member. Co-optees can take part in discussions at the Board or any sub-committees and vote at Board and sub-committee meetings on all matters except those which directly affect ~~the~~ these Rules, the membership of the Association or the election of the Association's Office Bearers. Co-optees may not stand for election, nor be elected as one of the Office Bearers of the Board.

- 42.3 Board Members co-opted in this way must not make up more than one-third of the total number of the Board or sub-committee members at any one time. The presence of co-optees at Board Meetings will not be counted when establishing whether the minimum number of Board Members are present to allow the meeting to take place as required by Rule 48 and the presence of co-optees will not count towards the quorum for sub-committee meetings.

## Eligibility for the Board

- 43.1 A person will not be eligible to be a Board Member and cannot be appointed ~~or elected~~ as such if:
- 43.1.1 he/she ~~has been adjudged is an undischarged~~ bankrupt, has granted a trust deed ~~for or entered into an arrangement with creditors or his/her estate has been sequestrated and which~~ has not been discharged or is in a current Debt Payment Plan under the Debt Arrangement Scheme;
  - 43.1.2 he/she has been convicted of an offence involving dishonesty which is not spent by virtue of the Rehabilitation of Offenders Act 1974 or an offence under the Charities and Trustee Investment (Scotland) Act 2005;
  - 43.1.3 he/she is a party to any legal proceedings in any Court of Law by or against the Association;
  - 43.1.4 he/she is or will be unable to attend the Board Meetings for a period of 12 months;
  - 43.1.5 he/she has been removed from the board of another registered social landlord within the previous five years;
  - 43.1.6 he/she has resigned from the Board in the previous five years in circumstances where the resignation was submitted after the date of his/her receipt of notice of a special Board Meeting convened to consider a resolution for his/her removal from the Board in terms of Rule 44.5;
  - 43.1.7 he/she has been removed from the Board in terms of Rules 44.4 or 44.5 within the previous five years;
  - 43.1.8 he/she has been removed, disqualified or suspended from a position of management or control of a charity under the provisions of the Law Reform (Miscellaneous Provisions) (Scotland) Act 1990 or the Charities and Trustee Investment (Scotland) Act 2005;
  - 43.1.9 he/she has been removed from the office of charity trustee or trustee for a charity by an order made by the Charity Commissioners for England and Wales or by Her Majesty's High Court of Justice in England on the grounds of any misconduct in the administration of the charity for which he/she were responsible or to which he/she were privy, or which his/her conduct contributed to or facilitated;

43.1.10 a disqualification order or disqualification undertaking has been made against that person under the Company Directors Disqualification Act 1986 or the Company Directors Disqualification (Northern Ireland) Order 2002 (which relate to the power of a Court to prevent someone from being a director, liquidator or administrator of a company or a receiver or manager of company property or being involved in the promotion, formation or management of a company);

43.1.11 his/her application for appointment to the Board has been rejected in accordance with Rule 40.2;

43.1.1143.1.2 he/she has been removed from the governing body of any other member of the Group; or

43.1.1243.1.13 he/she has left the Board and a period of five years has not expired since his/her departure for the purposes of Rule 39.4 and the Parent has not removed his/her return within that period.

43.2 A person cannot be ~~re-elected~~ re-appointed as a Board Member if the Board is not satisfied of the individual's continued effectiveness as a Board Member. In these circumstances the Board must not allow the individual to stand for ~~re-election~~ re-appointment.

44 A Board Member will cease to be a Board Member if:

44.1 he/she resigns his/her position as a Board Member in writing;

44.2 he/she ceases to be a Member unless he/she is a co-optee in terms of Rule 42.1 or an appointee of The Scottish Housing Regulator;

44.3 he/she misses four Board Meetings in a row without special leave of absence previously being granted by the Board either at his/her request or by exercise of the Board's discretion;

44.4 except in the case of the Parent Appointee, the majority of Members voting at a general meeting decide this. ~~The Members at the meeting may then elect someone to take his/her place. If a replacement is not elected at the meeting, the Board may appoint a Board Member in terms of Rule 41;~~

44.5 except in the case of the Parent Appointee, the majority of those remaining Board Members present and voting at a special meeting of the Board convened for the purpose decide to remove him/her as a Board Member. The resolution to remove him/her as a Board Member must relate to one of the following issues:

44.5.1 failure to perform to the published standards laid down by ~~the Scottish Federation of Housing Associations and/or~~ The Scottish Housing Regulator adopted and operated by the Association;

44.5.2 failure to sign or failure to comply with the Association's Code of Conduct for Board Members; or

44.5.3 a breach of the Association's Rules, standing orders or other policy requirements;

44.6 he/she becomes ineligible as a Board Member in terms of Rule 43;



- 44.7 he/she is a co-optee [or was appointed to fill a casual vacancy and](#) whose period of office is ended in accordance with Rules 39.3 or 42.1;
- 44.8 he/she is a Board Member retiring in accordance with Rule 39.2; or
- 44.9 he/she is the Parent Appointee and the Parent subsequently removes him/her from the Board.

## **POWERS OF THE BOARD OF MANAGEMENT**

- 45 The Board is responsible for directing the affairs of the Association and its business and may do anything lawful which is necessary or expedient to achieve the objects of the Association. The Board is not permitted to exercise any powers which are reserved to the Association in general meetings either by these Rules or by statute. The Board is responsible for the leadership, strategic direction and control of the Association with the aim of achieving good outcomes for its tenants and other service users in accordance with Regulatory Standards and Guidance issued by The Scottish Housing Regulator from time to time. [The Board is responsible for ensuring that the Association can demonstrate its governance and financial arrangements are such as to allow The Scottish Housing Regulator to regulate effectively and exercise its full regulatory powers.](#)
- 46 The Board acts in the name of the Association in everything it does. A third party acting in good faith and without prior notice does not need to check if the powers of the Board have been restricted, unless they are already aware that such a restriction may exist.
- 47 Amongst its most important powers, the Board can:
  - 47.1 buy, sell, build upon, lease or exchange any land and accept responsibility for any related contracts and expenses;
  - 47.2 agree the terms of engagement and remuneration of anyone employed in connection with the business of the Association and act as employer for anyone employed by the Association;
  - 47.3 grant heritable securities over land owned by the Association and floating charges over all or any part of property and assets both present and in future owned by the Association. This includes accepting responsibility for any related expenses;
  - 47.4 decide, monitor and vary the terms and conditions under which property owned by the Association is to be let, managed, used or disposed of;
  - 47.5 appoint and remove solicitors, surveyors, consultants, managing agents and employees, as required by the Association's business;
  - 47.6 refund any necessary expenses as are wholly necessary incurred by Board Members and sub-committee members in connection with their duties;
  - 47.7 compromise, settle, conduct, enforce or resist either in a Court of Law or by arbitration any suit, debt, liability or claim by or against the Association; and
  - 47.8 accept donations in support of the activities of the Association.

## **BOARD PROCEDURE**

- 48 It is up to the Board to decide when and where to hold its ordinary meetings, but it must meet at least six times [a per calendar](#) year. There must be at least four Board Members present for the meeting to take place including (if appointed) the Parent Appointee (unless the Parent Appointee has presented their apologies in advance of the meeting).
- 49 The Board will continue to act while it has vacancies for Board Members. However, if at any time the number of Board Members falls below seven, the Board can continue to act only for another two months. If at the end of that period the Board has not found new Board Members to bring the number of Board Members up to seven, the only power it will have is to act to bring the number of Board Members up to seven.
- 50 Board Members must be sent written notice of Board meetings posted, or delivered, by hand or sent by ~~fax or email~~ [electronic communication](#) to the last such address for such communications given to the Secretary at least seven days before the date of the meeting, [unless the Chairperson determines, in relation to specific proposed Board Meeting, that a shorter period is required](#). The accidental failure to give notice to a Committee Member or the failure of the Board Member (other than the Parent Appointee) to receive such notice shall not invalidate the proceeding of the relevant meeting.
- 51 Meetings of the Board can take place in any manner which permits those attending to hear and comment on the proceedings. A Board Member may participate in a Board Meeting by means of conference telephone, video conferencing facility or similar communications equipment whereby all the Board Members participating in the Board Meeting can communicate with each other. A Board Member participating in a Board Meeting in this manner shall be deemed to be present in person at the Board Meeting.
- [52.1](#) All speakers must direct their words to the Chairperson. All Board Members must remain quiet and maintain order while this is happening. The Chairperson will decide who can speak and for how long.
- [532.2](#) If any point arises which is not covered in these Rules, the Chairperson will give his/her ruling which will be final.
- [543](#) All acts done in good faith as a result of a Board Meeting or sub-committee meeting will be valid even if it is discovered afterwards that a Board Member was not entitled to be on the Board.
- [554](#) A written resolution signed by not fewer than three quarters of the Board Members or three quarters of the members of a sub-committee will be as valid as if it had been passed at a Board Meeting or sub-committee meeting duly called and constituted.
- [55](#) [Subject to these Rules, the Board may agree any arrangements which it thinks fit about how it takes decisions, and about how such arrangements are to be recorded or communicated to Board Members, subject to the prior approval of the Parent.](#)

## Special Board Meetings

- 56.1 The Chairperson, the Parent or two Board Members can request a special meeting of the Board by writing to the Secretary with details of the business to be discussed. The Secretary will send a copy of the request to all Board Members and to the Parent within three working days of receiving it. The meeting will take place at a place

mutually convenient for the majority of Board Members, normally the usual place where Board Meetings are held, between 10 and 14 days after the Secretary receives the request.

- 56.2 No other business may be discussed at the meeting other than the business for which the meeting has been called.
- 56.3 If the Secretary does not call the special meeting as set out above, the Chairperson or the Board Members who ~~request~~requested the meeting can call the meeting. In this case, they must write to all Board Members at least seven days before the date of the meeting.
- 57 If a Board Member (other than the Parent Appointee) does not receive notice of the meeting, this will not prevent the meeting going ahead.

## Sub-committees

- 58.1 The Board can delegate its powers to sub-committees or to staff or to Office Bearers. The Board will establish the terms of reference for such delegation, which will be set down in writing and communicated to the recipient of the delegated powers. Such delegation will be set out down in writing in standing orders, schemes of delegated authority or other appropriate documentation. In the case of a sub-committee such delegation shall include the purposes of the sub-committee, its composition and quorum for meetings. A minimum number of members for a sub-committee shall be three. There must be at least three of the members of a sub-committee present for the meeting to take place. The Board shall be responsible for the on-going monitoring and evaluation of the use of delegated powers.
- 58.2 The meetings and procedures of sub-committees or otherwise must comply with the relevant terms of reference.
- 58.3 Any decision made by a sub-committee must be reported to the next Board Meeting.
- 58.4 The Board can establish and delegate powers to sub-committees, designated as Area Committees, to take decisions relating to the management and maintenance of properties within a particular geographical area. The Board will determine the membership and delegated responsibility of an Area Committee in its terms of reference. An Area Committee shall exercise such delegated powers notwithstanding the provisions of Rules 42.1 and 42.3 which provisions shall not apply to Area Committees.
- 58.5 The creation of any new sub-committees by the Board is subject to the prior approval of the Parent.

## THE SECRETARY AND OFFICE BEARERS

- 59.1 The Association must have a Secretary, a Chairperson and any other Office Bearers the Board considers necessary. The Office Bearers, except for the Secretary, must be elected Board Members ~~and but~~ cannot be co-optees. An employee of the Association, the Parent or any other member of the Group may hold the office of Secretary although shall not be a Board Member. The Board will appoint these Office Bearers. If the Secretary cannot carry out his/her duties, the Board, or in an emergency the Chairperson, can ask another Office Bearer or employee to carry out

the Secretary's duties until the Secretary returns. The appointment of an Office Bearer in terms of these Rules is subject to the prior written approval of the Parent.

- 59.2 The Secretary and the other Office Bearers will be controlled, supervised and instructed by the Board in respect of performance of their respective duties (which duties, in the case of the Secretary, are those set out in Rule 59.3).
- 59.3 The Secretary's duties include the following (these duties can be delegated to an appropriate employee with the Secretary assuming responsibility for ensuring that they are carried out in an effective manner):
- 59.3.1 calling and going to all meetings of the Association and all the Board Meetings;
  - 59.3.2 keeping the minutes for all meetings of the Association and Board;
  - 59.3.3 sending out letters, notices calling meetings and relevant documents to Members before a meeting;
  - 59.3.4 preparing and sending all the necessary reports to the Financial Conduct Authority and The Scottish Housing Regulator;
  - 59.3.5 ensuring compliance with these Rules;
  - 59.3.6 keeping the Register of Members and other registers required under these Rules; and
  - 59.3.7 supervision of the Association's seal.
- 59.4 The Secretary must produce or give up all the Association's books, registers, documents and property whenever requested by a resolution of the Board, or of a general meeting.
- 59.5 ~~At its first meeting after registration of the Association, the Board will elect the Chairperson of the Association. Thereafter a~~ The Chairperson will be appointed in accordance with Rule ~~59.6~~59.7 and shall hold office for a period which shall commence on the date of the Chairperson's appointment and shall expire immediately prior to the next scheduled Board Meeting held after the expiry of three years from the date of appointment (the "office term"), subject always to the provisions of Rule 39.

### **Role of the Chair**

- 59.6 The Chairperson is responsible for the leadership of the Board and ensuring its effectiveness in all aspects of the Board's role and to ensure that the Board properly discharges its responsibilities as required by law, the Rules and the standing orders of the Association. The Chairperson will be delegated such powers as is required to allow the Chairperson to properly discharge the responsibilities of the office. Among the responsibilities of the Chairperson are that:

- ~~59.5.1~~59.6.1 the Board works effectively with the senior staff;
- ~~59.5.2~~59.6.2 an overview of business of the Association is maintained;
- ~~59.5.3~~59.6.3 the Agenda for each meeting is set;
- ~~59.5.4~~59.6.4 meetings are conducted effectively;
- ~~59.5.5~~59.6.5 minutes are approved and decisions and actions arising from meetings are implemented;
- ~~59.5.6~~59.6.6 the standing orders, code of conduct for Board Members and other relevant policies and procedures affecting the governance of the Association are ~~complied with~~;
- ~~59.5.7~~59.6.7 where necessary, decisions are made under delegated authority for the effective operation of the Association between meetings;

~~59.5.8~~59.6.8 the Board monitors the use of delegated powers;  
~~59.5.9~~59.6.9 the Board receives professional advice when it is needed;  
~~59.5.10~~59.6.10 the Association is represented at external events appropriately;  
~~59.5.11~~59.6.11 appraisal of the performance of Board Members is undertaken,  
 and that the senior staff officer's appraisal is carried out in accordance with  
 the agreed policies and procedures of the Association; and  
~~59.5.12~~59.6.12 the training requirements of Board Members, and the  
 recruitment and induction of new Board Members is undertaken.

~~59.6~~59.7 The Chairperson must be elected from the Board Members (excluding co-optees)  
 which election must ~~then~~ be approved ~~in writing~~ by the Parent. The Chairperson must  
 be prepared to act as Chairperson until the end of their office term (unless he/she  
 resigns the post). The Chairperson can only be required to resign if a majority of the  
 remaining Board Members present at a special meeting agree to this.

~~59.7~~59.8 If the Chairperson is not present at a Board Meeting or is not willing to act, the  
 Board Members present will elect another Board Member to be chairperson for the  
 Board Meeting. If the Chairperson arrives at the meeting late, he/she will take over  
 as chairperson of the Board Meeting as soon as the current agenda item is  
 concluded.

~~59.8~~59.9 If the votes of the Board Members are divided equally for and against an issue,  
 the Chairperson will have a second and deciding vote.

~~59.9~~59.10 The Chairperson can resign his/her office in writing to the Secretary and must  
 resign if he/she leaves the Board or is prevented from ~~standing for, or being~~  
~~elected~~appointed to the Board under Rule 43. The Board will then elect another  
 Board Member as Chairperson.

~~59.10~~59.11 The Chairperson can be re-elected upon expiry of their office term for a further  
 maximum of two years and must not hold office continuously for more than five years,  
~~unless otherwise approved by the Parent~~ subject always to the provisions of Rule 39.

~~59.11~~59.12 Upon expiry of their period of service as Chairperson, the Chairperson must resign  
 as a Board Member and leave the Board. If the Chairperson resigns under Rule  
~~59.6~~59.7 or ~~59.9~~59.10 then they shall also be deemed to have resigned as a Board  
 Member, regardless of the length of their period of service as Chairperson.

## FINANCIAL GUARANTEES FOR OFFICERS

60.1 The Board shall take out fidelity guarantee insurance to cover all Office Bearers and  
 employees who receive or are responsible for the Association's money, or, these  
 office bearers and employees must be covered by a bond as set out in Schedule 1 of  
 the Co-operative and Community Benefit Societies Act 2014, or a guarantee under  
 which they promise to account for and repay money due to the Association  
 accurately.

60.2 The Board shall have the power to purchase and maintain indemnity insurance for,  
 or for the benefit of, persons who are, or were at any time, Board Members, officers  
 or employees of the Association. A Board Member may form part of a quorum and  
 vote at a meeting where such insurance is under consideration notwithstanding the  
 terms of Rules 38.1 and 38.2.

61 Office Bearers and employees will not be responsible for the Association's loss while  
 they are carrying out their duties unless there has been gross negligence or

dishonesty. If an Office Bearer or employee is dishonest, the Association will try to recover any loss that it has suffered and may alert the police or other relevant authority.

## **THE BOARD'S MINUTES, SEAL, REGISTERS AND BOOKS**

### **Minutes**

- 62 Minutes of every general meeting, Board Meeting and sub-committee meeting must be kept. Those minutes must be presented at the next appropriate meeting and if accepted as a true record, signed by the ~~Chairperson~~chairperson-of the meeting at which they are presented. All minutes signed by the ~~Chairperson~~chairperson-of the meeting shall be conclusive evidence that the minutes are a true record of the proceedings at the relevant meeting.

### **Execution of Documents and Seal**

- 63 The Association shall execute deeds and documents in accordance with the provisions of the Requirements of Writing (Scotland) Act 1995 and record the execution in the register. The use of a common seal is not required. The Association may have a seal which the Secretary must keep in a secure place unless the Board decides that someone else should look after it. The seal must only be used if the Board decides this. When the seal is used, the deed or document must be signed by the Secretary or a Board Member or another person duly authorised to subscribe the deed or document on the Association's behalf and recorded in the register.

### **Registers**

- 64 The Association must keep at its registered office a Register containing:
- 64.1 the names and addresses of the Members and where provided for the purposes of electronic communication, fax numbers and email addresses;
  - 64.2 a statement of the share held by each Member and the amount each Member paid for it;
  - 64.3 the date each person was entered in the Register as a Member and the date at which any person ceased to be a Member of the Association;
  - 64.4 a statement of other property in the Association, whether in loans or loan stock held by each Member; and
  - 64.5 the names and addresses of the Office Bearers of the Association, their positions and the dates they took and left office.
- 65.1 The Association must also keep at its registered office:
- 65.1.1 a second copy of the Register showing the same details as above but not the statements of shares and property. This second register must be used to confirm the information recorded in the main Register;
  - 65.1.2 a register of loans and to whom they are made; and
  - 65.1.3 a register showing details of all loans and charges on the Association's land.



- 65.2 The inclusion or omission of the name of any person from the original Register of Members shall, in the absence of evidence to the contrary, be conclusive that the person is or is not a Member of the Association.

## Registered Name

- 66 The registered name of the Association must be clearly shown on the outside of every office or place where the Association's business is carried out. The name must also be engraved clearly on the Association's seal and printed on all its business letters, notices, adverts, official publications, website and legal and financial documents.

## Documentation

- 67 The Association's books of account, registers, securities and other documents must be kept at the Association's registered office or any other place the Board decides is secure.
- 68 At the last Board Meeting before the annual general meeting, the Secretary must confirm in writing [or by electronic communication](#) 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 confirmation or report must be recorded in the minutes of the Board Meeting.

## ACCOUNTS

- 69 The Association must keep proper books of accounts to cover its income, expenditure transactions and its assets, liabilities and reserves in line with Part 7 of the Co-operative and Community Benefit Societies Act 2014. It must also set up and maintain a suitable system for controlling its books of accounts, its cash and its receipts and invoices.
- 70 The Board must send the Association's accounts and balance sheet to the Association's auditor. The auditor must then report to the Association on the accounts it has examined. In doing this, the auditor must follow the conditions set out in Part 7 of the Co-operative and Community Benefit Societies Act 2014 and Part 6 of the Housing (Scotland) Act 2010.
- 71 The Association must provide The Scottish Housing Regulator and the Financial Conduct Authority with a copy of its accounts and the auditor's report within six months of the end of the period to which they relate- [or such other period as may be permitted by the applicable regulatory authority from time to time.](#)

## THE AUDITOR

- 72.1 Each year the Association must appoint, at a general meeting of the Association, a qualified auditor to audit the Association's accounts and balance sheet. In this Rule "qualified auditor" means someone who is a qualified auditor under Section 91 of the Co-operative and Community Benefit Societies Act 2014.
- 72.2 None of the following can act as auditor to the Association:
- 72.2.1 a Board Member or employee of the Association;

- 72.2.2 a person who is a partner of, or an employee or employer of a Board Member or employee of the Association;
- 72.2.3 an organisation which is a Member of the Association.

73 The ~~Association must appoint an auditor within three months of being registered by the Financial Conduct Authority. The Board will appoint the auditor unless there is a meeting of the Association within that time.~~ The Board may appoint an auditor to fill in a casual vacancy occurring between general meetings of the Association. The Board shall take such steps as it considers necessary to ensure the continuing independence of the Association's auditor including the periodic review of the need for audit rotation. The Association must send a copy of its accounts and the auditor's report to The Scottish Housing Regulator within six months of the end of the period to which they relate or such other period as may be permitted by The Scottish Housing Regulator from time to time.

74.1 An auditor appointed to act for the Association one year will be re-appointed for the following year unless:

- 74.1.1 a decision has been made at a general meeting to appoint someone else or specifically not to appoint them again;
- 74.1.2 they have given the Association notice in writing that they do not want to be re-appointed;
- 74.1.3 they are not a qualified auditor or are excluded under Rule 72.2;
- 74.1.4 they are no longer capable of acting as auditor to the Association; or
- 74.1.5 notice to appoint another auditor has been given.

74.2 To prevent an auditor being re-appointed or to appoint another person as auditor, not less than 28 days' notice must be given to the Association that the matter requires to be discussed at the next meeting of the Association.

74.3 The Association shall give notice to the auditor who is to be asked to step down that the matter will be discussed at the next meeting of the Association. If possible the Association will also give proper notice of this matter to the Members but if this is not possible, the Association can give notice by advertising in the local newspaper at least 14 days before the meeting.

74.4 The retiring auditor may make representations to the Association or give notice that he/she intends to make representations at the meeting and the Association must tell the Members of any representations made by the auditor under Section 95 of the Co-operative and Community Benefit Societies Act 2014.

## ANNUAL RETURNS AND BALANCE SHEET

75.1 Every year, within the time allowed by the law, the Secretary shall send to the Financial Conduct Authority the annual return in the form required by the Financial Conduct Authority.

75.2 The Secretary must also send:

- 75.2.1 a copy of the auditor's report on the Association's accounts for the period covered by the return; and
- 75.2.2 a copy of each balance sheet made during that period and of the auditor's report on that balance sheet.



- 76 If requested, the Association must provide a free copy of the latest annual return and auditor's reports to Members or people with a financial interest in the Association.
- 77 The Association must always keep a copy of the latest balance sheet and auditor's report publicly displayed at its registered office.
- 78 The Association must comply with the requests of The Scottish Housing Regulator for annual returns.

## **SURPLUSES AND DONATIONS**

- 79.1 The Association must not distribute its surpluses to Members.
- 79.2 The Board shall set and review periodically its policy for the donation of funds to charities. Such donations must further the objects of the Association and the Board shall report to the Members on such donations.

## **INVESTMENTS**

- 80 The Association's funds may be invested by the Board in such manner as is permitted by its investment policy subject always to the requirement that the Association will comply with the Regulatory Framework and Regulatory Guidance issued by The Scottish Housing Regulator from time to time.

## **INSPECTING THE REGISTER**

- 81 Any Member or person having a financial interest in the Association can inspect their own account. They may also inspect the second copy of the Register of Members which shall be made available to them for inspection within seven days of the request of a Member or eligible person. The books must be available for inspection at the place they are kept at all reasonable hours. The Board may set conditions for inspecting the books. ~~The Association will also maintain a register of the names of those Members who have given consent for this purpose which shall be made available for inspection within seven days of the request of any person.~~

## **DISPUTES**

- 82 Every dispute between the Association or the Board and:
- 82.1 a Member;
- 82.2 a person aggrieved who has ceased to be a Member within the previous six months; or
- 82.3 a person claiming under the Rules of the Association,

shall be dealt with in accordance with these Rules and any procedures determined by the Board from time to time but without prejudice to all rights which any person may have to raise an action on the matter in any court with competent jurisdiction, including without prejudice the Sheriff Court in the Sheriffdom in which the Association's registered office is located.

## **STATUTORY APPLICATIONS TO THE FINANCIAL CONDUCT AUTHORITY**

- 83 Any 10 Members of the Association who have been Members for at least the 12 previous months can apply to the Financial Conduct Authority to appoint an accountant or actuary to inspect and report on the Association's books on payment to the Financial Conduct Authority of the costs required.
- 84.1 One-tenth of the Members can apply to the Financial Conduct Authority to:
- 84.1.1 appoint an inspector to examine and report on the affairs of the Association;  
or
  - 84.1.2 call a special general meeting of the Association.
- 84.2 If there are more than 1000 Members in the Association, only 100 Members need to apply to the Financial Conduct Authority in terms of Rule 84.1.

## COPIES OF RULES

- 85 The Secretary shall, on demand, provide a copy of the Rules of the Association free of charge to any Member who has not previously been given a copy and, upon payment of such fee as the Association may require, not exceeding the amount specified by law, to any other person.

## CLOSING DOWN THE ASSOCIATION

- 86.1 The Association may be closed down in either of the following ways:
- 86.1.1 by an order or resolution to wind up the Association as set out in the Insolvency Act 1986 ~~and/or Section 105 of the Housing (Scotland) Act 2010;~~ or
  - 86.1.2 in accordance with Section 119 of the Co-operative and Community Benefit Societies Act 2014, by an instrument of dissolution to which not less than three-fourths of the Members have given their consent testified by their signatures to the instrument.
- 86.2 The prior approval of the Office of the Scottish Charity Regulator is required before the Association can be dissolved. The Association must submit its application for approval to the Office of the Scottish Charity Regulator not less than 42 days before the date on which the Association intends to dissolve.
- 87 If any property remains after the Association has paid its debts, this property will be transferred to such other charitable registered social landlord as determined by The Scottish Housing Regulator.

## CHANGING THE RULES

- 88.1 Any changes to these Rules shall require the prior written approval of the Parent and, subject to such consent, these Rules can be changed or deleted and new Rules can be introduced if:
- ~~88.1.1~~ three-quarters of the votes at a special general meeting are in favour of the change(s); and
  - ~~88.1.2~~ ~~The Scottish Housing Regulator has approved the change(s).~~

- 88.2 Where an amendment of these Rules affects the purposes of the Association the prior approval of the Office of the Scottish Charity Regulator is required. The Association must submit its application for approval to the Office of the Scottish Charity Regulator not less than 42 days before the date on which the Association intends to amend its purposes. Any other amendment of these Rules requires to be notified to them within three months of the change having been made.
- 88.3 The Association must apply to the Financial Conduct Authority to register every rule change as set out in treasury regulations. Each Member must receive a copy of the change. No change is valid until it has been registered by the Financial Conduct Authority. [The Association must notify The Scottish Housing Regulator within 28 days of the change or amendment being made.](#)
- 88.4 The Association can change its name if:
- 88.4.1 three-quarters of the votes at a special general meeting are in favour of the change;
  - 88.4.2 the Financial Conduct Authority approves the change in writing;
  - 88.4.3 the Office of the Scottish Charity Regulator has given its prior approval. The Association must submit its application for approval to the Office of the Scottish Charity Regulator not less than 42 days before the date on which the Association intends to change its name; and
  - 88.4.4 the Parent approves the change in writing.
- 88.5 If the Association changes its name in terms of Rule 88.4 it must ~~inform~~[notify](#) The Scottish Housing Regulator in writing within ~~44~~ [28](#) days [of the change being made](#).
- 88.6 The Association can change its registered office but must:
- 88.6.1 notify The Scottish Housing Regulator ~~and the Financial Conduct Authority~~ of the change in registered office within ~~seven working~~ [28](#) days of the decision having been made;
  - [88.6.2](#) [notify the Financial Conduct Authority as soon as possible after the change in registered office has been made;](#)
  - ~~88.6.2~~ [88.6.3](#) notify the Office of the Scottish Charity Regulator within three months of the change having been made; and
  - ~~88.6.3~~ [88.6.4](#) obtain the prior written approval from the Parent.

## INTERPRETING THESE RULES

~~89.1~~[89](#) In these Rules, the following words and phrases have the meanings given below:

~~89.1.1~~[89.1](#) "A person claiming through a Member": includes an heir executor assignee or nominee. This heading would be used in connection with disputes about the transfer of a Member's share after his death. It would also cover executors of a former Member.

~~89.1.2~~[89.2](#) "Association" means the registered social landlord referred to in Rule 1 whose Rules these are.

~~89.1.3~~[89.3](#) "Board" means the Board of Management referred to in Rule 37.1.

~~89.1.4~~[89.4](#) "Board Meeting" means a meeting of the Board.

~~89.1.5~~[89.5](#) "Board Member" means a member of the Board.

~~89.1.6~~89.6 "Chairperson" means the Chairperson of the Association referred to in Rule 59.1.

~~89.1.7~~89.7 "charitable" means both charitable under section 7 of the Charities and Trustee Investment (Scotland) Act 2005 and also in relation to the application of the Taxes Acts.

~~89.1.8~~89.8 "clear days" excludes, in relation to the period of a notice, the day after the notice is posted (or, in the case of a notice sent by electronic means, the day after it was sent) and also the day of the meeting.

~~89.1.9~~89.9 "Close Relative" means someone who is the spouse or civil partner of a person, or (being either of the same or different sex) who cohabits with that person, or is that person's parent, grandparent, child, stepchild, grandchild, brother or sister.

~~89.10~~ "electronic communication" has the meaning given in the Electronic Communications Act 2000.

~~89.1.10~~89.11 "Financial Conduct Authority" means the registering authority for societies registered under the Co-operative and Community Benefit Societies Act 2014 and the Credit Unions Act 1979 set up in terms of the Financial Services Act 2012 or its successor body.

~~89.1.11~~89.12 "Group" means the Parent, the Association and any Subsidiary from time to time.

~~89.1.12~~89.13 "Group Agreement" means the written agreement from time to time between the Association and the Parent in relation to the objectives and operation of the Group.

~~89.1.13~~89.14 "Guarantee" means any guarantee and includes any obligation (including as primary obligor), including a contract of indemnity or suretyship, however described, to pay, satisfy, provide funds for the payment or satisfaction of (including, without limitation, by advance of money, purchase of or subscription for securities and purchase of assets or services), indemnify against the consequences of default in the payment of, or otherwise be ~~responsible for, any indebtedness of any Subsidiary or any other person.~~

~~89.1.14~~89.15 "Independent Board Member" means a Board Member who is neither a Tenant Board Member nor the Parent Appointee.

~~89.1.15~~89.16 "Meeting" means a general meeting of the Association, whether special, general or annual referred to in Rules 20-23.

~~89.1.16~~89.17 "Member" means a member of the Association whose name is entered in the Register of Members.

~~89.1.17~~89.18 "Office Bearer" means the Chairperson, Secretary, and such other Officer Bearer appointed under Rule 59.1.

~~89.1.18~~89.19 "Office of the Scottish Charity Regulator" means the body set up under the Charities and Trustee Investment (Scotland) Act 2005 to regulate charities in Scotland.

~~89.1.19~~89.20 "organisation" means a legal body which exists separately and distinctly from its members and includes companies, building societies, community benefit societies, local authorities and so on and also for the purposes of these Rules includes unincorporated organisations such as social clubs, branches of political parties or trade unions and other voluntary bodies.

~~89.1.20~~89.21 "Parent" means Wheatley Housing Group Limited, a company incorporated in Scotland (company number SC426094), and a registered social landlord (registration number 363) and having its registered office at Wheatley House, 25 Cochrane Street, Glasgow, G1 1HL.

~~89.1.21~~89.22 "property" includes everything which can be passed on by inheritance (including loans, certificates, books and papers).  
~~89.1.22~~ "Register of Members" means the register of members referred to in Rule 64.

~~89.1.23~~89.23 "Rules" means the registered Rules of the Association.

89.1.24 "The Scottish Housing Regulator" means The Scottish Housing Regulator as established pursuant to Section 1 of the Housing (Scotland) Act 2010.

89.1.25 "Secretary" means the Office Bearer appointed by the Board to be the Secretary of the Association or anyone authorised by the Board to stand in for the Secretary.

89.1.26 "Subsidiary" means an organisation which is a subsidiary of either the Association or the Parent within the meaning of Section 164 of the Housing (Scotland) Act 2010.

89.1.27 "Taxes Acts" means Part 11 of the Corporation Tax Act 2010 as read with Schedule 6 of the Finance Act 2010 and any statute or statutory provision which amends, extends, consolidates or replaces the same.

89.1.28 "Tenant Board Member" means a Board Member who is ~~elected~~appointed to the Board pursuant to these Rules and is a residential tenant of the Association from time to time occupying a residential property let by the Association under a Scottish secure tenancy or a short Scottish secure tenancy.

89.1.29 Words in the singular also include the plural. Words in the plural also include the singular.

89.1.30 A reference to law or statute is a reference to that law or statute as re-enacted, amended or replaced.

89.2 ~~In the event of Sterling joining the Euro any sums of money referred to in Sterling in these Rules shall be redenominated into Euros at the rate of exchange applying for such redenomination as at the date of joining the Euro.~~

## APPENDIX 1

## PROXY FORM

You must use the wording shown below to appoint a representative to vote at a meeting for you. Please see Rule 27.1 for more details.

I (insert name) am a member of (insert name) \_\_\_\_\_ Limited.

My address is: (please insert).

I hereby appoint (insert name) who lives at (insert address) to be my representative and vote for me at the Association's meeting on (insert date) and any other dates that meeting continues on.

Your name \_\_\_\_\_

Your signature \_\_\_\_\_

Date \_\_\_\_\_

## APPENDIX 2

### CANCELLATION OF PROXY

You must use the wording shown below to reverse your application to send a representative to vote at a meeting for you. Please see Rule 27.4 for more details.

I (insert name) am a member of (insert name) \_\_\_\_\_ Limited.

My address is: (please insert).

I hereby revoke the appointment of (insert name) as my representative to vote for me at the Association's meeting on (insert date) made by me on the (insert date).

I no longer authorise the person referred to above to represent me at the meeting referred to above.

Your name \_\_\_\_\_

Your signature \_\_\_\_\_

## SIGNATURE OF BOARD MEMBERS

Date \_\_\_\_\_

1 \_\_\_\_\_

2 \_\_\_\_\_

3 \_\_\_\_\_

4 \_\_\_\_\_ Members

5 \_\_\_\_\_

6 \_\_\_\_\_

7 \_\_\_\_\_

\_\_\_\_\_  
Secretary



## Appendix 2: Annual disposal and acquisition update to 31 March 2023

### Disposals

	Land/property	Nature of disposal	Value (£p/a)	Date of disposal
1.	89 Fountainbridge, Edinburgh	Commercial Lease	£25,000	13/06/2023
2.	2 units: 56 & 57 Merricks Ave, Roslin	MMR Lease to Lowther Homes	£14,286	08/06/2023
3.	7 units: 58 – 64 Merricks Ave, Roslin	MMR Lease to Lowther homes	£50,001	09/06/2023
4.	5 units: 51 – 55 Merricks Ave, Roslin	MMR Lease to Lowther Homes	£35,715	15/06/2023
5.	3 units: 25, 27 & 29 Davidson Cres, Wallyford	MMR Lease to Lowther Homes	£20,400	27/04/2023
6.	2 units: 21 & 23 Davidson Cres, Wallyford	MMR Lease to Lowther Homes	£13,600	17/05/2023
7.	4 units: 13, 15, 17 & 19 Davidson Cres, Wallyford	MMR Lease to Lowther Homes	£27,200	22/06/2023
8.	6 units: 1, 3, 5, 7, 9 & 11 Davidson Cres, Wallyford	MMR Lease to Lowther Homes	£40,800	28/07/2023
9.	23 Wester Suttieslea Gardens, Newtongrange	Implement of contract	£190,000	18/08/2023
10.	1/5 Tait Wynd, Edinburgh	Implement of contract	£85,000	28/09/2023
11.	12/9 Wardlaw Place, Edinburgh	Pre 1919 Tenement Sale	£114,000	30/10/2023
12.	13/2 Birchwood View, Edinburgh	Shared ownership tranche up	£153,750	13/10/2023
13.	2/4 Tait Wynd, Edinburgh	Implement of contract	£85,000	03/11/2023
14.	4/1 Tait Wynd, Edinburgh	Implement of contract	£70,000	10/11/2023
15.	16 Breadalbane Terrace	Pre 1919	£291,100	26/03/2024
16.	29 Wester Suttieslea Gardens	Implement of contract	£215,999	02/02/2024
17.	13 Ardmillan Terrace	Sale, ex-Barony property	£449,500	28/03/2024

### Acquisitions

	Land/property	Nature of disposal	Value (£p/a)	Date of acquisition
1.	Site @ Rosewell – Phase 1	Development	£2,323,815	17/11/2023
2.	Site @ Rosewell – Phase 2	Development	£2,517,473	21/12/2024
3.	Site @ St Crispins, Blackhall	Development	£1	30/10/2023
4.	Winchburgh BB	Development	£1,108,466	15/05/25023