



## DUNEDIN CANMORE HOUSING

### BOARD MEETING

Thursday 27 May 2021  
BY VIDEOCONFERENCE

### AGENDA

1. Apologies for Absence
2. Declarations of Interest
3. Minute of meeting on 25 March 2021 and matters arising

#### Main Business Items

4. Business and Remobilisation update
5. DC Five Year Asset Investment Plan 2021-2026
6. Dunedin Canmore Annual Charter Return and Delivery Plan Year-End Update
7. Performance Framework and Strategic Projects 2021/22
8. Fire Prevention and Mitigation update

#### Other Business Items

9. Finance report for the period to 30 April 2021
10. Strategic Governance Review
11. Cyber Security
12. Corporate Risk Register
13. AOCB

## Report

**To:** Dunedin Canmore Housing Board

**By:** Hazel Young, Managing Director

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

**Subject:** Business and Remobilisation update

**Date of Meeting:** 27 May 2021

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### 1. Purpose

- 1.1 To provide the business update and an update on the current remobilisation position and the indicative plans for bringing all services back to full capacity.

### 2. Authorising and strategic context

- 2.1 The Group CEO has responsibility for business operations across the Group. The pandemic has had a significant effect on these operations and to reflect this the Board agreed in June 2020 the principles of our approach for how we might continue to develop our service. This approach remained subject to the rate at which Scotland moved through the phases of Scottish Government's route map.

### 3. Risk appetite and assessment

- 3.1 The risk appetite relating to laws and regulations is "averse"; defined as avoidance of risk and uncertainty is a key organisational objective. Our strategic risk register identifies the particular risk associated with non-compliance with health and safety requirements.
- 3.2 Our priority throughout the pandemic has been protecting the health and safety of our customers, our staff and the other people they come into contact with. We continue to mitigate this risk by undertaking rigorous health and safety risk assessments as part of our remobilisation, including compliance with all relevant Scottish Government guidance.

### 4. Background

- 4.1 The Scottish Government updated its Coronavirus (Covid 19): Scotland's Strategic Framework in late February 2021, following a tightening of restrictions in January. Subsequent updates by the First Minister have set out a more detailed timeline for restrictions easing, subject to supportive data.

4.2 The current timetable for transitioning down levels within the Framework is as follows:

- 17 May: most of Scotland moved to Level 2;
- 7 June: all of Scotland will move to Level 1; and
- June (late): all of Scotland will move to Level 0.

## 5. Customer engagement

5.1. We will continue to engage our customers with a key focus on how we clearly communicate the changes to customers to ensure they understand what services are available and what will happen in the coming months. Given its importance, a specific stand-alone communication on repairs has been provided to customers. Our website is also updated with information about our services.

## 6. Discussion

6.1. In recent months we have continued to remobilise services where possible. With a more definitive timeline for the easing of restrictions now in place, underpinned by a national vaccination programme, we have undertaken a full review of our remobilisation plans. A summary of the changes from end of April is set out below. This is based on our services and investment delivery functions being fully remobilised by September, with face-to-face activity having increased from the end of April onwards.

	End April	End May	June-August	September onwards
<b>Repairs</b>	Fully remobilised Customer comms plan launched		End June - backlog cleared	Fully remobilised
<b>Investment</b>	Non-complex internal investment commences		Internal investment scales up to full remobilisation	Fully remobilised
<b>Compliance</b>		Electrical inspections, TMV maintenance and M&E works recommenced	Fully remobilised	Fully remobilised
<b>Housing Officer</b>	Increased patch-based activity, doorstep visits	Increased visibility in patches and increasing visits. Neighbourhood walkabouts underway.	Fully remobilised	Fully remobilised
<b>Income collection</b>	Doorstep visits	Increased home visits	Fully remobilised	Fully remobilised
<b>Allocations/ Homelessness</b>	Mutual exchanges resumed		Fully remobilised	Fully remobilised
<b>Stair cleaning</b>		Phased reintroduction from 3 May	Fully remobilised	Fully remobilised
<b>Environmental</b>	Fully remobilised			
<b>Anti-social Behaviour, Group Protection</b>	Doorstep visits	Increased visibility in patches and increasing visits	Fully remobilised	Fully remobilised
<b>Fire Safety Visits</b>	Fully remobilised			
<b>Retirement Complexes</b>			Potential for common rooms to open in August	Fully remobilised
<b>New Build</b>	Fully remobilised			
<b>Foundation</b>	Phased reintroduction of Wheatley Works  Emergency response Fund closed	Bursary programme launched Environmental apprentice recruitment	Fully remobilised	Fully remobilised

- 6.2. These service changes will take place in parallel with the re-introduction of more face-to-face contact for staff teams and Boards. This is an important part of enabling the full flexibility of our new blended-working staff model for those who have been working from home throughout the pandemic. The proposed approach over the rest of the year is shown below.

	April-June	July-August	September onwards
<b>Staff meetings</b>	Staff current working from home continue to do so – no face-to-face meetings in group premises  1:1 social contact eg for coffee supported in line with government guidelines	July-Aug: introduction of limited ability for staff to meet in specified offices in groups of up to 6	Wheatley House re-opens to staff, increasing capacity for staff to meet  Wheatley Way strategy engagement sessions begin in person  Staff permitted to attend external meetings in person
<b>Boards/ Committees</b>		August Board - 2 sessions in person	Full in-person Boards and Committees resume

- 6.3. A communications plan is being finalised in order to ensure that staff, customers and wider stakeholders, including elected members and MSPs/MPs, understand what will happen in the coming months.
- 6.4. A more detailed update on the current position and future remobilisation for our services is set out below.

### Housing Services

- 6.5. During the pandemic we have continued to operate the vast majority of our services with staff largely home based. Contact with customers has been primarily through digital channels and phone calls, with essential visits only. The gradual easing of restrictions by the Scottish Government now allows us to step up mobilisation into our new service model.
- 6.6. Our new model helps to implement our strategic vision of stronger customer engagement, increased digital service and a way of working which is based primarily amongst our customers and neighbourhoods rather than in offices.

### *Housing Officer role*

- 6.7. For most of 2020 and all of 2021 to date housing officers have been based at home. We have provided invaluable support and contact to customers, primarily through the use of telephone and digital means. This contact has enabled us to check up on customer welfare, provide advice on income maximisation and to support customers to pay rent. In line with Government restrictions, we have visited customers only where there has been exceptional need, although during the summer of 2020 we were able to carry out more visits while restrictions were eased. These visits have been at the doorstep only.

- 6.8. From 26 April our officers have strengthened their patch-based customer approach. In line with our strategy, our new model will mean that customers do not need to come to an office. In most circumstances they will either use digital contact, or housing officers can come to them and meet them on their doorstep.
- 6.9. As a first stage in increasing visibility in neighbourhoods our Housing Officers have been undertaking walkabout reviews in their area with customers. Appendix 1 shows a couple of examples of initial neighbourhood walkabouts. These are co-ordinated with Neighbourhood Environmental Teams (“NETs”) and investment colleagues. The aim is to pick up issues of concern which may not have been so easily identified during the pandemic. In addition, this will allow customers to visibly see the change in approach. This will also provide an opportunity for our teams to broaden our engagement with customers as part of our new strategy. We will canvass ideas or views to inform our customer focused investment as part of our improvement programme for 2021/22.
- 6.10. From 17 May, with further relaxation of restrictions housing officers have been able to further increase their presence in local neighbourhoods. PPE and social distancing requirements are in place in line with operating safety manuals already used by our teams.

#### *Income collection*

- 6.11. Maintaining our rental income to fund our services and supporting our customers to pay their rent have been key priorities through the pandemic. As a result, we have managed to reduce our arrears during this time.
- 6.12. Our Housing officers continue to successfully operate our virtual model of support through telephone and digital contact. This has enabled us to provide support and advice to customers at the point they need it most. It has been backed up by easy digital methods to pay which avoid unnecessary contact, with housing officers again providing support to help customers through the process.
- 6.13. We suspended home visits for rent issues on 5 January in line with lockdown restrictions. Visits could only take place where there were acute welfare concerns. Following the easing of Scottish Government restrictions, doorstep visits have been reintroduced.
- 6.14. Our gross rent arrears reduced by 0.24 percentage points in 2020/21 and ended the financial year at 3.84%. This was 0.67 percentage points better than target despite a hugely challenging year, demonstrating the outstanding commitment of the team and the commitment from our customers to continue to pay their rent as a priority in difficult times.
- 6.15. The 6-month notice period for Notice of Proceedings and evictions has been extended by the Scottish Government until 30 September 2021. The new escalation processes which we have developed to take account of this are now well embedded. This includes the potential to escalate to Notice of Proceedings where we are satisfied that the household ‘won’t pay’ rather than ‘can’t pay’. This will only be done following a review of each individual case, including an assessment of any covid-19 impact and any potential vulnerabilities.

- 6.16. As we remobilise we will continue to build on the innovation we have undertaken throughout the year. Our housing officers now have access to bespoke reporting which distils complex information into easily readable visuals and data such as Power BI dashboards for tracking Universal Credit arrears, and easily identifying customers at risk of arrears.
- 6.17. We are continuing our process of digitalising and streamlining payment methods. We have fully implemented Call Secure Digital Plus which allows customers to make an online payment using a secure link that is sent by text or e-mail and provides a much simpler experience for customers using card payments. We are expanding our reporting to ensure housing officers and CSC staff can easily see payment methods used by our customers to help them support customers to use the best options for them.
- 6.18. Welfare Benefits and Fuel Advisers continue to support customers via telephone and digital means, assisting customers with maximising their income and helping customers to be financially resilient. Welfare Benefits Advisors are utilising technology to support customers at virtual appeal hearings. These digital methods will continue to be used, where required.

#### *Allocations and Homelessness*

- 6.19. Allocations have been remobilised since August 2020 and are operating in a business as usual mode with additional safe working procedures. Providing homes for homeless households and other priority households continues to be the priority and in 2020/21 we let 57.7% of all allocations to homeless households.
- 6.20. Mutual exchanges were suspended during the most recent lockdown to comply with Government guidance in relation to avoiding non-essential moves. These resumed on the 26th April.

#### *Customer Engagement*

- 6.21. Our new customer engagement framework was approved by Board in February 2021 and our engagement plan has been shared at this board meeting. It provides the basis for delivering our strategic aim of increased customer control.
- 6.22. We will be introducing neighbourhood walkabouts where customers will have the opportunity to work alongside our housing officers in local communities as well as focus groups and a customer voice panel to review our repairs service. We will also be inviting some of our customers to be part of a co-design group with development officers to review design elements in our new build homes. We will use our planned development at West Craigs for this review.
- 6.23. An engagement app is currently being developed with the intention of trialling this throughout the second half of this calendar year. This will help us explore our customers' appetite for this means of engaging with us beyond our current offerings of face-to-face; phone; and web self-service.

### *Stair cleaning*

- 6.24. The decision was made to suspend stair cleaning at the beginning of January. This was done in the light of Scottish Government guidance, the confined space available within stairs which makes it very difficult to distance if anyone needs to pass and the information on the increased transmissibility of the new Covid variant.
- 6.25. Given the close contact nature of stair cleaning we have reintroduced this on a phased basis from the first week in May in line with the easing of national restrictions. We expect to have dealt with backlog issues and fully remobilised by June. Despite the challenges of the nature of NETs work there has been little impact from Covid on the team and this phased return will mitigate any risk from the return of staff.
- 6.26. Wider environmental services continue as normal. This includes our uplifts of abandoned items that are a fire risk.

### *Fire safety, Anti-social Behaviour, Group Protection*

- 6.27. The number of accidental dwelling fires has increased since the start of lockdown as restrictions have meant that many of our customers are spending more time at home.
- 6.28. Fire safety visits for vulnerable households were recommenced last summer and have continued through the current lockdown. In addition, fire risk assessments have taken place in our retirement and HMO properties throughout lockdown.
- 6.29. Our Home Safety, ASB and Group Protection Teams are now well established in their new, primarily digital model. Contact with relevant agencies is almost entirely digital and has worked well throughout the pandemic. Our Home safety team, as with housing officers, will be able to undertake doorstep visits assuming Government restrictions are lifted as expected. These will be used where digital methods are not appropriate or have not worked.
- 6.30. There continues to be particular concern for the victims of domestic abuse during this period – they may have had less opportunity to seek out support. It remains a possibility that there will be increased reporting of abuse as restrictions ease. Our staff are well trained on domestic abuse and this provides them with the knowledge, skills and experience to best support victims, connecting them to our services or to bespoke domestic abuse support. The Group Protection Team provide specialist knowledge and can guide staff dealing with complex cases.

### *Handyperson service*

- 6.31. The handyperson service has been suspended throughout the pandemic. This has been due to the fact that it involves work within people's homes and also that the client group is highly vulnerable. With the effective roll out of vaccines to the initial priority groups and the Government's easing of restrictions we have resumed the handyperson service from the beginning of May.

## Repairs, investment and compliance

### *Repairs*

- 6.32 Since lockdown, over 28,500 repairs have been completed to customer homes. The volume and nature of the repairs carried out have varied in line with changing government restrictions on undertaking works in and around homes. The table below summarises the main shifts in our repairs service over the last year.

Date	Key changes
23 March 2020	All non-essential works ceased including appointment and programmed repairs, cyclical maintenance, investment programmes and works to void housing for general needs allocations. Moved to the delivery of essential and compliance services only comprising of emergency repairs, gas servicing, gas breakdowns, lift breakdowns and essential works to void properties for temporary accommodation and homelessness.
21 June 2020	Reintroduction of some non-essential elements of the repairs serviced where it was safe to do so reflecting revised working practices including to ensure 2 metre separation, the use of PPE and the introduction of customer questionnaires to establish the potential of COVID in the property.
4 October 2020	Began remobilising repairs with a view to transitioning to a full service in early December except where the complexity or time required to undertake the work would make it unsafe to do so.
4 January 2021	Latest lockdown, essential only service introduced in line with Government guidelines; similar to June 2020 service offering.
26 April 2021	Repairs service remobilised, except where social distancing cannot be achieved. Backlog of postponed repairs being addressed.

- 6.33 Throughout the last year, the focus has been on maximising the repairs service that could be provided to ensure customer needs are met where possible, while always operating in line with government guidance, and keeping customers and staff safe. We have also applied learning throughout. This is illustrated by the revised essential repairs service that was introduced on 4 January 2021 being more comprehensive than that from the first lockdown as a result of safe working practices that were developed and refined throughout.
- 6.34 A further enhancement, introduced with the return to an essential service in January 21 was weekly notifications by text for customers who had requested a repair that could not be completed at the time due to restrictions. As part of remobilising the repairs service contact was made with these customers to schedule the work required. As at 13 May we had completed just over a third of the postponed repairs, with 284 repairs still outstanding. Provided lockdown eases as expected, we hope to have this backlog cleared by the middle of June 21.
- 6.35 In parallel with this, the repair service has returned to operating as normal from 26 April 2021 except where the work required means that guidance on social distancing cannot be achieved e.g. large jobs where the customer is at home or complex multi-trade work.



- 6.36 A communications plan has been developed to make sure that customers and other key stakeholders are fully informed as the repairs service remobilises. Two aspects of this are particularly key:
- 1) Writing to all tenants and key stakeholders (such as local MSPs and councillors) as lockdown eases to reinforce that our repairs service is operating at near normal and that repairs should be raised as usual through our contact centre; and
  - 2) Follow-up communications to customers, around June, encouraging them to contact us with any repairs that they have not been raised to date. A dedicated contact line will be provided for this so customers have a prioritised route for raising a repair they have not reported to us during lockdown.

#### *Investment*

- 6.37 Our investment works, have been restricted to external works since lockdown was first introduced. Remobilise of internal works began from the 26 April 2021 with the initial focus being on jobs in one area of the home that can be completed quickly with fewer trades operatives such as replacing boilers.
- 6.38 Our customer engagement process for investment works has been developed to support this and provide enhanced assurance to customers around our robust approach to health & safety when delivering improvement works in their homes. Our approach includes a suite of new customer communications with key safety messaging and individual calls from staff to discuss the planned works, answer any queries and to seek customer commitment to providing access. These 'customer commitment' calls will help to assure customers and reduce waste through no access or refusals at both survey and installation stages.
- 6.39 More complex works involving multiple trades within the home for longer periods (e.g. bathroom replacement) are planned to begin from July onwards as lockdown continues to ease. Planning and customer engagement in advance will take place including to allow products to be manufactured.

#### *Compliance*

- 6.40 Our compliance works include programs to meet our legal and regulatory obligations, as well as works we undertake as part of keeping our customers and assets safe. All programs to meet our legal and regulatory obligations are operational despite current restrictions including gas safety, legionella prevention and smoke and heat detector installations. The current status of each is as follows:
- 6.41 **Gas safety** – Work in this area has continued during the latest lockdown, with our gas safety compliance at 100%. This performance has been maintained since the backlog of expired gas safety certificates was cleared in August 2020.
- 6.42 **Legionella testing/water management** – work is continuing as planned and all required works have been carried out. This was achieved through delivering an accelerated programme in the last nine months to offset some delays earlier in the year as adjustments were made during the early COVID lockdown.
- 6.43 **Smoke and Heat Detector Installation** –work in this area is continuing as it is considered essential under the guidelines for the current lockdown, and we have

necessary operating procedures to ensure safe working in customer homes. Provided lockdown eases as hoped in the coming month we expect to meet the Scottish Government’s revised target for having this work done by February 2022.

6.44 **Periodic electrical inspections** – At present, this work is being carried out alongside smoke and heat detector installations. This minimises the time our trades operatives are spending in customer homes and the inconvenience for customers through a ‘one and done’ approach. As lockdown eases, we are planning to supplement this through recommencing our programme of inspections on a standalone basis (i.e. not alongside smoke and heat work) from May 2021.

6.45 We also intend as lockdown eases, and it becomes possible to carry out more works in customer homes to restart wider compliance programs such as Thermostatic (water) Mixing Value (“TMV”) servicing. During the last year, works in these areas have been carried out as emergency repairs, when required. The table below summarises the current service across a range of areas, as well as the planned approach to re-mobilising or increasing service as lockdown eases.

Work Stream	Current Status	Approach as lockdown eases
TMV maintenance and Installation	Reported repairs being carried out through essential service	Planned programme recommenced May 2021
Emergency Lighting Installations	Ongoing – works tend to be in common areas	Continuing as now
Lift Insurance Inspections	Continuing as normal	Continuing as normal
Proactive Lift Maintenance	Continuing as normal	Continuing as normal
Mechanical and Electrical Works	Works proceeding within common areas and landlord controlled areas	Works within customers’ homes recommenced in May 2021

### Dunedin Harbour

6.46 The team at Dunedin Canmore Harbour Hostel has continued their proactive Covid response to the pandemic in line with Scottish Government guidance with the management team attending Wheatley Care’s bi weekly Covid Strategic Response Managers meetings. Again, to date no individuals supported within the Hostel has tested positive for Coronavirus. 93% of the staff team have received their vaccination and bi weekly staff testing has continued using Lateral Flow Devices (LFDs) as an additional layer of protection.

6.47 Improvement works in relation to fire safety have continued as planned. Staff consultation has been concluded regarding the proposed variation to contract to move to the Rapid Access Accommodation Framework (RAAF) for the hostel. This has included minor amendments to job profiles as agreed with union representatives and HR colleagues. The staff team have been extremely positive about this variation which will now move to conclusion with our purchaser with City of Edinburgh Council.

### Development

- 6.48 The Group Development and Property Legal Team, including our Clerk of Works, has been fully remobilised since October 2020.
- 6.49 Following the initial lockdown, the construction industry recommenced site operations from June 2020. In the months that followed the construction sector progressed on a staged basis through the restart programme for safe operations agreed between the Scottish Government and the Construction Leadership Forum (Chaired by the Minister for Local Government, Housing & Planning).
- 6.50 In January 2021 the Scottish Government announced an addendum to the construction industry site operating guidance, in response to a resurgence of Covid-19 infections in the community. This introduced a number of enhanced measures including: reviewing all site arrangements for social distancing, hygiene, ventilation, site inductions, vehicle sharing protocols, outdoor toolbox briefings, wearing of face coverings etc.
- 6.51 The contractors and developers we are in contract with across our programme continue to adhere to the revised construction industry guidance and have a monitoring and reporting regime in place to continue to test the same. Covid-19 compliance is a standing item at all site meetings.

#### Wheatley Foundation

- 6.52 The Foundation has been the vehicle through which we have provided a significant element of our support to customers throughout the pandemic, in particular through EatWell and the Emergency Response Fund.
- 6.53 As we move out of the crisis stage, the Foundation is resuming full services as follows:

#### *April*

- Commenced a phased re-introduction of Wheatley Works, including Environmental Roots and Changing Lives programmes;
- Delivery of EatWell transitions from W360 to Foundation and continued support across Group – supermarket vouchers;
- Commenced delivery of new Youth Arts Programme; and
- Closed Emergency Response Fund.

#### *May*

- Launch 2021/22 Bursary Programme; and
- Launch Environmental MA recruitment.

#### *June*

- All Foundation programmes operating.

#### Key issues and conclusions

- 6.54 The Scottish Government's current roadmap out of lockdown now provides more definitive timescales for changes. This has provided us with greater certainty in terms of our remobilisation plans than at any previous stage.
- 6.55 As indicated in the report, a key focus is how we clearly communicate the changes to customers, in particular in relation to repairs. An equally important element will include internal communication to staff, including ensuring our health and safety protocols and procedures continue to be well understood.

6.56 The easing of restrictions more widely will also benefit our staff in terms of their mental health and home working environment.

## **7 Digital transformation alignment**

7.1 Digital transformation has been a key part of our remobilisation plans. This has included digitalising and streamlining payment methods, utilising digital channels to engage and support our customers and the development of a customer engagement community app.

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

8.1 Our remobilisation plans are reflected in the 2021/22 budgets. There are no value for money implications associated with this report.

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

9.1 A key focus will continue to be complying with the prevailing legal and regulatory restrictions at all stages of our remobilisation. We continue to update the Scottish Housing Regulator as appropriate on our remobilisation activities.

## **10. Equalities implications**

10.1 We will continue to take special account of those who have underlying health conditions.

## **11. Environmental and sustainability implications**

11.1 Dunedin Canmore is committed to supporting the Group's ambitions to become a more sustainable organisation ways that help to achieve this include, the implementation of our new operating model and greater use of digital engagement which will have a significant impact on the overall carbon footprint of the organisation.

## **12. Recommendation**

12.1 The Board is asked to note the plan for remobilising services.

Appendix 1 – Neighbourhood walkabouts

# Neighbourhood Walkabout Customer Feedback

## Duff Street



### **What's working well?**

- Communal gardens kept clean
- No dog fouling on the street
- More effort from tenants to keep stairs clean
- Space to sit out in communal gardens

### **How can we improve/what do you want to see?**

- External lighting on building –back court
- A Service to clean windows
- Secure bin Stores
- More washing lines In back courts
- Upgrade benches

# Neighbourhood Walkabout Customer Feedback

## Westfield Avenue



### **What's working well?**

- Less dog fouling in the area
- Places to go out and sit
- Nets service – Kieran maintaining the area- always visible and helpful

### **How can we improve/what do you want to see?**

- More smoking bins
- Bike racks more secure –possible bike stores instead of bars
- Bollards outside each block to stop people parking on the pavements
- Fly tipping happening constantly- more cameras in place
- Cameras facing bikes and entry doors- all blocks
- Benches need freshened up as look old are worn- maybe more benches around

## Report

**To:-** Dunedin Canmore Housing Board

**By:-** Brian Stewart, Director of Repairs, Investment & Compliance

**Approved by:-** Tom Barclay, Group Director of Property and Development

**Subject:-** DC Five Year Asset Investment Plan 2021-2026

**Date of Meeting:-** 27 May 2021

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### 1. Purpose

1.1 To seek Board approval of Dunedin Canmore's (DC) Five Year Asset Investment Plan. This plan underpins our strategic asset management approach, specifically our ambition to continue investing in our existing homes and communities – a key theme of our 2021-2026 strategy, Your Home, Your Community, Your Future.

### 2. Authorising and strategic context

2.1 Under the Group Authorise, Manage, Monitor Matrix, the DC Board is responsible for the approval of its business plan which forms part of the Group business plan.

2.2 The DC Board is also responsible for the approval of the key business planning considerations which arise from the approved business plan, including the approval of its investment profile, priorities and capital investment plan.

### 3. Risk appetite and assessment

3.1 The Board's agreed risk appetite for business planning and budgeting assumptions is "open". This level of risk tolerance is defined as "prepared to invest for reward and minimise the possibility of financial loss by managing the risks to a tolerable level". This risk appetite is mirrored here in relation to the Investment programme.

### 4. Background

4.1 Our asset investment delivery plan is updated annually to reflect changing customer priorities, new regulatory requirements and strategic investment decisions. This report seeks Board approval for changes from the previously approved plan. All amounts include irrecoverable VAT where appropriate.

## 5. Customer engagement

- 5.1 As a landlord, we have a legal responsibility to keep our tenants safe in their homes. These safety and compliance duties drive the allocation of a significant element of the overall budget. With our remaining resources however, our aim is to increase customer involvement in future investment decisions, both in relation to the type and timing of investment, putting customers firmly in control of their homes.
- 5.2 The allocation of the discretionary elements of the budget beyond compliance and safety work has been informed by customer feedback in recent years, such as that gathered through pop-up local events pre-pandemic, from customer satisfaction surveys, rent consultations and the input of Housing Officers and other colleagues, reflecting the views coming from customers in local communities.
- 5.3 Over the next five years, we propose to go further, through our 'Stronger Voices, Stronger Communities' framework. This framework:
- Gives customers greater control of their home by choosing how and where investment is delivered;
  - Uses both online and offline approaches to make it easier for customers to engage and to share their priorities; and
  - Adopts new technologies such as community voice app to enable interactive engagement e.g. voting on investment proposals, ordering improvements for their home, making choices and providing feedback on our investment and asset services.
- 5.4 As an initial step, our investment plan includes a new 'Customer Voice' budget in support of this framework, which will deliver **£2.1m** of customer driven investment work over the life of our 5-year plan. This budget will be used for local priorities and will be informed exclusively by our tenants working with our frontline housing teams. This is in addition to over **£25m** already allocated to deliver current customer priorities for windows, heating, kitchens and environmental improvements.

## 6. Discussion

### Part 1: Overall programme

- 6.1 We are proud of our reputation for delivering outstanding services for customers and communities. Our ability to deliver these outstanding services and performance is underpinned by our robust and sector leading approach to the management of our assets. This includes continuing to invest and maintain our existing housing assets, to ensure that our homes and neighbourhoods remain viable and desirable in the long term.
- 6.2 Our 5 Year Asset Improvement Programme is an important component of our wider Asset Delivery Plan and plays a key role in the delivery of our Group Strategy. The approved 2021/22 financial projections include provision for £30.5m of investment in our existing properties. The total includes **£27m** over the next 5 years for our core capital investment programme and £3.5m for capitalised employee costs associated with the delivery of the investment programme.



6.3 The **£27m** commitment to improving our homes and communities over the next 5 years has a continuing focus on delivering investment that our customers want to see in their home and in their communities whilst also protecting our assets and ensuring value for money. Our investment programme has three broad themes:

- Warm, High Quality Homes;
- Safe Homes; and
- Great Neighbourhoods.

Details of the programme that make up these themes including spend in each year of the programme is provided at Appendix 1.

#### Warm, High Quality Homes

6.4 A range of investment activities fall within this theme including for example:

- Energy Efficiency Measures (Heating, Windows, Doors);
- Kitchen and Bathroom upgrading and
- Common Area Improvements including roofing and stonework.

6.5 We plan to invest **£4.5m** over the next 5 years in improving the energy efficiency of our homes. These improvements will include window replacements, the pro-active lifecycle replacement of existing gas heating boilers with new highly efficient models, and improving the efficiency and operability of electric heating for homes in non-gas areas. Such improvements will not only benefit our customers in terms of reducing fuel poverty, but will also assist in relation to sustainability and delivering our legislative obligations in relation to the Scottish Government's new Energy Efficiency Standard for Social Housing mark 2 (ESSH2). This new standard requires RSL properties to reach Energy Performance Certificate (EPC) Band B by 2032, although exceptions appear to be permitted on the grounds of cost and feasibility; this is an area which we expect will be further clarified by the Scottish Government.

6.6 Maintaining excellent internal housing quality standards is essential in ensuring that our homes remain desirable in the long term. As such we plan to commence a lifecycle bathroom replacement programme with over 600 modern bathrooms planned for delivery over the 5 years commencing in 2021/22.

6.7 The delivery of common improvements for customers living within mixed tenure pre-1919 properties continues to represent a significant challenge due to owners being unwilling or unable to participate. Our approach to this will continue through a range of measures including:

- Targeted acquisition of private homes to strengthen DC ownership within common stairs via our property sales receipts and disposal strategy;
- The Tenements (Scotland) Act 2004; and
- Utilising devolved Missing Shares powers where strategically appropriate to do so.

## Safe Homes

- 6.8 Our planned asset investment has a strong emphasis on ensuring our homes are safe and secure, and helping to support the Group's Fire Prevention and Mitigation Framework. Over the 5 years of our investment plan we will deliver improvements across a range of Home Safety related programmes encompassing:
- Enhanced smoke and heat detection across all stock types;
  - Enhanced fire stopping within common areas;
  - Servicing and/or renewal of fire doors;
  - New fire safety signage; and
  - Emergency Lighting.
- 6.9 Our Safe Homes programme includes the upgrade of smoke and heat detection with nearly 1400 homes requiring this work to be completed by February 2022, following the government's extension of the deadline. To date we have upgraded circa 4000 homes with a further 1400 homes still to be completed. Access to customers' homes in the later stages of the programme may cause a challenge in delivering these improvements. To address this, we are developing our call centre model to pro-actively seek improved access. This builds on the successful approach taken for gas servicing during the pandemic. In addition, we will continue to publicise the programme as part of our 'Home Safe' campaign and plan these improvements alongside other investment and repair works to drive improved access levels whenever practical.
- 6.10 Our 5-year investment programme also continues to fund additional fire safety measures for some of our most vulnerable customers through supporting our fire safety officers in providing innovative solutions to help keep people safe. Measure include enhanced smoke/heat detection, portable fire suppression systems, fire retardant blankets and stove guards.

## Great Neighbourhoods

- 6.11 We are committed to investing in our wider communities through the improvement of our common areas and environments. Maintaining the 'kerb appeal' of our communities is an integral part of our robust approach to managing and realising the value of our assets and maintaining the desirability of our neighbourhoods.
- 6.12 Our Investment Programme will help to support the delivery of our 'Keep Scotland Beautiful' environmental quality standard through works to improve controlled entry, common areas and rear common gardens as well as fencing, paths and steps in our localities.

## Year 1 programme

	Revised Budget	Previous Budget
Investment Programme Theme	£'000	£'000
Warm, High Quality Homes	4,402	4,046
Safe Homes	723	723
Great Neighbourhoods	207	207
Customer Voice	943	143
<b>Capital Compliance Total</b>	<b>6,275</b>	<b>5,119</b>

- 6.13 Year 1 (2021/22) of the 5-year plan has a total core programme value of **£6.275m**. The programme also takes account of the impact of the Coronavirus pandemic on our 2020/21 internal investment commitments with **£356k** worth of suspended projects carried forward for delivery in early 2021/22. During Quarter 1 our primary focus will be on external works with some “soft start” internal projects such as boiler replacements and windows beginning from May 2021. We will look to commence other more intrusive works such as bathroom installations and heating from Quarter 2, building up the programme throughout the remainder of the year.
- 6.14 Overall our 2021/22 programme will deliver a range of work types and associated outputs including:



### **Part B: specific considerations**

#### Continuing implications of Covid 19

- 6.15 Various considerations have shaped the programme for the year ahead and beyond including the continuing impact of Covid, customer priorities, tenement strategy and emerging requirements such as EESSH 2. Further details on these and other key implications are discussed below.

- 6.16 The Coronavirus pandemic had a significant impact on our ability to deliver our planned improvement programmes in 2020/21. The nationwide lockdowns imposed by the UK and Scottish Government necessitated the suspension of all on-site activities in March 2020, whilst also preventing the commencement of new projects planned throughout most of 2020/21.
- 6.17 It is anticipated that despite restrictions gradually easing that some customers may continue to feel uneasy about providing access to tradespeople to undertake non-essential improvement works within their home. To provide reassurance, we have developed a new 5 step engagement approach, which looks to improve communication with our customers, specifically around our robust health & safety approach. This approach includes calls to every customer due to receive internal investment by a member of our investment team to discuss the work and to seek their commitment to provide access for the work to take place.
- 6.18 We have already begun communications with customers who are scheduled to receive internal improvements shortly. Feedback so far has been positive with only 10% of customers contacted expressing apprehension. This is similar to the level we would expect in normal operations. Going forward, this approach will continue to be used for all planned internal investment work, with the expected benefit of driving down waste in terms of no access and refusals.

#### EESSH/EESSH2

- 6.19 Our investment activities will contribute towards the delivery of our SHQS (Scottish Housing Quality Standard) and EESSH2 (Energy Efficiency Standards for Social Housing) by improving both the condition and energy efficiency of our assets. We are currently **99.77%** compliant with the SHQS standard. The remaining non-compliant elements relate to our Pre 1919 Stock with 12 Properties in Abeyance.
- 6.20 The 2020 EESSH targets required stock to have an EPC (Energy Performance Certificate) of band D or above. Current DC compliance is in excess of **98%**. The 2021/22 programme makes provision for the delivery of energy efficiency improvements to non-compliant stock with full compliance with the standard anticipated by the end of 2021/22. Our 5-year plan includes various works that will help us towards achieving EESSH 2 such as more efficient central heating systems and window replacements.

6.21 The plan also includes provision for a specific 10-year programme from 2021/22, focussed on the EESSH2 standard. The make-up of this programme will be developed taking account of expected Scottish Government consultation on the standard this summer. In parallel, work is underway to develop a group wide EESSH2 policy statement, which will set out our approach to achieving this standard including how we will make decisions around investment and the development of a regime for data collection to demonstrate compliance. We have included an initial budget allocation of **£605k** to support innovative investment interventions over the next 5 years as we develop an investment approach and understand investment requirements and associated costs to achieve compliance with the ambitious target of all homes to have a 'B' EPC band by 2032. An early illustration of this innovation is the planned retrofitting of smarter controls to existing storage heating systems, as part of our warm, high quality homes theme, to provide customers with greater control of their heating and significant savings on their energy tariffs of around £300 per year. This innovation is expected to provide a 14-point improvement to EPC rating, which is more than is achieved by over-cladding or installing a gas boiler.

#### Management and Delivery

6.22 The DC Investment Team will provide day-to-day management of our investment programmes including all project management functions, customer communication and all performance, financial monitoring and reporting. The team's approach will include analysing performance and asset condition data to inform bespoke investment interventions and appraisals where required, ensuring we are investing in the right stock and at the right time. This approach will ensure that our investment decisions are transparent and justified, whilst also helping to protect and drive maximum value from our existing asset base. DC's investment contracts team will continue to act as the principal delivery vehicle for the majority of our investment activities. DC's contracts team capabilities will be supplemented as necessary through specialist providers.

#### Communications

6.23 We will look to refresh our branding, marketing and communications approach to make sure the value and impact of our investment is well understood. Our objectives will be to:

- share the story of DC's **£27m** investment in homes, reaching key audiences including customers, staff and stakeholders and strategic partners at key stages;
- create greater understanding of the value Wheatley and DC brings to customers and communities, housing and the wider economy;
- encourage people to feel proud of where they live by explaining and creating a buzz around the improvements in their area; and
- support strategic objectives for greater tenant engagement by promoting opportunities for residents' local involvement through the **£2.1m** community voices fund.

- 6.24 Digital communication will be prominent as we explain and engage customers on the investment taking place. As well as our social media channels such as Facebook and Twitter, we will increase the use of direct messaging to customers in local areas through text (including “GIF” images for those with Smartphones) and secure messaging.

## 7. Digital transformation alignment

- 7.1 We will look to align our investment services with our digital transformation strategy. Historically we asked our customers to make a visit – often at a time of our choosing - to an office to view investment plans and make choices. Now, we will look to provide more interactive and convenient methods for the customer to inform investment in their homes. An example of this will be developing tools that make kitchen design and colour choices a digital experience.
- 7.3 We will also aim to reduce and gradually phase out whitemail customer surveys shifting individual project investment satisfaction surveys to text or other digital methods.

## 8. Financial and value for money implications

- 8.1 In accordance with the Group’s Value for Money statement the investment programme will deliver value for money in a number of ways including:
- **Meeting customer aspirations** - Our investment plan supports the delivery of customer investment aspirations with our locality planning process and customer voice approach forming a key role in the development of the programme and priorities;
  - **Quality of life** - Our investment plans help to improve our customers’ quality of life and tackle fuel poverty through the provision of warm and affordable homes, which meet SHQS and EESSH standards in relation to quality and energy efficiency. Our investment planning also recognises the importance that a good quality environment can have on the desirability of our communities and on quality of life, with significant funds committed to deliver improvements in these areas;
  - **Environmental maintenance** - Our approach to the delivery of environmental improvements, designed with input from our NETS service, will help to build capacity by reducing the maintenance burden on this service, enabling resources to be focussed on other key service priorities; and
  - **Asset sustainability** - By continuing to deliver investment in our existing assets we ensure the long term sustainability of our assets, helping to drive down responsive repair costs, whilst giving assurance to our lenders that we have a robust approach in place to manage and maintain our assets.

### ***Impact on financial projections***

- 8.2 The Core Investment Programme of £27.0m is contained within the overall £30.5m five year capital investment programme as set out in the 2021/22 financial projections.

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

- 9.1 There are no specific legal implications arising from the creation of the investment programme.

## **10. Equalities implications**

- 10.1 Our aspiration is for our homes to meet the long term needs of our customers, enabling them to remain in their home and to live as independently as possible. Our approach to medical adaptations enables customers to self-refer for minor adaptations such as handrails and lever handle taps. Major adaptations such as level access showers and structural alterations are also funded through the capital programme following a referral from an Occupational Therapist.
- 10.2 We have a robust approach to the identification and assessment of customer requirements as part of our project planning activities. Individual customer needs are considered on a project by project basis and this helps to inform the project design and specification.
- 10.3 Our communications strategy takes account of the broad cultural mix of our customer base with the ability to tailor correspondence to a range of different languages.

## **11. Environmental and sustainability implications**

- 11.1 The Scottish government have set ambitious targets for the reduction of carbon footprint and the country's green agenda and response to climate change. DC will look to embrace this challenge and contribute towards Wheatley's overall objectives in these areas. We plan to deliver **£4.5m** of energy efficiency improvements over the life of the 5-year plan, which equates to **16%** of the total core programme spend.
- 11.2 Our investment programme includes the use of new innovative technologies through our connected response programme of electric heating upgrades. This project will contribute positively towards the reduction of fuel poverty whilst also providing improved comfort and use flexibility with their heating. It will also help prolong the lifecycle of these electric heating assets, thereby reducing DC's landfill waste contribution.
- 11.3 Our investment programme recognises the challenge of EESSH2 with a new dedicated budget line now included within our programme to support the delivery of new innovative solutions to help deliver compliance with this ambitious standard over the next 10 years. This is in addition to existing work programmes such as heating upgrades and window replacements which all contribute positively towards our EESSH2 commitments.

11.4 In preparation for the first EESSH2 regulatory reporting period we are currently developing a property-by-property assessment of energy performance characteristics in order to determine the exact requirements up to 2032 for each dwelling. For now, our investment programme recognises the challenge of EESSH2 with a new dedicated budget line within our programme to support the delivery of new innovative solutions to help deliver compliance with this ambitious standard over the next 10 years. This is in addition to existing work programmes such as heating upgrades, building insulation and window replacements which all contribute positively towards our EESSH2 commitments. Year 1 (2021/22) investment items shown in paragraph 6.16 have an anticipated carbon reduction value of 215.11 tonnes CO<sub>2</sub>. The carbon impact assessment is based on analysis using the Energy Saving Trust Carbon Calculator, Energy Performance Certificate Emissions Factors and OFGEM Typical Domestic Consumption Values. This analysis shows the following anticipated CO<sub>2</sub> reduction impact:

<b>Area of the programme</b>	<b>CO2 reduction</b>
<b>Boiler Upgrades</b>	110.42 t
<b>Window improvements</b>	61.67 t
<b>Low-rise fabric</b>	31.88 t
<b>Electric heating controls</b>	11.05 t

## 12. Recommendation

12.1 The Board is asked to approve DC's 5 Year Asset Investment Programme 2021-2026.

### List of Appendices

Appendix 1 – Dunedin Canmore 5 Year Investment Plan: 2021 – 2026

Appendix 2 – Investment Branding



# DC 5 Year Investment Plan: 2021 - 2026

Over the next five years **£31M** will be invested in our homes and communities. Output projections for some of the **key** investment work streams over the next 5 years are shown below:

### Heating

The Boiler replacement programme consists of **£1.72m** for planned/reactive boiler replacements and the renewal of inefficient electric heating storage heating to our Post 1990's stock. The budget allocation for reactive replacements reduces year on year as the volume of breakdowns reduce as a result of our pro-active approach to lifecycle replacements.

In addition, we will deliver our innovative approach to improving the efficiency of electric storage heating, benefitting around 300 DC homes over the next 4 years. This approach involves the retrofitting of technology to existing heating systems to provide the customer with greater control of when they heat their home, whilst also saving them money on their energy tariffs. There are further benefits to the organisation in terms of cyclical replacement costs, asset intelligence and potential revenue from services to the national grid.

### Low-rise fabric

The Low-Rise Fabric (LRF) programme consists of the Roof and fabric repairs to our Post 1990's stock. We have planned investment of **£910K** over the next 5 years to accommodate the delivery of drone condition surveys and roof refurbishments to our properties with historic water ingress that will provide a permanent solution for our customers.

### Pre-1919 Tenements

Our 5-year plan includes **£3.7m** for the refurbishment of our pre-1919 tenemental stock within the city centre. The programme will support the delivery of sandstone and roof repairs to mixed tenure blocks within our Gorgie, Dalry, Fountainbridge and Granton localities, helping to protect the long term future of these historic and culturally important buildings.

### Kitchens and Bathroom

We plan to invest almost **£3.3m** in new kitchens and bathrooms over the next 5 years. **£1.2m** will be allocated to delivering kitchen installations on a planned and ad hoc condition basis via our group supplier RSBI. A further **£2m** will be allocated to the early commencement of lifecycle replacement bathrooms, which is a high investment priority for customers.

### Windows and Doors

We plan to spend **£2m** on window replacements over the next 5 years, benefitting over 400 tenants. The programme will include one off installations where we have previously been refused access or new acquisitions in addition to planned lifecycle replacements across our localities. 2021/22 will see the replacement of inefficient obsolete timber windows at Easter Dalry Road, Duff Street and George Street. This will help improve the energy efficiency of these homes and will be delivered via our group supplier RSBI.

### **Environmental**

We will invest **£560k** in improving the environment within our communities over the next 5 years. The programme will include common improvements for our tenement stock including rear garden areas, improved drainage, new bin storage provision and paths. In 2021/22 we will commence the works to improve the stability of the gabion walls to the SUDS area at Lochrin Pond, Oxgangs.

### **Common Works**

We have allocated **£858k** to deliver common area improvements encompassing investment such as improved security (new controlled entry doors), flooring, energy efficient lighting and decoration to our common stairs. 2021/22 will see the new common stair upgrades to Duff Street, Fleming Place and Thornybauk.

### **Mechanical and Electrical**

We will invest **£602k** via our Mechanical and Electrical (M&E) programme, the 5-year plan will include for the replacement of vital service components such as communal fans, water tanks, pumps and CCTV.

### **Lift Replacements**

Over **£350k** will be invested in new efficient and reliable lifts within our post 1990's stock. 2021/22 will see the completion of the replacement at Parliament Street. Further upgrades are planned over the 5 years across a number of other sites including 509 Gorgie Road and Lauriston Place.

### **Fire Safety**

**£568k** has been allocated over the 5-year plan to fund enhanced fire safety measures, that include fire mitigation works, fire stopping and the installation of FD30/60 common fire doors to our sheltered housing developments. Our fire mitigation works at Parliament Street will complete later this year. This programme will also support our most vulnerable customers including the installation of stove guards and fire retardant bedding packs. This programme will support the delivery of recommendations from our fire safety officers to help mitigate the risk of fire occurring or to keep our customers safe in the event of fire.

## **Customer Voice**

We are committed to putting our customers in control of investment decisions, which affect their homes and communities. We have allocated just over **£2m** to deliver customer driven investment works over the next 5 years. Our dedicated Customer Voice budget will help our Housing Officers deliver on their customers' investment priorities identified through the ongoing engagement activities.

## **EESH**

Our dedicated EESH budget of **£605k** will help to support the delivery of additional investment interventions to increase the energy efficiency of our homes such as smart sensor technologies. Work is underway to understand the scale of this programme and the investment work required at an individual property level to achieve compliance with this standard. The programme will therefore develop over the next 12 months.

## **Capital Compliance**

**£655k** of capital compliance works will be delivered over 5 years to ensure our homes are safe and secure and to provide assurance that we are meeting our statutory and regulatory compliance obligations. This programme will encompass **£455k** in 2021/22 to install new heat and smoke detection to meet LD2 standard and a further **£200k** in years 2-5 for ad-hoc detector replacements.



# LOOK WHAT'S HAPPENING

 *Dryden Gait*

Upgrades: New bathrooms,  
kitchens and windows

**Five year investment programme and customer priorities. 2021-26.** Meaning we can invest £180k in Dryden Gait.

We will continue our drive to create the UK's best-quality, affordable housing.

Whatever life has in store for us we want tenants to feel happy with their home and proud of their community.

Dunedin Canmore Housing Limited, Scottish Charity No. SC034572.

## Appendix 2 – 2

### Investment Branding



## Report

**To:** Dunedin Canmore Housing Board

**Report by:** Hazel Young, Managing Director

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

**Subject:** Dunedin Canmore Annual Charter Return and Delivery Plan Year-End Update

**Date of Meeting:** 27 May 2021

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### 1. Purpose

- 1.1 To seek approval for the draft Annual Return on Charter results for for 2020/21 and provide a year-end update on progress delivering the targets and strategic projects in the Delivery Plan 2020/21.

### 2 Authorising and strategic context

- 2.1 Under the terms of the Intra-Group Agreement between Dunedin Canmore and the Wheatley Group, as well as the Group Authorise, Manage, Monitor Matrix, the Dunedin Canmore Board is responsible approving regulatory returns including the Charter. It is also responsible for monitoring of performance against agreed targets. In the case of Dunedin Canmore, this includes the on-going performance of its services. In addition, the Group Authorising Framework states that the Dunedin Canmore Board is responsible for approving any changes to their Service Delivery Model or the arrangements which it may consider necessary in order to deliver the level of performance to achieve agreed targets.

### 3 Risk appetite and assessment

- 3.1 Our agreed risk appetite in relation to board governance is “cautious”. This level of risk tolerance is defined as “preference for safe delivery options that have a low degree of inherent risk”. We mitigate this risk by reserving the agreement of individual performance targets and strategic projects to Boards and providing the Board with regular updates in relation to progress against these targets and projects.

## **4. Background**

- 4.1 Our Annual Return on the Charter covers the 2020/21 financial year. This was an exceptional year due to the COVID-19 pandemic. The pandemic had a significant impact on our ability to deliver services, which in turn had ramifications for our performance. It is worth reflecting that despite the exceptional landscape, performance has held up well in relation to rent, repairs, lettings and tenancy sustainment. To reflect the challenging operational context, the Board agreed a phased set of targets for the year which were based on assumptions regarding remobilisation of our services. Dunedin Canmore has delivered the performance noted below whilst also moving to a more agile new operating model.
- 4.2 Social landlords are responsible for meeting the standards and outcomes set out in the Charter and are accountable to their tenants and customers for how well they do so. The Charter is part of the Social Housing Regulator's (SHR) 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.
- 4.3 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 councils in relation to their homeless duties and to councils and registered social landlords that manage sites for Gypsies / Travellers.

## **5. Customer engagement**

- 5.1 A summary of the results in this report will be benchmarked against national performance when published later this year and presented to our Customer Panel in the autumn. Quarterly performance is shared during the year with our Customer Panel.
- 5.2 The Board previously agreed that due to the impact of COVID-19 on customers and Scottish Government restrictions on our ability to deliver our normal range of services, we would not carry out a full ARC-specification satisfaction survey of our customers in 2020/21. The SHR allows results to be used for three reporting years and as a result, we are reporting satisfaction figures that we have reported previously. As a result, we did not set new targets for satisfaction measures this year. A similar situation also affects our repairs satisfaction figures, which are based on a 12-month rolling figure using surveys submitted by customers on the completion of a repair. As the volume of repairs was much lower this year, the number of surveys has gradually reduced over the 12 months.
- 5.3 Lowther has not conducted a survey of factored customers since 2017/18. One was planned in 2020/21 which would have kept Dunedin Canmore in line with the SHR guidance. However, as there was a decision across the Group not to survey customers during this period due to the pandemic, we are reporting figures in relation to our factored customers that have been reported more than the maximum of times outlined by the Regulator. Lowther plan to conduct a survey later in 2021/22 to ensure we have data to report next year.

5.4 We plan to conduct a survey of tenants later in 2021/22 that will focus on their experiences and the impact of COVID-19. In 2022/23, we will then resume a regular annual survey of our customers.

## 6. Discussion

### Key Charter Measure Performance for the Group

6.1 Despite the challenges caused by the pandemic across the sector, the Board has consistently recognised the outstanding performance and service delivery we have achieved.

6.2 Particular highlights have included:

- emergency repairs delivered within targeted time;
- sickness absence reduced;
- rent collection and support for customers requiring welfare and financial advice and wraparound support services; despite an initial peak in arrears, our arrears level was under target at year-end; and
- despite an increase to the average days to let, our void level is now back to pre-pandemic levels.

6.3 A recent report by Housemark (Housemark COVID-19 Impact Monitoring Report, April 2021) found the following:

- Median current tenant arrears increased by 0.5% across the sector – while DC’s arrears **reduced** by 0.24%
- The sector median for sickness absence was 4.6% of working days lost – our results out-performed the sector, with **only 1.45%** of working days lost
- 90% of landlords have accelerated their digital transformation. 1 in 12 are moving back-office workers to home based
- As of March 2021 the Scottish average for properties with a valid gas certificate was 99.98%. DC outperformed this figure with 100% of homes having a valid gas certificate
- The last year in lettings has been characterised by the significant disruption caused during the first lockdown, when house moves were restricted and virtually all lettings activity ceased. In the period since the first lockdown eased, the sector has been struggling to catch up. Letting in the sector has remained slower, with vacancy rates 46% higher than before the pandemic. DC has improved on this position with our average relet times in March achieving 11days.

6.4 Within this context the following section presents a summary for key Charter measures. A full breakdown of our performance against the full set of measures is provided in Appendix 1. Overall we maintained strong performance for the majority (80%) of our targeted measures. 3 measures were below target – these were “number of times we did not complete a gas safety check within 12 months”; “percentage of rent lost due to empty properties”; and “tenants satisfied with repairs and maintenance”. The reasons for these are covered in the sections below.



## Gross Rent Arrears

- 6.5 The exceptional support we provided to our customers throughout the pandemic limited the impact on the rate of arrears. We finished the year at 3.84% compared to our target of 4.51% and below our 2019/20 performance of 4.08%. This is a significant achievement considering the economic situation and in comparison to performance reported by our peer group in Scotland. This, and our performance relative to Group partners is illustrated in the table below.

RSL	2019/20	2020/21 Performance RAG against target	Year-End and	Target	SHR average for comparison (February)
Cube	5.24%	4.96%	■	5.52%	4.36%
DC	4.08%	3.84%	■	4.51%	4.36%
DGHP	3.97%	3.86%	■	4.40%	8.17%
GHA	4.80%	4.78%	■	5.60%	8.17%
Loretto	5.10%	3.05%	■	4.80%	4.36%
WLHP	2.34%	2.62%	■	3.10%	4.36%
Group	4.61%	4.49%	■	5.24%	6.16%

- 6.6 This good performance is despite not having the usual tools available in the normal arrears recovery process, including court action. Our strong individual customer relationships have worked well for us, as has the availability of a wide range of wraparound services to support customers to pay their rent and our campaigns to promote these services and urging customers to talk to us.

## Average Days to Re-Let

- 6.7 Our average days to re-let our properties was affected by the pandemic restrictions which prohibited letting/house moves in the first lockdown in 2020. The time to repair and prepare a property and interactions with customers were also slower due to social distancing requirements. The table below shows our results this year and last year with other Group partners shown for context. We generally perform well in comparison to others in terms of relet times however this year we show a relatively higher level as other Group partners leased their void properties on a temporary basis to the local authority during the letting freeze. Although we made this offer to City of Edinburgh Council they did not want to take this up, preferring that we waited to make permanent lets as soon as we were able to.

Average Days to Re-Let (Charter Measure)	2019/20	2020/21
Cube	17.26	42.04
DGHP	28.23	37.05
Dunedin Canmore	9.68	52.60
GHA	15.44	40.96
Loretto	14.34	35.18
WLHP	1.54	19.78
Group	17.61	40.86

- 6.8 Despite the effect COVID-19 has had on our Charter letting times, we have now reduced void levels to pre-pandemic levels. Give ups and lets have been monitored on a weekly basis since letting recommenced in August with gradual improvements being made, and in the month of March we achieved a re-let average of 11 days.
- 6.9 Increased letting times due to the freeze on letting earlier in 2020/21 meant that we also recorded more rent lost due to properties being empty this year. This figure increased to 1.36% compared to 0.39% in the year before.

#### Tenancy Sustainment

- 6.10 The percentage of new tenancies sustained for more than a year has remained above the 90% target at 92.51%. This is 420 lets sustained out of 454. It is slightly lower than last year's figure of 93.79%, but there are no themes of concern in terms of tenancy give-ups.

#### Repairs

- 6.11 We carried out emergency repairs on average within 2.65 hours against the target of 3 hours and were pleased to achieve this performance despite the ongoing challenges of social distancing and restrictions. Repairs services remobilised in November, with some exclusions for safety reasons. However, in January, a further lockdown again restricted services until late April 2021. A consequence of being unable to provide a full service safely in the first half of the year is that there is backlog of works such as roofing, drainage and customer requests. These are being project managed in a co-ordinated way as we have resumed services.
- 6.12 Our repairs satisfaction decreased from 94.57% to 88.34% and is reported as amber. This is due to the reduced volume of repairs being carried out, resulting in a much smaller census size for this measure.

#### Gas Safety

- 6.13 The Charter measure shows the number of certificates that have expired at any point during the last 12 months and for this reason we are reporting higher than usual figures for the year against this Charter measure. This was due to safety precautions we took for our staff and sensitivity to the concerns of our customers accessing their properties during the first lockdown. In total, we had 122 gas safety certificates expirations. Housemark reports that despite access issues that affected compliance across the sector, landlords are now 99.98% compliant once again.
- 6.14 We prioritised our landlord responsibility to reduce the backlog of expired gas servicing certificates that arose during this early part of the pandemic. Targeted and focused efforts reduced the number of expired gas safety certificates that arose and we have been in a 100% compliant position with no further expired gas certificates despite further lockdowns over the winter and spring.

#### Other Key Performance Measures

- 6.15 The following sections present year-end performance against our measures in our other key business areas for your information. The dashboard for all these measures is attached as Appendix 2.

## New Build Programme

- 6.16 We successfully delivered 93 new build units, ahead of our target of 83 days, despite the ongoing delays and challenges of COVID-19 and Brexit on the construction industry. Details of the programme delivered are provided in the table below.

Project – all within City of Edinburgh	Tenure	Units Delivered
Beaverbank, North Edinburgh	SR	41
South Gilmerton, Gilmerton, Edinburgh	SR	10
Lang Loan, Liberton/Gilmerton Ward	SR	7
Fountainbridge Block L, Edinburgh City Centre	MMR	19
Greendykes AH3 Phase 4, Edinburgh East	MMR	16
	<b>Total =</b>	<b>93</b>

## Fire Prevention

- 6.17 Lockdowns posed a particular challenge for fire prevention work; more people staying at home for extended periods increases the risk of accidental dwelling fires. Scottish Fire and Rescue reported a national increase over the year.
- 6.18 We have been tracking our figures for accidental dwelling fires since Q2 in 2019/20. In Q2-4 in 2019/20 we had 10 accidental dwelling fires – in the equivalent period this year we had only 4. However, Q1 was high at 5 fires and this trend of a higher level in the first lockdown could be observed across the Group as shown in the table below.

Number of recorded accidental dwelling fires	2019/20				2020/21			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Cube	6	2	3	1	3	3	5	2
DGHP	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Dunedin Canmore	N/A	3	3	4	5	0	0	4
GHA	43	59	55	43	53	39	33	36
Loretto	2	2	0	1	7	1	4	5
WLHP	0	0	0	0	0	0	0	0
Total	51	66	61	49	68	43	42	53

## Homelessness

- 6.19 As reported previously, together with our other partners across the Group we prioritised our support to the Scottish Government's initiative to provide housing for homeless people during the pandemic. As a result, we have increased the percentage from 48.2% in 2019/20 to 57.7% this year. When we focus on only those lets for which we have more control ("relevant lets"), the table below shows that we have increased to 72.8%. The Scottish Housing Network has published an average figure for RSLs of 34.9% lets to homeless applicants. Our new homelessness policy proposed a target of 50% for us going forward which is in line with the request made by City of Edinburgh Council where most of our lets occur.

Percentage of lets to homeless applicants	2019/20 (Charter)	2020/21 (Charter)	2020/21 Relevant Lets	Target
Dunedin Canmore	48.2%	57.7%	72.8%	50%

### Customer Service Centre (CSC)

- 6.20 The percentage of avoidable contact from Dunedin Canmore customers into the Group Customer Service Centre reduced this year to 12.27% against a target of 18%. This improvement may be due to the clear communications provided regarding services during the pandemic. The CSC answered an average of 71% of calls within 30 seconds in the year to date, against a target of 75%. The percentage of calls presented to the Glasgow and DGHP Hubs and answered within 30 seconds has improved continually since October, despite a number of operating and staff changes over the course of the year. These changes included the permanent secondment of staff from the DGHP Customer Service Centre into the Group model, a high turnover as staff took up new housing officer opportunities within DGHP, the introduction of a full out-of-hours service for DGHP customers, implementation of a COVID Helpline to support customers with a range of complex support needs during the height of the pandemic and most recently, supporting the in-house delivery of the new heating contract in DGHP. Despite performance not yet meeting target, the CSC has made substantial improvements to its performance over the course of the year and has a strong foundation to take into the new reporting year, as they look to grow and develop their service offering to customers and the wider business.
- 6.21 The Glasgow Hub made over 215k core service outbound calls during 2020/21. Although these figures are lower than in the prior year, reflecting the pandemic and restricted services, the Glasgow Hub continued to co-ordinate calls to customers to support gas servicing in the East and West subsidiaries. Since outbound calling was reintroduced in May 2020, the Glasgow Hub co-ordinated over 60,000 calls to support gas servicing compliance.
- 6.22 The CSC has not recorded much change in the usage of our web self-service (WSS) platform during this year. Due to the pandemic, it has been challenging to develop this area as we have switched a number of services off due to restricted services. The most notable example of this is the repairs service where currently customers do not have the option to log their repair through WSS. Despite this, at Dunedin Canmore we have 46.38% of our current customer base signed up for WSS. Work has started to scope our future online service offer for customers under the new strategic project, Better Online Services.

### Group Payments

- 6.23 Dunedin Canmore paid 98.07% invoices within timescale this year, which exceeds our 96% target and demonstrates our commitment to supporting our suppliers. Any invoices paid late continue to be highlighted through a weekly report to managers.

## Sickness Absence

- 6.24 We recorded low levels of sickness absence throughout the year. Although partly due to staff working from home and staff who were furloughed, the improvement in this measure shows the resilience and commitment of our staff. Working from home has benefits, but during the pandemic it also brought challenges such as isolation and learning new ways of working, such as video calls. Our staff rose to the challenge that had to happen almost overnight. Showing remarkable adaptability and dedication, during this time our staff were instrumental in keeping their tenants and customers safe and supported. For example, our Housing Officers made 26,722 outbound calls to customers during 2020/21 and made 2408 referrals in total to our advice services, including welfare benefits, fuel advice and tenancy support.
- 6.25 Staff also worked hard to find new ways to connect with customers, including online when face-to-face visits could not happen. Even during lockdowns and restrictions, staff were determined to ensure that their tenants and customers felt connected and could access vital support as and when they needed it.

Percentage of working time lost due to sickness absence	2019/20	2020/21
Dunedin Canmore	2.85%	1.45%

## Wheatley Foundation support

- 6.26 2020/21 began with the Foundation adapting programmes to meet customers' immediate needs as the Covid-19 pandemic hit. The Foundation's Eat Well and the Emergency Response Fund were at the forefront of the Group's customer support package, responding to urgent daily requests for food and other essential items.
- Due to the pandemic we also had to suspend Wheatley Works for much of the year, greatly reducing the level of activity. However, referrals continued to be passed to delivery partners so customers could still receive support; and some of our local employability projects and partners continued to support young people living in Wheatley communities. Wheatley Works Officers restarted in the latter part of the year, with new employability courses prepared to begin by the end of March 2021. **As a result, 188 training and employment opportunities were able to be secured this year – 7 opportunities for DC customers.**
  - Scottish Government and Ofgem grants of over £1.4m provided thousands of energy vouchers for eligible customers across Group, including DC customers.
  - After receiving almost 200 online applications from customers, the Foundation made provision for an extra 30 new education bursary awards, bringing the total number available up to 80 this year. Thanks to this financial support, 77 customers are now going on to train in professions as diverse as teaching, social care, and physiotherapy. **4 DC customers were supported by the Bursary project.**
  - The Group's Christmas Vouchers Scheme supported families with a £30 supermarket voucher for each child in the household. Parents/carers of almost 15.8k children across Group received Tesco, Asda or Sainsbury's Vouchers to help with Christmas purchases. The Foundation and Universal Credit teams worked together throughout December to distribute vouchers via text and email, so over 8,000 households could buy presents and food over the festive period. **385 DC households were provided with supermarket vouchers.**

- Eat Well supported 11,325 households with over 33k food packs or vouchers in 2020/21, helping customers affected by health issues, financial hardship and reduced income during the pandemic. **1965 DC households were supported by Eat Well.**
- The Emergency Response Fund was mobilised quickly and, with additional support from external funding, assisted customers with one-off purchases at the height of the pandemic and throughout the year. The ERF was able to help people through a difficult period when other support services faced delays or temporary closure. Purchases varied from mobile phones and fuel top-ups to larger purchases such as beds, cookers and fridges, supporting over 6,000 vulnerable households. We began issuing digital vouchers where possible, helping speed up the process and giving customers more choice. **238 DC households were supported by the Emergency Response Fund.**
- My Great Start supported 1,692 people this year with crucial financial and money advice, helping to secure just over £1m of financial gain for customers. With financial difficulties caused by the pandemic, the service saw an increase in demand as more people faced sudden difficulties such as job loss or applying for benefits for the first time. **268 DC households were supported by My Great Start.**
- The Dolly Parton Imagination Library delivered almost 5,800 books to 619 children under five, continuing to support early-years literacy and children's introduction to books. **45 children living in DC homes were registered with the Imagination Library in 20/21.**
- The Children's University Scotland supported 5,600 children throughout Scotland to access to wider learning activities. During this time, they adapted delivery to support schools and households with home learning resources and play packs/activities, particularly assisting those with limited access to online resources. **There are 2 schools with 232 children registered with CUS that are near a small amount of DC stock (WESTER SUTTIESLEA GROVE)**
- As restrictions eased, Home Comforts resumed a scaled-back service for part of the year and supported over 400 households with free recycled furniture and white / electrical goods. On average, each household received 4 items from the service. **3 DC households were supported by Home Comforts.**

### Strategic Project Delivery

- 6.27 Appendix 3 presents progress towards each of the strategic projects in the revised delivery plan for 2020/21. Of the 3 projects, 2 are completed and one is on track to complete in June.

### Conclusions

- 6.28 This report outlines strong progress in achieving the majority of performance targets and the delivery of projects, despite the challenges posed by the COVID-19 pandemic and an unprecedented year. Particularly strong performance in rent collection and reducing arrears means that the economic impact of the pandemic was mitigated by our response. Repairs, too, performed strongly under challenging service delivery circumstances. Key areas of focus as we continue into 2020/21 will be the continued support of customers who may be experiencing additional financial hardship and to manage our arrears, continued focus on letting properties and supporting our contribution to reducing homelessness, and delivery of safe and high-quality repairs services to our customers.

## **7. Digital transformation alignment**

7.1 There are no digital transformation themes aligned to the content of this report.

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

8.1 The measures and projects included in this report were agreed as the delivery plan for 2020/21. These items are intended to focus service improvement on the key priorities within the Strategy to make sure that financial and other resources are aligned with our priorities.

8.2 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 SHR requires an Annual Return on the Charter from each RSL. Key indicators within this return are also included in quarterly performance reporting to the Board. The Board approves the final return and the information is included in the year-end performance report to the Board. RSLs are also required to involve tenants in the scrutiny of performance, which we do through our Customer Panel and the Group Tenant Scrutiny Panel, and to report to tenants annually by October.

## **10. Equality implications**

10.1 There are no proposals relating to our duties under equality legislation or that have an adverse impact on equality.

## **11. Environmental and sustainability implications**

11.1 The indicators in the Annual Report on Charter are set via the SHR. We have our own plans to increase the number of environmental and sustainability based measures in our performance framework. The Scottish Housing Regulator recently consulted on the on the indicators it will use to monitor landlord performance against the Energy Efficiency Standard for Scottish Social Housing (ESSH). The SHR is due to publish technical guidance to support landlords to make their first return under the new indicators on 31 May 2022.

## **12. Recommendations**

12.1 The Board is asked to:

- 1) Approve the draft 2020/21 Charter results;
- 2) Note the detail of activity involved in the performance results achieved;
- 3) Delegate authority to the Group Director of Housing and Care to sign off any non-material changes to the results which may be required prior to submission; and
- 4) Delegate authority to the Group Director of Housing and Care to sign off the Charter and ESSH submissions on behalf of the Governing Body.

## **List of Appendices**

Appendix 1: Dunedin Canmore Annual Returns on the Charter







Appendix 2: Other Board Measures Dashboard

Appendix 3: Strategic Projects Dashboard






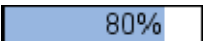


Dunedin Canmore Charter Indicators	2019/20 Draft Results	2020/21 Draft Results	20/21 Target
ARC survey questions measured annually No annual surveys carried out in 2020/21			
01. % Annual tenants satisfied with the overall service	96.02%	96.02%	N/A
02. % Annual tenants who feel their landlord is good at keeping them informed about their services and decisions	95.03%	95.03%	N/A
03. % Complaints responded to in full at Stage 1 and the % complaints responded to in full at Stage 2 - Overall	98.49%	98.89%	96.00%
04. Average time in working days for a full response at Stage 1 and the average time in working days for a full response at Stage 2 - Overall	4.88	4.80	8.00
05. % Annual tenants satisfied with the opportunities given to them to participate in their landlord's decision making processes	93.64%	93.64%	N/A
06. % Stock meeting the Scottish Housing Quality Standard (SHQS).	99.77%	99.77%	99.00%
07. % Annual existing tenants satisfied with the quality of their home	95.42%	95.42%	N/A
08. Average time to complete emergency repairs (hours)	1.76	2.65	3.00
09. Average time to complete non-emergency repairs (working days)	5.09	3.14	5.50
10. % Reactive repairs completed right first time	96.82%	96.69%	95.00%
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	0	122	0
12. % tenants satisfied with repairs or maintenance carried out in last 12 months	94.57%	88.34%	90.00%
13. % Annual tenants satisfied with the landlord's contribution to the management of the neighbourhood they live in.	88.62%	88.62%	N/A
14. % Tenancy offers refused during the year	12.98%	10.51%	Contextual
15. % Anti-social behaviour cases reported in the last year which were resolved.	100.00%	100.00%	98.00%
16. % New tenancies sustained for more than a year - overall	93.79%	92.51%	90.00%
17. % Lettable houses that became vacant	7.29%	6.73%	8.00%
18. % Rent due lost through properties being empty	0.39%	1.36%	0.44%
19. Number of households currently waiting for adaptations to their home.	6	4	Contextual
20. Total cost of adaptations completed in the year by source of funding (£).	£106,039.00	£52,338.00	Contextual
21. Average time to complete approved applications for medical adaptations (calendar days)	8.26	10.48	72.00
22. % Court actions initiated which resulted in eviction - overall	35.00%	N/A	33.00%
23a. % Referrals under Section 5, and other referrals for homeless households made by the local authority, that resulted in an offer	85.71%	96.27%	Contextual
23b. % Offers made to LA Section 5 and other referrals for homeless households that result in a let.	87.04%	100.00%	Contextual
25. % Annual tenants who feel that the rent for their property represents good value for money	87.65%	87.65%	N/A
26. Rent collected as % of total rent due	99.18%	100.00%	99.70%
27. % Gross rent arrears	4.08%	3.84%	4.51%
28. Average annual management fee per factored property.	£181.42	£194.27	Contextual
29. % Annual owners satisfied with the factoring service	86.67%	86.67%	N/A
30. Average length of time taken to re-let properties (calendar days)	9.68	52.60	Contextual

## Appendix 2 - Dunedin Canmore Board - Delivery Plan 20/21 - Strategic Measures

Measure	2019/20	2020/21		
	2019	2020		
	Value	Value	Target	Status
% avoidable contact	17.61%	12.27%	18%	
% of payments made within the reporting period which were paid in 30 days or fewer (from the date the business receives a valid invoice)	99.11%	98.07%	96%	
Total number of jobs, training places or apprenticeships created including Wheatley Pledge	32	7	7	
New build completions - Social Housing	84	58	48	
New build completions - Mid-market	78	35	35	
Sickness Rate	2.85%	1.45%	3%	

### Appendix 3 - Dunedin Canmore Board - Delivery Plan 20/21 - Strategic Projects

Strategic Project	Delivery Date	Status	% Progress
Develop Group Homelessness Framework, including rapid rehousing	31-Dec-2020		 100%
Develop a new framework for customer engagement (incorporating customer inspection process)	31-Mar-2021		 100%
Work with Police Scotland to develop a Group-wide Antisocial Behaviour and Crime Prevention and Mitigation Framework	30-Jun-2021		 80%

**To:** Dunedin Canmore Housing Board  
**By:** Hazel Young, Managing Director  
**Approved by:** Olga Clayton, Group Director of Housing and Care  
**Subject:** Performance Framework and Strategic Projects 2021/22  
**Date of Meeting:** 27 May 2021

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## **1. Purpose**

### 1.1 This report:

- 1) Sets out the proposed Group performance management framework for 2021-26;
- 2) Seeks approval of Dunedin Canmore's Key Performance Indicators ("KPIs") and targets for 2021/22; and
- 3) Sets out the draft planned strategic projects across the Group for 2021/22.

### 1.2 Note that all of the above are subject to Group Board approval.

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

2.1 Under the Group Authorising Framework, the Group Board is responsible for agreeing the overarching Group Performance Framework. Partner Boards are responsible for agreeing their own individual targets and, where applicable, how they will contribute to Group targets.

2.2 Our approach is set within the strategic context of transitioning to the first year of our new strategy. This includes both the objectives and targets contained therein and how we introduce a more sophisticated approach to performance management, specifically customer value.

2.3 In terms of our current year targets, they are set within the context of our assumptions in relation to remobilisation (subject to a separate agenda item) and as we enter potentially the final phase of the pandemic restrictions and the transition into the economic and social recovery phase for our business and our tenants.

## **3. Risk appetite and assessment**

3.1 We do not have a single risk appetite in respect of strategy or performance targets. The future impact of the pandemic and transition to the recovery remains a risk in terms of the impact on our tenants, in particular the recovery of the labour market and targets for a year where different restriction levels applied.

- 3.2 We have sought to reflect this in our approach to developing our targets, which have sought to take into account our remobilisation assumptions. Any risk associated with delivering our targets as a clearer picture emerges over the coming months of remobilisation and impact on the wider economy will remain under review.

#### **4. Background**

- 4.1 The Board agreed our new Dunedin Canmore strategy in November following the agreement of the overarching Group strategy in October. Since then, we have translated the strategic commitments within the Group strategy into strategic projects with identified Delivery Leads and corresponding milestones. In conjunction with this, a new Group performance management framework has been developed to ensure effective planning, measurement and reporting of performance.

- 4.2 We are engaging with all partner Boards on the Group performance framework and strategic projects in advance of consideration by the Group Board. This sequencing reflects our focus on the Group approach for our new strategy period being developed through engagement and feedback from partner Boards. Feedback from Boards will form part of the consideration by the Group Board at its June meeting.

#### **5. Customer engagement**

- 5.1 As part of the Group's strategic commitment to ensure customers have greater power, control and choice regarding the services they receive, over 50% of all strategic projects will include an element of customer engagement activity. The Board have previously approved the engagement framework, 'Stronger Voices, Stronger Communities'. A key feature of this framework is the You Choose Challenge, in which Dunedin Canmore have been early adopters alongside WLHP, piloting the approach within two developments at Whitburn.

- 5.2 Customer engagement is at the heart of Dunedin Canmore's approach and our contribution to these strategic projects will complement our engagement plan.

- 5.3 Additionally, we plan to engage the Group Scrutiny Panel on the proposed Group performance framework, in particular the customer value approach, this month. Feedback from the Group Scrutiny Panel will be incorporated in the proposals to the Group Board and individual Boards will be updated at their next meeting.

#### **6. Discussion**

##### Group Performance Management Framework

- 6.1 A strong planning, measurement and reporting framework allows us to know whether we are on track to deliver our objectives and make refinements, if required. This framework establishes the following as we move into the implementation phase of the new strategy:

- What we want to deliver;
- How we plan to deliver it; and
- How we will monitor and report on delivery.

6.2 Our refreshed Group Performance Management Framework is presented as a diagram in **Appendix 1**. This diagram illustrates the alignment between the strategic themes, the key outcomes within the Group and Dunedin Canmore strategies with performance management.

The Group performance management framework has the following aims:

- ensuring all of our work can be aligned to delivery of the overarching strategic themes as well as the UN’s Sustainable Development Goals and the Scottish Government’s National Performance Framework;
- providing robust reporting that allows us to see cause and effect of our work and decisions, manage delivery and ensure compliance with legislative and other compliance requirements; and
- increased focus on performance from our customers’ perspective in the form of operational KPIs that measure value to customers, in addition to continued use of a robust suite of business value, compliance and regulatory measures.

6.3 Under the framework, we propose a hierarchy with societal impact measures at the highest level, to detailed operational performance measures at the most granular level. These are connected, with achieving our targets at each tier being an important part of delivering the aims of the tier above.

<b>Impact Measures</b>	Long-term measures that demonstrate the influence our work has on our society and communities.
<b>Strategic Results</b>	Set and agreed by the Board to be achieved by the end of the strategy period (unless stated otherwise). These results will be reported at least annually to demonstrate the progress we are making delivering the commitments in our Strategy. Where possible, we will also report Strategic Results quarterly.
<b>Key Performance Indicators (KPIs)</b>	A suite of indicators we use to manage operational delivery. KPIs will be split into three categories: <b>customer value</b> , <b>business value</b> and <b>other</b> (includes ARC, regulatory, and compliance indicators). Indicators and targets will be reviewed annually to ensure they remain relevant and challenging. Some high-level KPIs will be reported to subsidiary boards quarterly with the Strategic Results.
<b>Delivery Plans – strategic projects</b>	Annual project delivery plans agreed for each theme. These will be reviewed annually. Progress against delivery milestones will be reported quarterly.

*Impact Measures*

6.4 The new Group strategy, for the first time, set out a range of objectives that have an impact on the communities in which we operate and contribute to national policy agendas. These include CO2 reduction from our homes, jobs created and numbers of homeless people and families housed. When finalising impact measures we will seek to do so in a way that allows measures to be disaggregated to Dunedin Canmore specific level.

## Strategic Results

- 6.5 The overarching Group strategy sets out 49 strategic results across the five strategic themes previously approved as part of “**Your Home, Your Community, Your Future**”. A full list of the Strategic Results Dunedin Canmore will contribute to is attached as **Appendix 2**, which also shows how we have set plans for the next 5 years to achieve the strategy targets. The table below shows some of the key results for Dunedin Canmore by strategic theme.

<b>Delivering exceptional customer experience</b>	<ul style="list-style-type: none"> <li>▪ Overall customer satisfaction is above 90%.</li> <li>▪ Dunedin Canmore tenant satisfaction with value for money is at or above 85%.</li> <li>▪ Implement “rate it” score from book it, track it, rate it repairs approach and aim to improve performance by 10%.</li> </ul>
<b>Making the most of our homes and assets</b>	<ul style="list-style-type: none"> <li>▪ Develop 762 new homes across all tenures.</li> <li>▪ Invest £29.5m into improving, modernising and maintaining homes.</li> <li>▪ Reduce the volume of emergency repairs by 10%.</li> </ul>
<b>Changing lives and communities</b>	<ul style="list-style-type: none"> <li>▪ Over 70% of our customers live in neighbourhoods categorised as peaceful.</li> <li>▪ Achieve 85% satisfaction with Wheatley Environmental Services.</li> <li>▪ Dunedin Canmore meets the agreed contribution of 50% accommodation for homeless households in each local authority area it operates in</li> </ul>
<b>Developing our shared capacity</b>	<ul style="list-style-type: none"> <li>▪ Over 90% of staff say they feel appreciated for the work they do.</li> <li>▪ Over 80% of Dunedin Canmore customers self-report positive distance travelled towards “self-reliance”.</li> <li>▪ Staff absence is maintained at or below 3%.</li> </ul>
<b>Enabling our ambitions</b>	<ul style="list-style-type: none"> <li>▪ Limit annual Dunedin Canmore rent increases to 2.9% throughout the life of the strategy.</li> <li>▪ Reduce gross rent arrears to 4% by 2023.</li> <li>▪ Average days to let a home by Dunedin Canmore maintained at less than 14 days.</li> </ul>

### Key Performance Indicators – core measures

- 6.6 We have a well-established set of existing performance measures which have supported us being a high performing organisation. These KPIs relate to a combination of:
- performance data we are required to collect as part of the Annual Return on the Charter to the Scottish Housing Regulator;
  - Compliance and safety related measures such as gas safety; and
  - Other business and efficiency measures, such as staff absence and invoices paid on time.
- 6.7 These measures also provide us with the opportunity to benchmark ourselves against other organisations, particularly the ARC measures. The full list of the proposed targets for these KPIs for 2021/22, as well as our projections for the life of the strategy are included in **Appendix 2**. The key targets include the following:

- Percentage of relevant lets to homeless applicants  
The Group Board agreed a Group average target of 65% of relevant lets being made to homeless applicants in 2020. For Dunedin Canmore, this will mean maintaining a target of 50% across all five years following achievement of the target in 2020/21.
  - Tenancy sustainment  
Dunedin Canmore's tenancy sustainment is currently better than the target of 90% at 95.21% for 2020/21. The focus will be to maintain this good performance over the next five years.
  - Gross rent arrears  
The Group's Strategic Result is to reduce gross rent arrears to 4.00% by 2023. Dunedin Canmore's 2020/21 performance was 3.84%. Due to the impact of COVID-19 on customer income and the increase in customers on Universal Credit, our analysis suggests that the impact of the pandemic will be seen over the next few years. To achieve a strategic result of 4.00% by the end of strategy will require annual targets of 4.29% in year one and from thereafter 4.44%, 4.33%, 4.13% and 3.78% in year 5.
- Average days to let  
Average days to let as a measure was particularly affected by the pandemic and Dunedin Canmore's performance ended at 52.6 days for 2020/21. Performance was primarily impacted by the cessation of letting for over a quarter of the year. The continued need to socially distance and longer time to carry out repairs on voids will continue to impact performance in the first half of 2020/21. As a result, we have set phased targets during 2021/22 to bring Dunedin Canmore back to pre-pandemic levels. By the end of quarter 1, we aim to achieve 25 days and thereafter 22.5 quarter 2, 20 quarter 3 and 18.9 by year end. In subsequent years, the target will be to maintain 14 days.
- Compliance  
To underscore the importance of fire safety and achieve the associated Strategic Result to reduce accidental dwelling fires by 10%, we have introduced additional measures to monitor the fire risk assessments we undertake. We will report to the Board on the percentage of relevant properties that have a current fire risk assessment based on risk profile in place. This will be segmented by property type, with the target for HMOs and relevant properties being 100% throughout the life of the strategy. Retirement complexes, which not currently included in the legislation, will have assessments carried out over the next three years. Once this three-year cycle has introduced an assessment, these properties too will move to a 100% compliance maintenance for the rest of the strategy life. Under compliance KPIs, we will also continue to report to the Board on gas safety to ensure we maintain a 100% compliant position.
  - Repairs  
We have proposed new measures for the new strategy that will drive a focus on planned maintenance and efficiency, while adhering to the regulatory targets for delivering emergency (3.0 hours) and non-emergency repairs (5.5 days). The ratio of planned versus reactive repairs spending we aim to maintain at 60:40. We also aim to reduce the volume of emergency repairs by 10% over the life of the strategy.



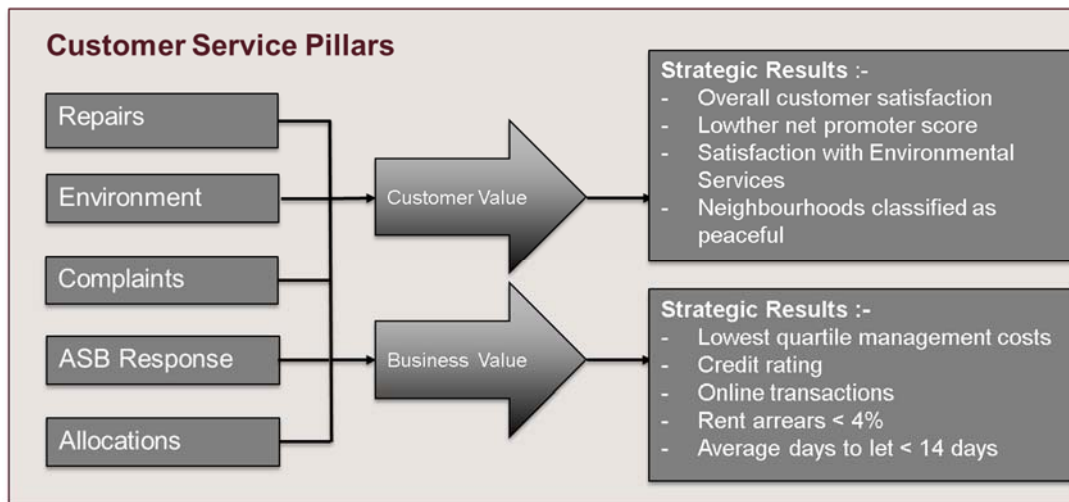
- 6.8 As part of the strategy development process the Group Board previously discussed how, alongside the existing KPIs referred to above, we refine our performance approach further. In particular, the Board agreed that we should develop the concept of distinguishing between 'business value' and 'customer value' measures. This was in recognition of the limitations of the ARC measures – which were developed by the Scottish Government nearly 10 years ago – in providing insight to customer views, and that customer value drivers and business value drivers are not always the same.
- 6.9 The objective of the new measures was to provide us with greater insight throughout the year into what drives high level annual results. In developing this approach we plan to focus on key customer facing services that we know are high value driver for customers, namely: repairs; ASB; neighbourhood environmental; complaints and allocations. This process is now well underway, with a more detailed update set out below:

*Customer and business value measures*

- 6.10 As a first step, we have developed clear definitions for what we mean by 'customer value' and 'business value' as follows:



- 6.11 We are in the process of finalising a suite of customer and business value measures across the 5 customer service areas, including understanding what strategic results they drive. The diagram below sets out these services and illustrates how customer and business value measures can drive different results from the same customer journey:



6.12 This approach is consistent with the recent Group Board discussion on our new approach to complaints handling. Our previous measures focussed on whether we handled complaints within 'X' number of days. This would represent a 'business value' measure, which provides us with a sense of how efficiently we are processing complaints. It does not however give us any actionable insight as to what provided customer value in the process of making a complaint, for example measuring the % of customers who felt communication was good throughout the process.

6.13 We have developed a draft of Customer Value and Business Value indicators for each of the 5 services. By way of example, the draft repairs measures are set out below:

## Repairs – Measures

Customer Value Measures	Business Value Measures	Strategic Results
<ul style="list-style-type: none"> <li>95% of customers felt online repair ordering was easy to use</li> <li>95% of customers say they got an appointment time that suited them</li> <li>95% of customers felt the tradesperson arrived on time</li> <li>95% of customers felt the problem was fixed properly first time</li> <li>95% of customers felt communication was good throughout the process</li> <li>95% overall satisfaction with repairservices</li> </ul>	<ul style="list-style-type: none"> <li>&lt; 5% call /website abandonment</li> <li>Reduce no accesses by 5%</li> <li>90% reactive repairs completed right first time</li> <li>75% of work orders raised online (non-emergency)</li> <li>Average time to carry out emergency and non-emergency repairs</li> </ul>	<ul style="list-style-type: none"> <li>Overall customer satisfaction is above 90%</li> <li>Tenant satisfaction with VFM increased to 85%</li> <li>Implement rate it score and improve by 10%</li> <li>Maintain existing tenant satisfaction with the quality of their home at over 90%</li> <li>60/40 ratio of planned to reactive repair spending</li> <li>Reduce the volume of emergency repairs by 10%</li> <li>Lower net promoter score increased to 60</li> <li>100% of Lower customers have an online account</li> <li>Over 50% of customers actively use their online account to make transactions with us.</li> </ul>

**Measures will drive these results**

Enabling technology/RepairsLocalz(Book It, Track it, Trace It) -DGHP 2021, City Building Glasgow /Dunedin Canmore 2022

*Making homes and lives better* 2

6.14 The next step in the finalisation of the measures will involve direct customer engagement. We will engage the Group Scrutiny Panel to review the full suite of draft

Customer Value measures at its next meeting. This feedback will allow us to refine and finalise the measures.

- 6.15 Once the measures are complete, we will require to develop robust arrangements to capture and report the relevant data in a structured way. This will then allow us to include Customer and Business Value performance as part of the performance reporting dashboards.
- 6.16 It is intended that all customer value measures will be brought back to the Board for review and will thereafter be reported as part of all performance reports. A more detailed report will be brought back to the Board later this year with an update on progress and timescales for reporting arrangements.

### Strategic Projects

- 6.17 As is set out in the Performance Management Framework, the strategic projects are directly linked to and aligned with the delivery of our strategic results and outcomes.
- 6.18 We have mapped all commitments in the Group strategy by theme. We have then developed these into strategic projects within each theme. As part of the process, each proposed project was reviewed to identify interdependencies with other projects, for example where IT/Digital investment is required before a project can progress to the next stage, and ensure that the sequencing of delivery reflects this.
- 6.19 For some projects, a phase of scoping/preparatory work will be required to develop a clearer implementation plan. This has meant that a number of projects are now considered in multiple phases, delivered over multiple years. By reporting to Boards on each phase, there will be significantly higher level of Board visibility as we progress through projects rather than just at the end stage.
- 6.20 This approach will allow us the opportunity to pause, reflect on the outcome of each phase before agreeing how, or if, we progress to the next phase. This aligns with our approach of annual Board workshops to refresh/renew (in alternate years) our strategies.
- 6.21 A list of the Year 1 Board level projects for the Group is attached at **Appendix 3** and the Board's feedback is sought on the projects. The reporting to the Dunedin Canmore Board on the group wide projects shall focus on our own element of the projects where appropriate, such as:
- Engagement Framework;
  - Repairs Delivery Model;
  - Homelessness; and
  - Corporate estate.
- 6.22 Other projects which will directly impact Dunedin Canmore, but not at the current project stage include:
- Develop a Wheatley Whole Family approach;
  - Introduce new cloud-based telephony system; and

- Develop new and improved online services offering.

6.23 Updates on all projects will be reported as part of the quarterly reporting cycle.

## **7. Digital transformation alignment**

7.1 The Group's five-year strategy is underpinned by digital transformation. Each project has been reviewed against our digital transformation plans to identify what financial and people resources are required as well as any interdependences across projects. These requirements and interdependencies have subsequently been reviewed to confirm that the necessary resources are available prior to being approved as a project.

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

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

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

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

## **10. Equalities implications**

10.1 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.

## **11. Environmental and sustainability implications**

11.1 Dunedin Canmore is committed to supporting the Group's ambitions to become a more sustainable organisation and is actively involved in a number of projects that will help to achieve this, such as the implementation of our new operating model and greater use of digital engagement which will have a significant impact on the overall carbon footprint of the organisation.

## **12. Recommendations**

12.1 The Board is asked to:

- 1) Note the new Group-wide performance management framework;
- 2) Approve Dunedin Canmore's proposed KPIs and targets for 2021/22; and
- 3) Note the planned strategic projects across the Group for 2021/22.

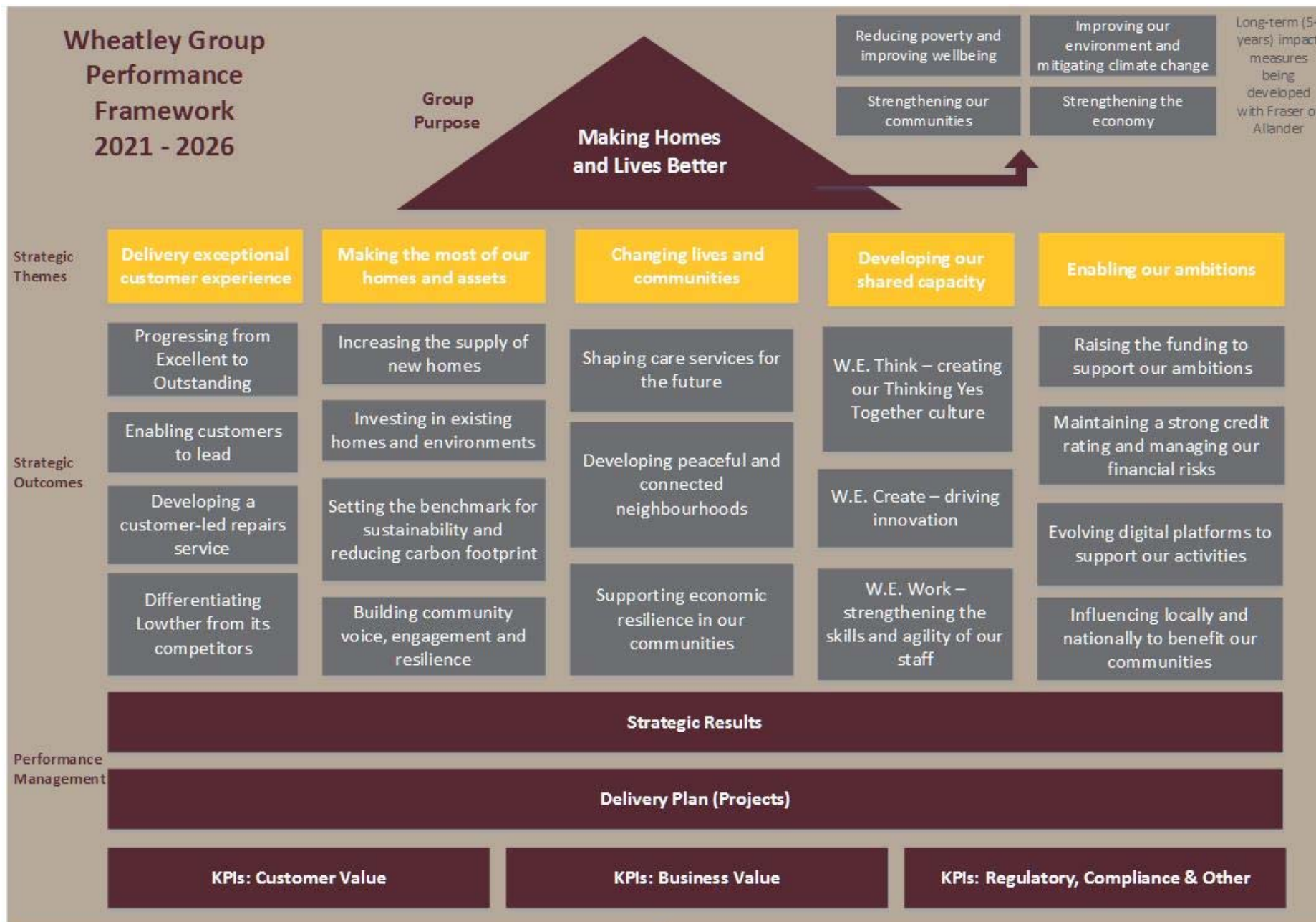
## **List of Appendices**

Appendix 1: Diagram of the Group's Performance Framework

Appendix 2: Dunedin Canmore's Strategic Results, KPIs and Targets for 2021 to 2026

Appendix 3: Strategic Projects: Board Level 2021/22

# Appendix 1: Diagram of the Performance Framework



## Appendix 2 - Performance Framework: Strategic Results and KPIs 2021 to 2026



### 1. Delivering Exceptional Customer Experience

Measures	Baseline (2020/21 unless noted otherwise)	Year 1 (2021/22)	Year 2 (2022/23)	Year 3 (2023/24)	Year 4 (2024/25)	Year 5 (2025/26)	Type of measure	Reporting Frequency
Overall customer satisfaction is above 90%	96.02% reported in 2020/21.	No annual survey of tenants will be undertaken in 2021.	94.00%	94.00%	94.00%	94.00%	Strategic result	Annually
Implement "rate it" score from the book it, track it, rate it repairs approach and aim to improve performance by 10%	New measure and new approach. Baseline to be established 2021/22.	Develop and implement new coordinated approach.	Target to be set 2021/22 following baseline.	Target to be set 2021/22 following baseline.	Target to be set 2021/22 following baseline.	>10% improvement	Strategic result	Monthly
RSL tenant satisfaction with value for money increased to 85%	87.65% reported in 2020/21.	No annual survey of tenants will be undertaken in 2021.	89.00%	90.00%	90.00%	90.00%	Strategic result	Annually
Satisfaction with complaints handling increased by 10%	Unavailable as new survey and measure.	Implement new survey approach and set baseline.	Target to be set 2021/22 following baseline.	Target to be set 2021/22 following baseline.	Target to be set 2021/22 following baseline.	Baseline + 10%	Strategic result	Monthly
Overall satisfaction among households with children improved to 90%	89.00% reported in 2020/21.	No annual survey of tenants will be undertaken in 2021.	90.00%	90.00%	90.00%	90.00%	Strategic result	Annually
90% of customers feel they can participate in the landlord's decision making	93.64% reported in 2020/21.	No annual survey of tenants will be undertaken in 2021.	94.00%	94.00%	94.00%	94.00%	Strategic result	Annually
95% of customers actively engaged in shaping services feel they participate in decision making	Survey approach to be developed and implemented in 2021/22 (Customer Engagement Strategy).	No annual survey of tenants will be undertaken in 2021.	90.00%	92.00%	94.00%	95.00%	Strategic result	Annually
Satisfaction with the process of getting my new home is improved by 10%	Survey approach to be developed and implemented.	Establish baseline.	Target to be set 2021/22 following baseline.	Target to be set 2021/22 following baseline.	Target to be set 2021/22 following baseline.	Satisfaction to be increased by 10%.	Strategic result	Monthly
Percentage of tenants who sustain their tenancies for more than 12 months	92.51%	90.00%	90.00%	90.00%	90.00%	90.00%	KPI Business value	Monthly

Measures	Baseline (2020/21 unless noted otherwise)	Year 1 (2021/22)	Year 2 (2022/23)	Year 3 (2023/24)	Year 4 (2024/25)	Year 5 (2025/26)	Type of measure	Reporting Frequency
Average number of working days to respond to stage 1 complaints (maximum of 5 days)	3.06 days	5	5	5	5	5	KPI Compliance	Monthly
Average number of working days to respond to stage 2 complaints (maximum of 20 days)	18.10 days	20	20	20	20	20	KPI Compliance	Monthly

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

Measures	Baseline (2020/21 unless noted otherwise)	Year 1 (2021/22)	Year 2 (2022/23)	Year 3 (2023/24)	Year 4 (2024/25)	Year 5 (2025/26)	Type of measure	Reporting Frequency
Group: Develop 5,500 new homes across all tenures  Dunedin Canmore: Develop up to 1,360 new homes across all tenures	Group: 413 Dunedin Canmore: 93	Social – 54 MMR - 25	Social – 162 MMR - 0	Social – 142 MMR - 66	Social – 70 MMR - 90	Social – 170 MMR - 52	Strategic Result	Monthly
Group: Invest £500m of new public and private finance in new build housing  Dunedin Canmore: Invest £182.6m of new public and private finance in new build housing	N/A	£119,100,000	£108,221,000	£112,071,000	£113,981,000	£99,351,000	Strategic Result	Annually
Achieve 95% customer satisfaction with their new build home	Baseline to be set in 2021/22.	New survey approach to be implemented.	92.00%	93.00%	94.00%	95.00%	Strategic Result	Monthly
Group: Invest £360 million in improving, modernising and maintaining homes  Dunedin Canmore: Invest £29.5m in improving, modernising and maintaining homes	£56.6 million	£86,147,000	£71,889,000	£67,260,000	£68,091,000	£67,985,000	Strategic Result	Annually
Achieve a 60:40 ratio of planned to reactive repair spending	2020/21 Annual accounts: 61%:39%	60:40	60:40	60:40	60:40	60:40	Strategic Result	Annually
Reduce the volume of emergency repairs by 10%	81,628	80,022	78,296	76,630	74,964	<10% fewer emergencies	Strategic Result	Monthly
Maintain existing tenant satisfaction with the quality of their home at over 90%	95.42%	N/A	95.00%	95.00%	95.00%	95.00%	Strategic Result	Annually
Reduce the output of CO <sub>2</sub> emissions from our homes by at least 4,000 tonnes per year	New measure.	Baseline to be agreed in year 1 then a reduction of -4,000 p.a.	-8,000	-12,000	-16,000	-20,000 Total reduction of at least 20k over 5 years	Strategic Result and Impact Measure	Annually (being developed in collaboration with Fraser of Allander Institute)



Measures	Baseline (2020/21 unless noted otherwise)	Year 1 (2021/22)	Year 2 (2022/23)	Year 3 (2023/24)	Year 4 (2024/25)	Year 5 (2025/26)	Type of measure	Reporting Frequency
Reduce our corporate carbon footprint to carbon neutral by 2026	New measure.	Baseline to be agreed in year 1	75% of baseline	50% of baseline	25% of baseline	0	Strategic Result and Impact Measure	Annually (being developed in collaboration with Fraser of Allander Institute)
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	122	0	0	0	0	0	KPI Compliance	Monthly
The average time to complete medical adaptations	10.48 days	35.00	25.00	25.00	25.00	25.00	KPI Compliance	Monthly
Percentage stock meeting the Scottish Housing Quality Standard (SHQS)	99.77%	99.00%	99.00%	99.00%	99.00%	99.00%	KPI Compliance	Annually

### 3. Changing Lives and Communities

Measures	Baseline (2020/21 unless noted otherwise)	Year 1 (2021/22)	Year 2 (2022/23)	Year 3 (2023/24)	Year 4 (2024/25)	Year 5 (2025/26)	Type of measure	Reporting Frequency
Percentage of relevant lets to homeless applicants  N.B. Strategy wording is to “meet the agreed contributions to accommodation for homeless households in each local authority we operate in.”	72.79%	50.00%	50.00%	50.00%	50.00%	50.00%	Strategic Result	Monthly
Percentage of lets to homeless applicants (Charter)	57.7%	This measure will be reported as context for the one above, so will not be targetted.	Contextual	Contextual	Contextual	Contextual	KPI Other	Monthly
House an estimated 10,000 homeless people or households over 5 years (cumulative)	Group: 2,421 Dunedin Canmore: 225	2,000	4,000	6,000	8,000	10,000	Strategic Result	Monthly
Over 70% of our customers live in neighbourhoods categorised as peaceful	Group: 69.4%	68.0%	68.5%	69.0%	69.5%	70.0%	Strategic Result	Monthly
Achieve 85% satisfaction with Wheatley Environmental Services	Baseline to be established in 2021/22.	Baseline to be agreed in year 1.	Target to be set 2021/22 following baseline.	Target to be set 2021/22 following baseline.	Target to be set 2021/22 following baseline.	85.0%	Strategic Result	Monthly
Reduce the number of accidental dwelling fires by 10%	Group: 216 ADFs Dunedin Canmore: 9 ADFs	2% reduction from baseline figure	4% reduction from baseline figure	6% reduction from baseline figure	8% reduction from baseline figure	10% reduction from baseline figure	Strategic Result	Monthly
100% of relevant properties have a current fire risk assessment in place	100%	100%	100%	100%	100%	100%	Strategic Result	Quarterly
The percentage of non-relevant properties that have a current fire risk assessment in place according to risk profile	33%	66%	100%	100%	100%	100%	KPI Compliance	Quarterly

Measures	Baseline (2020/21 unless noted otherwise)	Year 1 (2021/22)	Year 2 (2022/23)	Year 3 (2023/24)	Year 4 (2024/25)	Year 5 (2025/26)	Type of measure	Reporting Frequency
The percentage of HMOs that have a current fire risk assessment in place	100%	100%	100%	100%	100%	100%	KPI Compliance	Quarterly
Group: 4,000 jobs and training and apprenticeship opportunities delivered Dunedin Canmore: 170 jobs, training and apprenticeships delivered	Group: 700	Group: 700 DC: 30	Group: 1,450 DC: 60	Group: 2,300 DC: 95	Group: 3,150 DC: 133	Group: 4000 DC: 171	Strategic Result	Monthly
Group: 250 customers have been supported to attend higher education and university through Wheatley bursaries Dunedin Canmore: 20 customers supported by Wheatley bursaries to attend higher education and university	Group: 77	Group: 50	Group: 100	Group: 150	Group: 200	Group: 250	Strategic Result	Annual
10,000 vulnerable children benefit from targeted Foundation programmes Dunedin Canmore: 420 vulnerable children benefit from targeted Foundation programmes	New measure	Group: 1,400 DC: 60	Group: 3,200 DC: 133	Group: 5,450 DC: 228	Group: 7,850 DC: 334	Group: 10,000 DC: 429	Strategic Result	Annual
60% of tenants with online accounts are using the My Savings rewards gateway	10%	20%	30%	40%	50%	60%	Strategic Result	Annual
Reduce the cost of running a home by 10% by 2026	New measure	Baseline to be agreed in year 1.	Target to be set 2021/22 following baseline.	Target to be set 2021/22 following baseline.	Target to be set 2021/22 following baseline.	Target to be set 2021/22 following baseline.	Strategic Result and Impact Measure	Annually (being developed in collaboration with Fraser of Allander Institute)
Percentage of customers offered housing options consultation	New measure, baseline to be set 2021/22	Baseline to be agreed in year 1.	Target to be set 2021/22 following baseline.	Target to be set 2021/22 following baseline.	Target to be set 2021/22 following baseline.	Target to be set 2021/22 following baseline.	KPI Compliance	Monthly
Increase the number of active users of MySavings to 5,000 as part of our commitment to reduce the cost of running a home.	500	1,000	2,000	3,000	4,000	5,000	KPI Other	Monthly

#### 4. Developing Our Shared Capacity

Measures	Baseline (2020/21 unless noted otherwise)	Year 1 (2021/22)	Year 2 (2022/23)	Year 3 (2023/24)	Year 4 (2024/25)	Year 5 (2025/26)	Type of measure	Reporting Frequency
Over 90% of staff say they feel appreciated for the work they do	80.00%	80.0%	82.0%	85.0%	88.0%	91.0%	Strategic Result	Annual
Staff absence is maintained at 3%	1.45%	3.0%	3.0%	3.0%	3.0%	3.0%	Strategic Result	Monthly
Staff turnover remains at less than 7%	7%	7%	7%	7%	7%	7%	Strategic Result	Annual
Over 80% of customers self-report positive distance travelled towards 'self-reliance'	Baseline to be measured once approach is introduced.	Implement approach.	Establish baseline.	Target to be set 2022/23 following baseline.	Target to be set 2022/23 following baseline.	80.1%	Strategic Result	Monthly
40% of promoted posts are filled with internal candidates	40%	40%	40%	40%	40%	40%	Strategic Result	Annual
250 young people are provided with structured opportunities to build their skills within the business	35	35	50	55	55	55	Strategic Result	Annual
50 graduates are provided with opportunities to work and gain experience in our sectors	36	25	50	51	51	51	Strategic Result	Annual
Our workforce's demographic makeup more closely resembles that of the communities in which we operate	New measure.	Indicators will be agreed during years 1-2 and introduced in year 3.	Indicators will be agreed during years 1-2 and introduced in year 3.	Indicators and baselines introduced.	Target to be set 2023/24 following baseline.	Target to be set 2023/24 following baseline.	Strategic Result	Annual

## 5. Enabling Our Ambitions

Measures	Baseline (2020/21 unless noted otherwise)	Year 1 (2021/22)	Year 2 (2022/23)	Year 3 (2023/24)	Year 4 (2024/25)	Year 5 (2025/26)	Type of measure	Reporting Frequency
Limit annual RSL rent increases to 2.9% throughout the life of the strategy	3.40%	2.90%	2.90%	2.90%	2.90%	2.90%	Strategic Result	Annual
Maintain a strong investment grade rating of A+ stable	A+ Stable	A+ Stable	A+ Stable	A+ Stable	A+ Stable	A+ Stable	Strategic Result	Annual
Reduce gross rent arrears to 4%	3.84%	4.29%	4.44%	4.33%	4.13%	3.78%	Strategic Result	Monthly
Average days to let a home maintained at less than 14 days	2019/20 = 9.68 days	See proposed quarterly targets below	<14	<14	<14	<14	Strategic Result	Monthly
Quarterly targets for average days to let in year 1	ARC 2020/21 = 52.60	Q1 = 25.0	Q2 = 22.5	Q3 = 20.0	Q4 (Year End) =18.9	N/A	KPI Business Value	Monthly
Over 50% of customers actively using their online account to make transactions with us	New measure.	Baseline to be established and targets to be set 2021/22.	Target to be set 2021/22 following baseline.	Target to be set 2021/22 following baseline.	Target to be set 2021/22 following baseline.	50%	Strategic Result	Monthly
Percentage of court actions initiated which resulted in eviction	0%	33%	33%	33%	33%	33%	KPI Compliance	Annual

### Appendix 3 - Strategic Projects – Board Level: 2021/22

Strategic Theme	Strategic Projects
Delivering Exceptional Customer Experience	Strategic Outcome - Progressing from Excellent to Outstanding
	Implement new engagement framework - Phase 1
	Develop a Wheatley Whole Family approach
	Strategic Outcome - Enabling Customers to Lead
	Introduce new cloud-based telephony system
	Develop new RSL online services model – Solutions Board
	Strategic Outcome - Developing a Customer Led Repairs Service
Making the most of our Homes & Assets	Refine Repairs Delivery Model
	Strategic Outcome - Investing in existing homes & environments
	Implement Group corporate estate model - phase 1
	Wyndford Regeneration
	High Rise Living Framework Year 2 – GHA Board
	Strategic Outcome - Setting the benchmark for sustainability and reducing carbon footprint
Changing Lives & Communities	Wheatley Green Investment Plan
	Strategic Outcome - Shaping Care services for the future
	Glasgow Alliance to End Homelessness 1-year review
	Redesign the TSS Service
	Care policy framework reviewed
	Strategic Outcome - Developing peaceful and connected neighbourhoods
	Revised Groupwide ASB Prevention & Mitigation framework
Review Group Fire Prevention & Mitigation Framework including digital solutions	

Strategic Theme	Strategic Projects
Developing our Shared Capability	Strategic Outcome - WE Think – creating our Thinking Yes Together culture
	Develop new leadership development programme
	Strategic Outcome - WE Work – strengthening the skills and agility of our staff
	Strategic governance review
Enabling our Ambitions	Strategic Outcome - Raising the funding to support our ambitions / /maintaining a strong credit rating and managing financial risks
	Raise additional funding for Lowther Homes
	Restructure funding syndicate
	Strategic Outcome - Evolving digital platforms to support our ambitions – Solutions Board
Establish digital maturity approach and assessments	



## Report

**To:** Dunedin Canmore Housing Board

**By:** Hazel Young, Managing Director

**Approved by:** Steven Henderson, Group Director of Finance

**Subject:** Fire Prevention and Mitigation update

**Date of Meeting:** 27 May 2021

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### 1. Purpose

1.1 The purpose of this report is to present the Dunedin Canmore Board with an update on:

- Our on-going approach to the prevention and mitigation of fire during the Covid-19 pandemic;
- Our end of year performance in relation to the reduction of accidental dwelling fires;
- Progress with the continued development and implementation of our Fire Prevention and Mitigation Framework;
- Progress with our MSF and Living Well Fire Risk Assessment (FRA) programme; and
- New reporting arrangements being introduced via the Group Audit Committee.

### 2. Authorising and strategic context

2.1 The Group's Authorise/Monitor/Manage (AMM) matrix sets out what matters are reserved to Boards/Committees and what is delegated to the Group Chief Executive. This report relates to strategy implementation, as such the proposals within the report fall within the powers that are delegated to the Group Chief Executive which are exercised via the Group Executive.

2.2 Fire safety is a critical issue Group wide in terms of compliance. To reflect this the report sets out new reporting arrangements being introduced through the Group Audit Committee to provide additional scrutiny and assistance.

### 3. Risk appetite and assessment

3.1 The Group risk appetite relating to issues of technical compliance is averse, defined as avoidance of risk and uncertainty is a key organisational objective.



3.2 The Group Board approved “Delivering Safer Communities: Our Fire Prevention and Mitigation Framework” in August 2017. This report provides Board with assurance in relation to the on-going implementation of the Framework and our ability to respond to new guidance and legislation.

3.3 Further to this the report also provides Board with assurance in relation to our ability to respond effectively to the constraints that the Covid 19 pandemic has placed on our business as normal fire prevention and mitigation services.

#### 4. Background

4.1 As a Group we are proud to be nationally and internationally recognised for defining excellence and we have an outstanding record in delivering sector leading levels of service and innovation in all fields in which we operate. Within the context of fire safety our commitment to delivering excellence has been endorsed by the Scottish Government’s, Building Safer Communities, and Unintentional Harm Hub who highlighted our Community Improvement Partnership (CIP) Fire Safety Operating Model as a Fire Prevention Exemplar.

4.2 Notwithstanding this, fire safety, and keeping our customers and communities as safe as they possibly can be, will always be of paramount importance to Group and this is recognised within our new Group 2021-2026 Strategy: Your Home, Your Community, Your Future (YHYCYF), in which we clearly state that fire safety will remain a top priority. This commitment has even greater significance and relevance in these unprecedented times, and it is crucially important that we can demonstrate to customers, Boards and funders how we have redesigned our fire safety services and resources to take account of the constraints the Covid 19 pandemic placed on us.

4.3 This report will therefore summarise our fire safety approach and performance pre Covid 19; how we have subsequently adapted our model to reflect the challenges that the pandemic has presented us with and, importantly, how we have reintroduced our services in a phased manner that reflects resource availability and national guidance.

4.4 As a key strategy for Group, the Fire Prevention and Mitigation Framework (FPMF) is the document that evidences to all stakeholders the importance we place on fire safety and how we go about ensuring our homes are constructed, managed and maintained in a way which maximises fire safety for our customers.

4.5 It clearly sets out our ambition around the range of ways in which we will further improve the safety of tenants and customers. These interventions have been integrated within a larger scale programme of works and set out against four ‘P’s or Pillars’: *Preventing and Protecting, People and Communities, Partnership and Collaboration and Pioneering Products and Services.*

**1**

**PREVENTING  
AND  
PROTECTING**

**2**

**PEOPLE  
AND  
COMMUNITIES**

**3**

**PARTNERSHIP  
AND  
COLLABORATION**

**4**

**PIONEERING  
PRODUCTS AND  
SERVICES**

- 4.6 Throughout the life of our 5-year FPMF we have committed to designing and delivering our activities through these pillars. Each pillar has been supported by a detailed implementation plan and high level success measures that were also identified within Framework document. Since being approved in August 2017 Board has received a number of updates on the continued successful implementation of the actions aligned to the four 'P's'; with the most recent update being presented to Board in June 2020.
- 4.7 Whilst recognising that the FPMF is not due to be reviewed in its entirety until August 2022 we have taken this opportunity to update it to ensure it:
- Remains relevant and is aligned to newly published national guidance such as the Scottish Government's Practical Fire Safety - Existing High Rise Domestic Buildings Guidance and their Practical Fire Safety for Existing Specialised Housing and Similar Premises;
  - Has updated narrative that aligns to our 2021/26 strategic outcomes and objectives; and
  - Has an updated action plan that ensures we will continue to innovate and develop services, products and partnerships that keep our communities safe and set the bar for other organisations to follow.
- 4.8 Further to this, and in recognition of the importance Group places on delivering unrivalled fire prevention and mitigation services, we have continued to set extremely challenging targets in relation to the reduction of Accidental Dwelling Fires or ADFs. We have been recording ADFs in the East from June 2019 and since then 19 have been recorded in Dunedin Canmore properties. Across Group, these targets have resulted in a 32% reduction in ADFs (for GHA, Cube and Loretto) over the last three-year period. During the course of our 2021/26 Strategy we aim to build on the outstanding success already achieved. With 9 ADFs reported in 2020/21 in Dunedin Canmore we will continue to ensure our homes are constructed, managed and maintained in a way which maximises fire safety for our customers. This report will provide Board with additional detail on the ADF performance delivered to date and the baseline figure that will be applied as we work towards our Group target of a 10% reduction by 2026.
- 4.9 Whilst FRAs for the common areas of domestic premises are not a legal requirement under Part 3 of the Fire (Scotland) Act 2005, it is a strong recommendation within the Scottish Government Practical Fire Safety - Existing High Rise Domestic Buildings Guidance that those organisations responsible for the management of high rise blocks carry out an assessment of fire risk in their buildings as part of their corporate responsibility. The guidance further states that a new FRA should be undertaken every 3-years and this should be supplemented with an annual review. Board approved our proposed approach to FRA inspections in December 2019.
- 4.10 This report will provide Board with an update on the positive progress being made with the implementation of our FRA programme of inspections despite the onset of the Covid 19 pandemic and the associated issues that arose during the early days of lockdown.

## **5. Customer engagement**

- 5.1 Our updated FPMF has a very clear focus on further enhancing our approach to digital and face to face customer engagement. Over the last 3 years our Fire Safety Team have visited over 800 customers in their homes to deliver fire safety products and services. Each one of these visits afforded our staff the opportunity to engage with customers and discuss how we could further improve our fire safety product range. In 2020/21 - 43 referrals were made for Dunedin Canmore customers for a home fire safety visit to be carried out.
- 5.2 In addition to this our ongoing 'Stay Safe' campaign constantly pushes out fire safety messages and receives feedback through our various customer engagement websites, newsletters and other social media channels such as Facebook and twitter.

## **6. Discussion**

### **Our Approach to Fire Prevention and Mitigation Post Covid 19 Lock Down**

- 6.1 Since our last update to Board in June 2020 we have continued to review our approach to the prevention and mitigation of fire whilst, at all times, making sure that we adhere to UK and Scottish Government Guidance in relation to lockdown restrictions and social distancing. Reassuringly we have now been able to reinstate all of our core fire prevention and mitigation services as well as responding effectively to areas of risk that have arisen due to a reduction in services from strategic partners such as the SFRS and Local Authorities. Detailed below for Board information are updates on the following key areas:
- Local Authorities suspending bulk uplifts and therefore increasing the risk of fire within internal common areas, back courts and open spaces;
  - Fire Safety Officers (FSOs) ability to respond to instances of fire or referrals of high risk individuals from Housing Officers;
  - SFRS suspending HFSVs and quarterly block inspections of our MSFs; and
  - Impact of lockdown on our Fire Risk Assessment programme.

#### **Local Authorities suspending bulk uplifts**

- 6.2 Edinburgh currently has no bulk uplift service in place and they are encouraging customers to access their depots to dispose of their own bulk waste. In West Lothian they have resumed an appointment based system where a charge is passed on to the customer (£15 for x3 items).
- 6.3 To minimise the risk from fire, we created geographic teams within our Environmental Service to remove bulk items. Importantly, those teams ensured we continued to have a visible presence across our stock, flagging up any other issues that they encountered. Our Environmental Teams continue to play an active part in fire safety, inspecting areas and removing risks caused by fly-tipping

## **Fire Safety Officers (FSOs) ability to respond to instances of fire or referrals of high risk individuals from Housing Officers**

- 6.4 Whilst adhering to social distancing guidance, and using the appropriate PPE, our FSOs have, since the last Board update in June 2020, recommenced visiting high risk or vulnerable customers. Following the intervention and assessment visit, the FSO will, where appropriate, arrange to drop off any relevant fire safety products, or arrange for additional works to be undertaken. This can include, for example, fire retardant bedding, air fryers or stove guards being fitted to cookers. The continued promotion of our Stay Safe Campaign, to both customers and staff, has led to an increased awareness of the importance of fire safety. FSO's have also played a role in supporting Housing Officers in addressing the inappropriate disposal of rubbish with customers, raising awareness and promoting appropriate tenancy management to keep both them, and their neighbours, safe.

### **SFRS suspending HFSVs**

- 6.5 Whilst SFRS had originally suspended all HFSVs they have now reintroduced them for high risk and extremely vulnerable households. We continue to receive follow up information from SFRS following the HFSV and, if appropriate, our FSOs also undertake a separate visit to carry out an assessment of risk and identify any products or services that could help mitigate this risk.
- 6.6 The quote below from Cathy Barlow, National Partnership Lead for SFRS clearly recognises the important role we have played in supporting them keep our customers and communities safe during these most challenging of time:

*“SFRS are proud to continue our strong partnership with the Wheatley Group which has contributed to a reduction in incidents not only in Glasgow, but across all of the Group’s locations.*

*The last year has presented challenges for SFRS and in response to the COVID-19 outbreak, we have dramatically changed working practices so we could continue to deliver an emergency service whilst keeping staff and the public safe. Fire safety within the home however remains a key priority for SFRS as the consequence of fires within the home can result in a range of impacts on individuals, families and communities. We recognise that the Wheatley Fire Safety Operating Model has significantly contributed to reducing accidental dwelling fires and look forward to working with the Group as we develop our approach to HFSV post-covid restrictions and introducing our Safe and Well approach”.*

## Impact of Lock Down on our Fire Risk Assessment programme

- 6.7 The agreed three year FRA programme initially commenced in February 20. Unfortunately, however, this work had to be suspended on the 9<sup>th</sup> March due to the on-going Covid 19 lock down restrictions. The programme recommenced in October 20 and two additional FSOs were recruited at this time to allow us to continue undertaking vulnerable/high risk customer visits and interventions. Despite the disruption caused by Covid 19 and the associated lock down period we are still on track to complete inspections of all 136 MSFs and 42 Living Well/retirement complexes within the original three-year timeframe, Additional detail is provided later in this report on the extremely positive progress made to date with our FRA programme.
- 6.8 Pre Covid, the Fire Safety Team had started a project to carry out Fire Risk assessments at a selection of Pre 1919 Sandstone properties in Dunedin Canmore. The initial scoping exercise identified the number of applicable properties and the number of fire related incidents. As the Covid restrictions ease this project will resume with a report being submitted to the Managing Director. It is intended that the Fire Safety Officer will be accompanied by a Crime Prevention Officer from our Community Improvement Partnership. The report will include recommendations to improve safety and security.

## Our end of year performance in relation to the reduction of accidental dwelling fires

- 6.9 Detailed below in table 1 is an update on the end of year performance figures for the reduction of ADFs. Further analysis and contextual information is also provided that demonstrates our understanding of key information such as causal factors and severity of fires. Importantly we are also able to evidence how we are making a positive contribution to Scottish Fire and Rescue performance indicators.

**Table 1: Accidental Dwelling Fire Performance Update**

SFRS ADF INCIDENT DATA	2017/18	2018/19	2019/20	2020/21	Volume Change 2017/19 – 2020/21
<b>ADFs West</b>	269	240 (-29)	217 (-23)	182 (-35)	-87
<b>% reduction</b>		-11%	-10%	-16%	-32%

- 6.10 It should be noted that the information contained within the table above relates to Glasgow and the West only. However, during 2020/21 SFRS have also been sharing their ADF data for all other Group RSL subsidiaries. Moving forward, this this will allow us to report on Group wide performance from 2021/22 onwards and, importantly, set a Group baseline figure to apply the YHYCYF 10% target reduction to. For Dunedin Canmore, WLHP and DGHP there were 33 ADF's recorded in 2020/21 - 9, 1 and 23 respectively.
- 6.11 We know from information provided by SFRS that ADFs for the wider Glasgow and the West area have reduced by a total of 19% since 2018/19. These figures put into stark context the outstanding achievements delivered by Group over the last three years in terms of fire prevention and mitigation; by consistently implementing the commitments within our FPMF we have managed to reduce our ADFs across Glasgow and the West by 32%. This performance should also be looked at in the context of our stock profile and customer demographics compared to Glasgow and the West as a whole. Add to this the fact that our LD1 and LD2 smoke and heat detection programme is resulting in more minor fires being reported to SFRS by customers and our performance becomes even more impressive.
- 6.12 The information above and the following quote from Roddie Keith, the SFRS Area Commander for Glasgow, evidences the key role we play in, not only protecting our customers and communities from the risk of fire, but also how we are making a positive contribution to Scottish Fire and Rescue performance indicators.

*"The partnership between the Scottish Fire & Rescue Service and The Wheatley Group has grown steadily over the last number of years and provides tremendous benefits for both parties. This has never been so evident or so necessary as it has been over the last 12 months. The proactive approach and willingness for teams to work together has proven invaluable in supporting those most vulnerable across the city. As we move from our well established Home Fire Safety Visit programme into a new and exciting work stream of "Safe and Well" we are extremely grateful that Wheatley, one of our largest and most robust partners, is so keen and committed to supporting the development of this initiative. We value this partnership highly and hope that it continues to strengthen as we find ourselves exiting this historic period of extreme challenge and move into our new normal together."*

- 6.13 Following a detailed analysis of the root causes of ADFs and the additional intelligence available from SFRS it has been established that during 2020/21:
- There continued to be a consistent theme in relation to very small fires within kitchen areas. 161 or 75% of all Group wide ADF's occurred in kitchens and 158 of these were minor fires with the majority being resolved by SFRS removing a pot from the cooker or switching the cooker off.
    - The fires mainly involve lone persons being distracted or having fallen asleep whilst cooking. The fitting of the new enhanced LD1 and LD2 smoke and heat detection system is helping to ensure that fires/potential fires are detected earlier and SFRS are therefore notified quicker and more often.

- There were only 5 fires involving chip pans. Over the course of the last two years our FSOs have provided customers with 144 Air Fryers to replace traditional chip pans.
- There were 9 what we deem to be 'Significant Fires' involving injury to a person or significant damage to property.

### **Progress with the continued development and implementation of our Fire Prevention and Mitigation Framework**

6.14 Since being approved in 2017 Board has been provided with annual update reports on the implementation of the FPMF and the outstanding progress we have made in delivering on the strategic commitments and actions aligned to the four Pillars. In addition to the aforementioned reduction in ADFs noted below are just some high level examples of what we have achieved during this three-year period:

#### **Investment and Repairs**

6.15 Circa £14.2 of fire safety investment work delivered by City Building Joint Venture and Dunedin Canmore Property Services. This includes:

- Fire stopping works within our MSF portfolio;
- An extensive fire door repair and replacement programme;
- A programme of bin chute replacement and upgrades;
- Replacing and installing new safety signage;
- Installing emergency lighting;
- A programme of bin store sprinkler systems replacements; and
- Pilot work for a cable a clipping programme within our MSF stock.

#### **Stay Safe Campaign**

6.16 Our Stay Safe communications campaign has made a major contribution to keeping customers in Wheatley communities safe by pushing out key fire safety messages and encouraging the uptake of home fire safety visits. The communications team worked with Wheatley's seconded SFRS officer to create clear and simple messaging around themes - for example fire safety; burns and scalds; Christmas safety; Bonfire night and child safety. Our newsletters, in particular, have played a key role in reaching customers. Stay Safe has featured in every issue of our newsletters since the launch of the campaign, including being the lead story on the front pages.

On our website, we created dedicated Stay Safe sections with advice tailored to individual rooms, including:

- Kitchen safety;
- Bathroom safety;
- Living room safety;
- Bedroom safety;
- Closets, foyers and stairwell safety;
- Trips and falls; and
- Multi-storey flats safety.

In 2020 we refreshed the campaign, focusing on new digital content for our increasingly popular social media channels. Our in-house design team created a series of GIFS and videos for our Facebook and Twitter channels. These bright and engaging GIFS were rolled out each month around a different theme, for example the danger of smoking in bed. In addition to our social media posts we have continued to support and share Scottish Fire and Rescue Service's Facebook and Twitter messages; this included an online home fire safety quiz as home visits were suspended due to the lock down restrictions.

### **Fire Safety Visits during the period of our FPMF**

- 6.17 In the last 3 years our FSOs have visited over 850 vulnerable households and carried out individual property and person centred risk assessments. Following these visits the appropriate fire safety advice and products are issued. In addition to this we have worked with SFRS to ensure circa 7,500 Home Fire Safety Visits were undertaken in our customers' homes.

### **Ongoing Partnership with Scottish Fire & Rescue Service**

- 6.18 In addition to having a seconded Watch Manager from SFRS the Group meets every two months with the SFRS Prevent & Protect Directorate at SFRS, HQ in Cambuslang to explore new ways to work in partnership to further reduce accidental dwelling fires. Working with SFRS over the last three years we have collaborated and delivered on the following projects and initiatives:

- Development of our Group/SFRS Fire Safety & Prevention Charter which setting out our eight joint commitments to prevent accidental dwelling fires and keep customers safe in their homes;
- Facilitated staff visits to the SFRS Safe House in Cambuslang to better understand the risks associated with fire and how best to mitigate these;
- Researching and exploring new fire safety products that can be issued to our most vulnerable and at risk customers; and
- Presenting our Fire Safety operating model to the SFRS Senior Management Teams in Glasgow, Lanarkshire & Dumfries & Galloway which has greatly assisted in further cementing our local partnerships and improving joint working. Additional meetings with other Senior Management Teams, such as Edinburgh, are scheduled to take place.

- 6.19 The successful delivery of new initiatives and services such as those noted above have allowed us to clearly evidence success in achieving our strategic vision of making our communities safer for all and being recognised as sector leaders in the prevention of death and injury from fire incidents. Notwithstanding this we recognise standing still is not an option for Wheatley irrespective of how good our current performance is. The interim review of our FPMF will help us deliver on our strategic ambition to move from excellent to outstanding in all areas of our fire prevention and mitigation service design and delivery. The latest version of our FPMF is attached as Appendix 1 for Board information and comment and noted below are examples of just some of the key work streams we will be taking forward:



- We are working closely with our SFRS colleagues to redefine customer vulnerability and develop a partnership approach to delivering Safe and Well visits that will not only prevent accidental dwelling fires but reduce accidents in the home;
- We will shortly be testing a new range of pioneering fire suppressant products that may assist in extinguishing small fires. Our intention is to have customers involved in the testing and evaluation of the products using the fire training area and safe house at SFRS, HQ in Cambuslang;
- We are collaborating with SFRS, Police Scotland and Scottish Community Safety Network to develop a 'Community Messaging' platform that will enable Group to provide the latest community safety messages to our customers at a very local level and provide a secure two way messaging system that will enable customers to provide community information and intelligence in a safe and secure way; and
- We are also developing a digital method for capturing fire risk assessments, this could significantly reduce the time involved in the current process. It will also automate actions and updates and providing more detailed management information.

### **Reporting arrangements**

6.20 Moving forward the Group Audit Committee will receive a quarterly report that provides key performance information in relation to the on-going implementation of our MSF and LivingWell FRA programme of inspections. This will include:

- Progress with the number and type of FRAs completed during the previous quarter and compliance with our agreed programme and timescales;
- The number and type of FRA actions raised and completed during previous quarter and associated timescale for completion;
- Updates on any specific areas of concern that may have wider implications for similar property types; and
- Information on the forward plan for FRA inspections.

### **Summary**

6.21 The safety of our tenants and customers is of paramount concern to our Group. We already have an outstanding track record of fire prevention delivered through a range of proactive approaches.

6.22 The ongoing development and implementation of our FPMF further builds on this, demonstrating our commitment to our tenants and stakeholders, setting out a range of ways in which we can further improve safety across our Group.

6.23 Our outstanding approach to the continued development of partnerships and services pre and post Covid pandemic is clearly evidenced within this report and the review of our FPMF will ensure this continues.

## **7. Digital transformation alignment**

- 7.1 Our FPMF sets out a clear direction for how we will continue to improve our already sector leading fire safety operating model by maximising current and future opportunities for digital transformation. The appropriate communication and engagement has taken place with internal stakeholders to ensure this work aligns to our new digital transformation programme.

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

- 8.1 There are no value for money implications arising from the content of this report.

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

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

## **10. Equalities implications**

- 10.1 There are no equalities implications arising from the content of this report.

## **11. Environmental and sustainability implications**

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

## **12. Recommendations**

- 12.1 It is recommended that Board notes:
- 1) Our on-going approach to the prevention and mitigation of fire during the Covid-19 pandemic;
  - 2) Our end of year performance in relation to the reduction of accidental dwelling fires;
  - 3) Progress with the continued development and implementation of our Fire Prevention and Mitigation Framework; and
  - 4) Progress with our MSF and Living Well Fire Risk Assessment (FRA) programme.
  - 5) The new reporting arrangements via the Group Audit Committee.

## **List of Appendices**

Appendix 1 Updated Fire Prevention and Mitigation Framework

# Our Fire Prevention and Mitigation Framework - Delivering Safer Communities 2021-2026

- 1** PREVENTING & PROTECTING
- 2** PEOPLE & COMMUNITIES
- 3** PARTNERSHIPS & COLLABORATION
- 4** PIONEERING PRODUCTS & SERVICES

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# Introduction and background

The Wheatley Group (The Group) is Scotland's leading housing, care and property management organisation. It comprises of six Registered Social Landlords (RSLs), one care organisation and two commercial organisations. In addition to the subsidiary organisations, the Group also entered into a joint venture in April 2017 with City Building Glasgow.

As the largest and most diverse landlord in Scotland, we recognise the crucially important role we have in ensuring our customers are safe in their homes. ***Your Home, Your Community, Your Future***, our 2021-26 five-year strategy, acknowledges that customers feeling safe and secure in their homes is of paramount importance and all RSLs commit to a shared vision and passion for improving the homes and lives of those in our communities.

As a Group we are nationally and internationally recognised for defining excellence and have an outstanding track record in delivering sector leading standards of service and innovating in all fields in which we operate.

We know that across the UK hundreds of preventable fire deaths and injuries occur every year in places where people should feel safe – **their homes**. We recognise the crucially important role we have in ensuring our homes are constructed, managed and maintained in a way which maximises fire safety for our customers.

Our first Fire Prevention and Mitigation Framework is already regarded as sector leading and a fire prevention exemplar it has significantly contributed to a **32% reduction** in Group accidental dwelling fires over the last three years. Our Community Improvement Partnership broke new ground in close and effective working between Wheatley staff and the fire service. It has created strong results for tenants and communities across the Group. Not only does this facilitate joint working, the sharing of data across services means we can all provide more effective responses. The data also allows us to focus our work in communities which are particularly affected and to influence other partners to deliver services which may be required.

A fire safety “customer confidence cycle” approach has been developed by our Fire Safety Team. This recognises that by identifying vulnerable customers and providing ‘pioneering fire safety products and services’ to those customers that we can significantly mitigate the risk of an accidental dwelling fire occurring, keeping all our customers and communities safe.

Our new updated Framework will take these developments to the next level, further reducing accidental dwelling fires. We have set a challenging target that ***by 2026 we will have reduced accidental dwelling fires by a further 10% and 100% of applicable properties have a fire risk assessment.***

It will ensure that our approach to reducing accidental dwelling fires is underpinned by the key aspects of our Group strategy. It will also support many of the other key aims in the strategy. These include the increase in the number of homeless households we house – many of these are likely to be vulnerable or have suffered trauma so our approach will help ensure that these households settle while maintaining stable communities

Our strategy also sets out ambitious targets to deliver 5,500 new build homes across 5 years. Our expertise will help to ensure we can design out the opportunities for accidental dwelling fires to occur in the first place.

Customers will co-create our approaches and priorities using our new customer engagement framework “**Stronger voices, stronger communities**”. Our new operating model, developed to support our Group Strategy, is based on highly skilled staff who can empower customers to get the services and support they require. We will increasingly look to digital and easy access approaches so that people can quickly tell us what they want us to hear. In turn we can then respond effectively and quickly while ensuring that no-one is left out.

This updated Framework will embed our approach to fire safety and prevention across all areas of the Group. Our aim is that all our staff will have an understanding of fire safety measures and the skills to help customers stay safe in their homes. We will work with our customer facing staff to ensure that they have the training they need to deliver this aim. Training will apply across all services including the call centre, housing officers, concierges and care staff so that they can respond well to ‘at risk’ customers and can understand underlying issues which may be relevant.

Our approach is laid out within this Framework under four distinct themes. These are:

- **Preventing and Protecting**
- **People & Communities**
- **Partnerships & Collaboration**
- **Pioneering Products & Services**

We know that the right intervention at the right time is key – effective, early support will help address issues before they become major problems. We know that almost half of our customers who have experienced an accidental dwelling fire have an underlying vulnerability.

We will expand our use of shared data, information and expertise to identify customers who most need our support, addressing the root cause of their behaviour before it starts to affect their likelihood of having an accidental dwelling fire. Our approach will be based on the bedrock of staff – concierges, housing officers, care officers and anyone with customer contact - who understand the impacts of risky behaviours and who can help people make connections in the community. This approach can help to change lives, not just reduce the risk of an accidental dwelling fire.

Our expert fire safety team will be able to use this information alongside a trauma informed approach to work with individuals to improve their behaviour and to support families which are impacted. Our integrated approach to housing, care and to changing lives will mean our customers can access a wide range of specialist services from us, directed by them, to meet their needs.

However, many of our customers will require more specialist services, particularly in relation to substance abuse or mental health. We will use our strong partnerships to build better pathways to support these customers whether that is care, risk management assessments, enforcement or a mix of interventions.

Our partnership approach will also help to provide focused intervention from all agencies where there are major issues of fire safety. These interventions will be directed and influenced by the priorities identified by our communities where this is appropriate. Our staff and partners will be able to tap into wider Wheatley services to help people settle in a community, to gain employment skills and to gain confidence through volunteering in their neighbourhood.

Increasingly digital spaces will be an important form of contact and our Group strategy is committed to developing these for the benefit of neighbourhoods. Physical locations will also continue to create a sense of community with space for groups to meet.

The implementation of this Framework will ensure we build on our already outstanding locality planning approach and take a lead role in influencing other organisations and agencies in the interests of our customers. Importantly, it will also enable our customers and communities to have their voice heard and empower them to influence the design of services they need and want. A key building block to delivering on this ambition will be the continued development of our existing sector leading approach to establishing common objectives, sharing data and agreeing co-ordinated approaches and common indicators of success with our partners.

The Framework will be a key building block in achieving our strategic vision '**Customers having increased control over their services, their communities and their lives, with new opportunities for building skills and resilience**'. It will do this by building choice and control in the heart of communities, helping customers to make their own communities safer and stronger.

The key Group strategic target for this Framework is that we **further reduce accidental dwelling fires by a further 10%**. However, the Framework also supports a number of other strategic targets:

#### Delivering exceptional customer experience:

- Overall customer satisfaction is above 90%
- RSL tenant satisfaction with value for money is increased to 85%
- Overall satisfaction amongst households with children is improved to 90%
- 90% of customers feel they can participate in the landlord's decision making
- 95% of customers actively engaged in shaping services feel they participate in decision making

#### Changing lives and communities

- 4,000 jobs, training and apprenticeships delivered
- 250 customers have been supported to attend higher education and university through Wheatley bursaries
- 10,000 vulnerable children benefit from targeted Foundation programmes

#### Enabling our ambitions

- Over 50% of customers actively use their online account to make transactions with us

## Our Organisation

Wheatley Group has a unique integrated Group value proposition that gives our customers unrivalled access to expertise and resources across housing, homelessness, care, support, advice, training, volunteering and employment. Our Subsidiaries are:



Glasgow Housing Association, Scotland's largest social landlord, has more than 40,000 affordable homes in Glasgow. GHA works closely with Scottish Fire & Rescue (Glasgow) and the Glasgow City Council Multi Agency Tasking & Coordinating Group. Wheatley Group are also represented on Glasgow's Strategic Community Planning and Safe Glasgow Groups.

Glasgow, as Scotland's largest city, has the highest proportion of accidental dwelling fires. The proportion of ADF incidents reported to us in GHA is broadly in line with its proportion of stock and accounts for almost 80% of incidents. This is often concentrated in areas of high deprivation – in 2019 nearly half of Glasgow's population lived in areas identified as amongst the 20% of most deprived communities in Scotland. Almost a quarter of the most deprived zones in Scotland are to be found in Glasgow.



Loretto Housing Association has more than 1,300 affordable homes across the central belt and works closely with Scottish Fire & Rescue and a number of local authorities to prevent accidental dwelling fires. Our Loretto housing has a higher proportion of customers in supported or specialist accommodation where we work closely with care colleagues.



DGHP joined Wheatley Group in December 2019 with 10,300 affordable homes spread from Dumfries to Stranraer. It provides the majority of the social rented stock in the area. DGHP have well established links with their Scottish Fire & Rescue Service to ensure a joined up and effective approach is provided to preventing accidental dwelling fires. Outside Dumfries the area is largely rural with long distances between communities. One third of the population live in communities with less than 500 people. Approximately 10% of data zones in Dumfries and Galloway are amongst the 20% most deprived in Scotland. The nature of deprivation in such a rural area means that these areas tend to be highly concentrated and also suffer from poor connections – both physical and digital.



Dunedin Canmore provides over 5,000 homes in Edinburgh, the Lothians and Fife. DC works with Scottish Fire & Rescue across three local authority areas (Edinburgh City, Lothian & Borders & Fife Division). Edinburgh has just under 15% of its datazones in the most deprived 20%, while Fife has 20%.





West Lothian Housing Partnership, with over 700 affordable homes works closely with West Lothian Local Authority and Scottish Fire & Rescue to prevent accidental dwelling fires. Just over 15% of West Lothian's data zones are in the most deprived in the country.



Wheatley 360 is our wraparound support division changing lives from every angle. Its role is at the heart of making our communities safer and helping people to settle in their homes. Concierges and neighbourhood environmental teams provide a local and visible service. They keep our communities clean, tidy and provide a friendly face. Our Think Yes approach allows them to do much more – helping our customers where they most need assistance. W360 also includes the homelessness and allocations teams which will create an important synergy as we help people to settle in resilient neighbourhoods.



Wheatley Care provides services to approximately 7,000 customers each year. Wheatley Care's innovative Tenancy Support Service is integral to supporting vulnerable customers and works closely with Wheatley 360 resources to prevent, and respond effectively to, customers who hoard combustible materials. Our wider care services provide support to customers in a whole range of areas including homelessness, alcohol abuse and other vulnerabilities. Some of our vulnerable customers will receive support from Wheatley Care. While the majority will receive care from other providers our expertise means we work to ensure our customers receive the services they need.



Wheatley Foundation invests over £3million annually on improving the life opportunities of disadvantaged people in Wheatley's communities which includes funding our Home Comforts and Eat Well services to customers experiencing poverty. It provides jobs, training and apprenticeship opportunities to many of our customers. These opportunities have given customers with some of the most challenging histories opportunities, optimism and better life chances.

## Building on Our Success

Investing in our Futures, the Wheatley Group's first five-year strategy, delivered outstanding customer satisfaction and raised the bar in Scotland and beyond for performance results and business efficiency in housing, care and property management. Over the last five years we have worked with our customers and communities to ensure our neighbourhoods are places customer are proud to live.

Our Fire Prevention and Mitigation Framework was developed from a position of real strength. Our relentless focus on delivering excellent services that are highlighted as examples of best practice has ensured that our subsidiaries can access products and services that effectively support and promote fire safety across all our business areas and property types.

Detailed below are some examples of the initiatives and services that we have embedded across Group during the life time of our previous FPMF and are making a real contribution to saving lives and preventing fire related injuries. Importantly, all of these are rooted in our innovative fire safety operating model, with our housing officers kept close to our customers and their communities through small patch sizes. This means, they know their vulnerable customers – whose social and lifestyle factors place them at a higher risk - and are able to draw on products and services that meet their needs and help to keep customers safe.

### Group Fire Safety Team

**Over the previous three years the Group have recruited six Fire Safety Officers, all of whom are highly experienced and trained in the latest fire safety practices and policies**

### Fire Safety Operating Model

**Our fire safety operating model was recognised as a fire prevention exemplar by the Scottish Governments Unintentional Harm Hub**

### Fire Safety Charter with SFRS

**Our Group/SFRS fire safety charter (the only one in the country) details eight joint commitments that we have agreed in partnership with SFRS to reduce accidental dwelling fires across Group**

**Create a programme of Fire Risk Assessments**

**We have designed, developed and are now delivering a programme of Fire Risk Assessments across all our MSF & Livingwell sites.**

**Over 800 vulnerable customer visits**

**During the last 3 years our Fire Safety Team have visited over 800 vulnerable households and provided fire safety pioneering products and services**

**We have reduced ADF's by 32%**

**We originally set ourselves the challenging target of reducing accidental dwelling fires by 10%. In the last 3 years we have achieved a 32% reduction**

**Fire Safety Forum & Executive Meetings**

**Our Fire Safety Forum chaired by our Health & Safety Lead meets bi-monthly to discuss fire safety issues and discuss ways to improve our operating model. The forum reports into the Fire Safety Executive Meeting**

**Practical Fire Safety Guidance**

**Wheatley Group senior staff were represented on the Scottish Government Ministerial Working Group that led to the publication of the Governments Practical Fire Safety Guidance for High Rise & Specialised Housing. The recommendations have been implemented in our Group Operating Model**

**Repairs & Investment**

**We have dedicated Repairs Investment and Cyclical Maintenance Officers (RICO) who work with Duty Holders, Fire Safety Team and on site Environmental Teams to ensure our FRA recommendations are actioned where relevant**

## National and Group Context

New fire safety guidance for owners and residents of high-rise buildings in Scotland was published in December 2019 in an effort to highlight the risks and prevent a tragedy like Grenfell. The **Practical Fire Safety Guidance for Existing Domestic High Rise Buildings** provides advice on preventing fires and reducing the risk of fire in high-rise blocks. The guidance document includes information on assessing risk and a reminder of the multiple laws on fire safety. The guidance, produced by the Scottish Government and Scottish Fire and Rescue Service (SFRS), is not in itself mandatory. All our residents in high-rise buildings were given separate leaflets on what to do if there is a fire and how to prevent them starting. The leaflet confirms the importance of the 'stay put' policy advocated by SFRS, actions to stop fires happening and keeping yourself and others safe from fire.

The guidance for residents is also available from our Group Fire Safety Team. The guidance has six specific chapters providing guidance on the following topics:

- **Fire Safety in High Rise Buildings**
- **Assessing the Risk to Persons**
- **Fire Prevention**
- **Risk Management**
- **Ongoing Control**
- **The Law on Fire Safety**

In response to the Guidance we created a programme of Fire Risk Assessments for our 136 MSF and 42 Living Well sites. This 3-year programme was temporarily suspended during covid restrictions and was subsequently re mobilised in October 2020.

New guidance to reduce the risk from fire in specialised housing, such as sheltered and supported accommodation, was published in January 2020. The guidance – called **Practical Fire Safety Guidance for Specialised Housing and Similar Premises** – helps those responsible for the housing and those who provide care and support services in such properties to carry out fire safety risk assessments, taking into account the requirements of individual residents. It will also be useful for those receiving "care at home" services or support in "general needs" housing. The guidance is a recommendation of the Review of the Fire Safety Regime in Scotland, following the fire at Grenfell Tower in 2017.

The guide has 2 specific sections providing guidance on the following topics:

- **Person Centred Fire Risk Assessment**
- **Premises Based Fire Risk Assessment**

## The Scottish Fire & Rescue Service

SFRS continue to be fully committed to working with Wheatley Group to:

- Plan and deliver targeted prevention approaches to keeping our customers safe;
- Share information more freely, increasing knowledge and understanding to meet the needs of our staff and customers; &
- Working with us to develop a Group approach to their future 'Safe & Well' approach

### Safe & Well

#### Preventing Fire, Protecting Well-Being

For more than ten years, SFRS have been carrying out interventions in people's homes to reduce their risk from fire and to provide advice on actions to take in the event of fire. Although other factors have no doubt also been involved, this approach has resulted in a reduction of risk and dramatic drop in demand for fire and rescue services, and consequent reductions in the number of deaths and injuries from accidental fires in the home.

From this successful fire prevention approach the concept of a 'Safe and Well' visit has evolved. It is envisaged that, through their interactions with people in their homes, and with the necessary additional awareness training, firefighters will be able to identify and act upon a significantly wider range of risks. Not only fire risks, but those that predispose people to a number of health issues that can significantly reduce life expectancy and/or quality of life.

The objectives of the Safe and Well project are:

- Looking to build on the current HFSV model and incorporate wider health and social care considerations
- Move to a person-centred intervention to enable people to maintain independence, improve personal resilience and quality of life
- Increase public value and support partners to deliver national and local outcomes
- A Safe and Well visit would be a free person-centred home visit which replaces and expands upon previous HFSVs.

Staff will continue to give fire safety advice but they will also consider the householder(s), their home environment and lifestyle factors in order to identify risks or needs and provide an effective response. SFRS want to target areas and households where they know there is a higher risk of fire, primarily the more vulnerable groups in the community. Visits will therefore be offered to individuals who meet standard criteria such as:

- Anyone in the household has a history, or may be a target of, fire related crime
- High levels of clutter / hoarding
- History of fire, including signs of burns/scorch marks on furniture or clothing
- Sensory impairment – Hearing Impairment / Visual Impairment Blind
- Use of medical oxygen, paraffin based emollients or medical airflow mattress
- Unable to evacuate the property in an emergency due to their age or medical condition
- Mental health issues including dementia / cognitive impairment
- Use medication that causes drowsiness, visual disturbance or dizziness
- Alcohol or drug issues
- Anyone in the household has shown an interest in starting fires
- The household has telecare/community alarm

- Households with occupants over 65

### Prevalence of Accidental Dwelling Fires

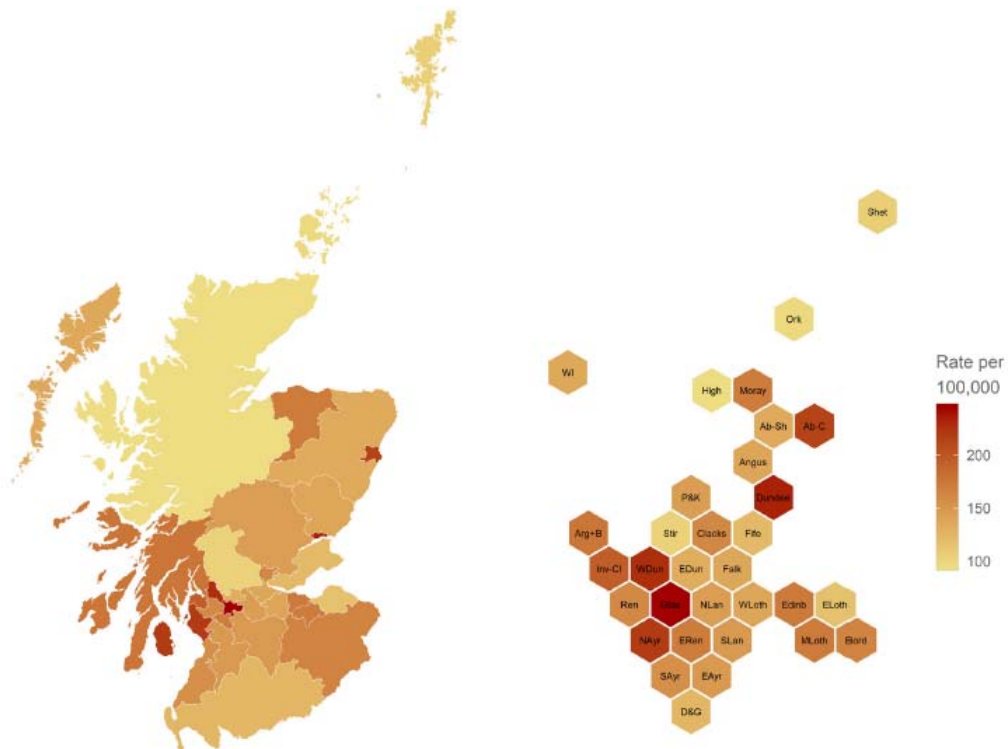
The number of accidental dwelling fires has decreased by 5.8% from the 2018-19 total (from 4,634 to 4,364), the lowest in recent years and 16.2% lower than ten years ago.

Deprivation is strongly associated with the rate of dwelling fires. The 20% most deprived areas of Scotland have a rate of dwelling fires 4.2 times higher than the 20% least deprived and 1.9 times higher than the Scotland average. This relationship has persisted over time as dwelling fire reductions have occurred for each deprivation quintile in relatively similar proportions.

### Accidental Dwelling Fires - Local Authority Comparisons

The number of incidents and casualties vary considerably across the 32 Local Authority areas of Scotland. We use rates adjusted for population or the number of dwellings to more fairly compare these areas. There was an average of 165.5 accidental dwelling fires per 100,000 dwellings in Scotland. Glasgow City had the highest rate at 244.1 per 100,000 dwellings, Highland had the lowest rate at 94.9

Accidental dwelling fires per 100,000 dwellings 2019/20



## Group Accidental Dwelling Fires

Fundamental to our fire safety operating model has been the recruitment of specialist Fire Safety Officers and the development of a bespoke vulnerable household visit process. An intervention visit ensures that our most vulnerable customers receive a personalised and premises fire risk assessment and where relevant are provided with our fire safety pioneering products. We believe that our unique approach to vulnerable household visits has significantly contributed to our reduction in accidental dwelling fires. The following chart details our three year on year reduction in ADF's.

### Fire Safety

Accidental Dwelling Fires 2017/18 – 2020/21 YTD



SFRS ADF INCIDENT DATA	2017/18	2018/19	2019/20	2020/21	Volume Change 2017/19 – 2020/21	Percentage Change
ADF West	269	240 (-29)	217 (-23)	182(-35)	-87	-32%

# Our Vision and Aim

**Strategic Vision:** Our Fire Prevention and Mitigation Framework will make our homes and communities safer for all.

**Our Aim:** To build on our sector leading fire safety work through embedding a strong prevention led approach across all our services and to be recognised as sector leaders in the prevention of death and injury from fire incidents.

We will deliver this aim by successfully achieving four high level outcomes. The outcomes are noted below:

**1 PREVENTING, PROTECTING & RESPONDING**  
We will continue to build on our existing excellent fire prevention services and continue to protect our assets while reducing fire related injuries and fatalities

**2 PEOPLE & COMMUNITIES**  
We will continue to empower our employees and communities to be the architects of solutions in the design and delivery of fire safety services

**3 PARTNERSHIPS & COLLABORATION**  
We will continue to strengthen and build on our existing partnerships at a local and national level to deliver enhanced fire safety outcomes

**4 PIONEERING PRODUCTS & SERVICES**  
We will continue to drive innovation and explore new technologies and ways of working that will prevent fires and protect our customers

## AIM

To build on our sector leading fire safety work through embedding a strong prevention led approach across all our services and to be recognised as sector leaders in the prevention of death and injury from fire incidents.



This structured approach to fire safety and prevention focuses on ensuring that our customers will be empowered to make their own choices about the services they want, be properly equipped to do things for themselves and involved in the design of products and services from start to finish. It will support digital provision of services where these are appropriate, recognising that it is important that “no-one is left behind”. In particular, we recognise that those who are living in socially deprived communities may have particular challenges in gaining access to or using digital services.

Success will be dependent on staff and customers feeling confident to report issues and identify risk and vulnerability to us and our partners. Our ability to provide quality resolutions to issues and to respond to customer feedback will be vital to this.

Our fire safety “confidence cycle” will be an important element of this approach. We know that by identifying vulnerable customers and providing with them with the right products and services will help us further reduce accidental dwelling fires.



***Fire Safety Customer Confidence Cycle***

This Framework recognises that preventing accidental dwelling fires requires a partnership of many organisations. We will continue to support local Scottish Fire and Rescue Teams to carry out Home Fire Safety Visits eventually moving to Safe and Well visits identifying risk and vulnerability. Our people are supported and trained to think innovatively, to think yes together with their customers and to provide leadership in digital transformation. We will use this innovative style to help provide thinking which challenges and encourages a new approach to services. We will work with partners across the country to share innovation and best practice to deliver our aims.

Excellence is embedded in the Wheatley DNA, so we will build on the innovative approaches that we have used to date. We will continue to push towards outstanding service, challenging our performance and outcomes in each area. As part of our new relationship with customers, we will measure this in different and more stretching ways, looking to further improve the aspects of service which matter most to customers.

# Our Strategic and Operational Response

Through our ground-breaking partnership approach to developing fire prevention services we have seen a dramatic reduction in the instances of fire and fire related injuries across our stock portfolio in recent years. Nonetheless we recognise that, irrespective of the interventions we put in place, there will always be a risk of fire within our properties, and that this has the potential to adversely affect our staff and customers' feeling of safety, the quality of the environment and their ability to peacefully enjoy their homes and working environments.

The Group's current approach to fire safety, and fire risk assessments, has already been recognised as an exemplar model that other organisations should consider adopting. Through our commitment to setting the standard in our sector, we will take this to another level and the development and implementation of this framework clearly highlights our ambition to define and set new standards for excellence around fire prevention and mitigation.

Key to our approach will be an even higher focus on fire safety through our investment and maintenance programmes. Using information, we gather from fire risk assessments on our MSFs, we have identified further improvements that can be made to our stock over the next five years to enhance fire safety even further

We have integrated these investment works into a larger scale change programme set out against four 'P's or Pillars': *Preventing and Protecting, People and Communities, Partnership and Collaboration and Pioneering Products and Services.*



Throughout the life of this 5-year framework we will continue to design and deliver our activities through these Pillars. Our themed approach to how we will deliver our strategic outcomes and high level success measures is summarised in the charts below. Each Pillar will be supported by a detailed implementation plan and will be led by senior manager within Group who will be responsible for ensuring that our objectives are met.

# PREVENTING & PROTECTING

## OUTCOMES

## WORKSTREAMS

## SUCCESS MEASURES

# 1

**Reduce accidental dwelling fires by a further 10% and our homes and our assets protected**

**Risky behaviours identified & changed**

- We will have reduced accidental dwelling fires Group wide by a further 10% by 2026
- Processes are in place to ensure annual fire safety visits to those customers who are defined as 'at risk';
- All our Housing First customers receive annual follow up visits to promote fire safety at home;
- We have provided advice & guidance on how to avoid risky behaviours (cooking methods) to our New Scots customers
- We are mitigating the impact that vulnerability, mental ill health and substance misuse has on causing accidental dwelling fires

**Maintenance & Investment programmes updated to reflect fire safety priorities**

- Constantly evolving processes and procedures to ensure that appropriate changes in fire safety best practice ~~is~~are adopted across Group.
- Well established investment programmes to undertake fire safety works within customers' homes (smoke and heat detectors) and within our blocks (emergency lighting)
- Engagement with stake-holders from across the Group to ensure consistency of approach along with representation at all levels within the fire safety performance structure.

**Our use of data Information & Intelligence reviewed & refreshed**

- We use SFRS fire & special service incident data to inform our strategic planning, service delivery and resource allocation;
- We continually reshape our fire safety operating model to meet the challenges we face in both the physical and digital world
- Increased reporting of fire safety concerns by customers and staff. For example, we expect referrals to our Fire Safety Team for vulnerable household visits to increase by 20%.

# PREVENTING & PROTECTING

## Achieving Success

### Changing & Influencing Behaviour

The best way to prevent fires is to change risky behaviours and staff across Wheatley, rooted in local communities, are amongst the best placed to influence our customers, particularly the most vulnerable. This is embedded through our operating model with our housing officers having an average patch size of 200 properties.

We will continue to develop our understanding of the issues that impact negatively on the safety and well-being of our customers and communities.

We will identify 'at risk' customers and work with our partners to ensure there are clear pathways to the most appropriate support.

### Maintenance & Investment Programmes

We already have a robust approach to repairs, maintenance and investment. We will ensure that our comprehensive, up-to-date assessment of all stock types is held centrally. We will build on this to take our approach to the next level setting sector leading standards through for example:

- Installing emergency lighting in our MSF stairwells
- Upgraded bin store sprinklers across our MSF portfolio

LD2 smoke and heat detectors in all mainstream properties along with LD1 systems for vulnerable customers, who are identified via housing and fire safety colleagues

We will focus our investment and maintenance priorities onto our successful containment strategy. We will continue to act on the outcomes of the Grenfell enquiry and those of the Scottish Government working groups in relation to fire safety.

### Data Information & Intelligence

We are working closely with our SFRS colleagues to design and deliver a new 'Safe & Well' approach, which will further reduce accidental dwelling fires and accidents in the home.

We will have developed an approach to predictive analytics that uses all our available data on customers, communities and fire incidents to provide actionable intelligence ensuring we intelligently deploy our resources whilst influencing those of our partners. If we can predict it, we can prevent it.

# PEOPLE & COMMUNITIES

## OUTCOMES

## WORKSTREAMS

## SUCCESS MEASURES

# 2

**Staff & Customers have the skills, knowledge and awareness of how to keep themselves and their communities safe**

**Stronger Voices, Stronger Communities**

- Our customers are at the heart of decision making and are involved in directing service decisions
- Our local engagement model provides an opportunity for our customers to shape services and influence decisions. It is action and outcome focussed.
- We have a successful annual 'stay safe' campaign for customers which we promote on our digital and paper media platforms.
- We understand our communities and deliver the right mix of services to meet their needs.

**Sector Leading Training & Awareness for our staff**

- Our staff deliver sustained change for the better of all customers and communities. To achieve this, we equip them with the skills, knowledge and technology required to keep our customers safe in an ever changing world.
- We are working with our SFRS partners to deliver experiential fire safety training at the SFRS, HQ 'Safe House'

**Demographic & Lifestyle Factors informing all our workstreams**

- Our staff are empowered to develop, test and deliver, innovative and collaborative changes to best suit our customer's needs.
- We proactively share learning and best practice across the entire Group and with our partners ensuring we adapt and evolve.
- We will maintain a key role in supporting vulnerable customers across our communities, by working with partners, we will develop preventative approaches that focus on early intervention and diversion.

# PEOPLE & COMMUNITIES

## Achieving Success

### Consultation & Engagement

With the 'Voice of the Customer' we are taking engagement to a new level for all our customers. This Framework will put this into action particularly for those customers who may be vulnerable and susceptible to having an accidental dwelling fire. We recognise that our customers may have many issues in their lives and we will ensure that our engagement approach makes it as easy as possible for people to talk to us and to become involved in directing service decisions. Our partners particularly SFRS will also be working to engage with customers so we will work with them to ensure maximum joint benefit from each engagement.

### Training & Awareness

We will continue to update our "Stay Safe" campaign across all mediums, ensuring our messages around fire safety are delivered in ways that reflect our diverse customer base, including materials and equipment available in different languages or for those with sight or hearing impairment.

In addition to mandatory Fire Safety training that staff are required to attend every 3 years, we also work with SFRS to promote Fire Safety training that focusses on good fire safety practice within the home environment. Regular visits are arranged at the SFRS 'Safe House' where our seconded Watch Manager provides an awareness of the risky behaviours that staff should be aware of when visiting our customer's homes.

### Demographic & Lifestyle Factors informing all our work streams

We know that demographic and lifestyle factors can have an impact on fire risk. For example, during the period 2020/21, 40% of those customers experiencing and accidental dwelling fire had self-defined as vulnerable. We will improve our ability to identify and manage vulnerability as it relates to fire risks.

We better understand our customers and communities and deliver the right mix of services to meet their changing needs.

We are redefining the relationship we have with our partners to better support our vulnerable customers.

We continue to promote our fire safety services online and encourage our housing officers and front line staff to identify customers that would benefit from a Fire Safety Team Intervention Visits.

# PARTNERSHIPS & COLLABORATION

## OUTCOMES

## WORKSTREAMS

## SUCCESS MEASURES

3

**Ever Stronger partnerships in place at a local and national level that deliver enhanced fire safety for our customers & communities**

**Effective information & Intelligence Sharing**

- Our Data Sharing Agreement with SFRS will be updated in 2021 to reflect SFRS new approach to Safe & Well visits. This will include the inclusion of additional information relating to vulnerable household data;
- We will develop approaches to predictive analytics to enhance our current real time trend analysis

**Continuous Improvement in all fire safety programmes**

- Introduce a Group definition of vulnerability as it relates to fire and work with our customers and staff to identify those customers who would self-identify as vulnerable
- We will build on our already established partnership with Scottish Fire & Rescue and Police Scotland with an increased focus on a public health approach to vulnerability
- Create a –partnership agreement with SFRS that sets out our shared vision of further reducing ADF’s and preventing accidents in the home;

**Shared Outcomes, Resources & Services agreed with partners**

- We will work collaboratively with the Wheatley Foundation to support those most at risk of having an accidental dwelling fire;
- Update our existing Fire Prevention Charter to reflect the SFRS new approach to Safe & Well visits
- We will work with partners to share resources in order to maximise benefits, this will include joint customer visits with SFRS, Community Action Teams



# PARTNERSHIPS & COLLABORATION

## Achieving Success

### Information Sharing

Our evidence based fire safety operating model is based on the sharing of information and intelligence with our customers and partners. By better understanding our performance and demand, we can focus our fire safety team where they will have the greatest impact. Improvements in data sharing, digital analysis and intelligence gathering will be critical to our success.

We will develop an updated Data Sharing Agreement with SFRS to reflect the introduction of the Safe & Well operating model.

### Best Practice and Continuous Improvement

As an organisation we continually strive to improve. We will update our existing Fire Prevention Charter with SFRS to reflect their new Safe & Well approach to reducing ADF's and preventing accidents in the home. This charter will clearly set out our shared priorities for home and fire safety including, for example, how we engage communities and how we will identify and support vulnerable and hard to reach customers.

We are working with SFRS to embed the Safe & Well approach across our RSL network. We are developing joint staff training with our SFRS Prevent & Protect partners.

We work collaboratively internally across our subsidiaries, for example drawing down on Wheatley Cares Tenancy Support Service.

### Shared Outcomes, Resources & Services

We work with our partners to make sure that customers receive the right response, at the right time from the most appropriate resource and service. To do this effectively, we will work with our customers and communities to determine where and how their needs are best met and how our service can adapt.

We proactively share learning and best practice across the Group and with partners ensuring we deliver the best possible outcomes for customers and communities.

# PIONEERING PRODUCTS & SERVICES

## OUTCOME

## WORKSTREAMS

## SUCCESS MEASURES

# 4

**Cutting edge products, services and technology in place that prevent fires and protect our customers**

**Developing and Integrated package of products**

- An updated integrated package of fire prevention products is available for staff and customers to draw down;
- The introduction of digital solutions for capturing, recording, managing and reporting on Group Fire Risk Assessments.
- The introduction of rapport messaging will facilitate secure two way digital communications with our customers and enable us to push out specific fire safety messages to particular communities.

**High quality, effective services that underpin our product offerings**

- A programme of formal fire safety reviews by each of our Communities of Excellence by the end of 2021/22 to generate ideas and identify leading edge technologies;
- We have begun a programme of 3D mapping of our MSF sites with the SFRS, Operational Intelligence Team.
- We will have dedicated RICO's within City Building who have expertise in responding to fire safety issues and repairs.

**A Reviewed Operating Model that embeds best practice**

- Our Fire Safety Team fully embedded into our new Fire/Health & Safety operating model by Q1, 2021.
- From Q2, 2021 we will be using a new PAS79, 20:20 FRA template at all our corporate, care, Living Well & MSF sites.
- Our wider service model is reviewed annually to identify further opportunities to promote innovative ways to enhance fire safety;
- An external assessment of our fire safety strategy in 2022/23 to ensure it is relevant and challenges us to continually set the bar for the sector.

# PIONEERING PRODUCTS & SERVICES

## Achieving Success

### Products

We always strive to drive innovation in all that we do. Throughout the life of this framework we will continue to identify new and innovative fire safety and prevention products that our customers can draw down. We have developed a digital solution to recording and managing fire risk assessments.

### Services

Our Communities of Excellence are our main platform for bringing members of staff across subsidiaries together to develop our services. We will continue to develop our response to fire safety across a number of our communities of excellence. Each relevant COE will conduct an annual fire safety review of the services they oversee to ensure continuous improvement.

### Operating Model

We have recruited six fire safety officers and integrated them into a new Group Fire/Health & Safety Team. Our operating model reflects national guidance and will incorporate the new Safe & Well approach being developed by our SFRS partners. Our operating model will continue to be identified as a prevention exemplar and will set the standard for others to follow.

# The Legal Framework

This Fire Prevention and Mitigation Framework has been developed to ensure that we are not only meeting all the relevant legislation and guidance that is relevant to Fire safety but exceeding it and setting national best practice.

## Registered Social Landlord Subsidiaries

Our Group's social landlords' legal responsibilities are set out in:

- The Housing (Scotland) Act 2001 which places a duty upon us to ensure that our properties are in a good state of repair.
- We have a responsibility under sections 23 and 24 of the Fire Safety (Scotland) Regulations 2006, to ensure that measures provided for *fire fighter safety* within the common areas of private dwellings are maintained in an efficient state, in efficient working order and in good repair.
- The Scottish Housing Quality Standards (SHQS) which place a duty upon us to ensure that the properties which we own are adequately maintained and fit for purpose. The elements below, highlight specific elements within the SHQS that a robust common area inspection regime would ensure compliance with:
  - **Element 48** – Safe lobbies, halls, passages.
  - **Element 49** – Safe common paths, paved areas, courts, laundry and drying areas.
  - **Element 50** – Safe refuse chutes/chambers.
  - **Element 51** – Safe bin stores.

The Health and Safety at Work 1974 (HSWA), places a “duty of care” upon us, for all who enter premises which we control. The most efficient way of us ensuring that our duties relating to HSWA are fulfilled is to follow guidelines set out within approved codes or practice.

As an employer we have responsibilities under the Fire (Scotland) Act 2005, to ensure that all of our staff have relevant training and are aware of emergency plans within the property they work. Further to this, we also have a responsibility to carry out inspections to our stock on a regular basis to ensure that the premises, any fire safety facilities, equipment and devices pertaining to fire detection or fighting are maintained in good order.

## Care Premises

The legislation in respect of care homes is set out in Part 3 of the Fire (Scotland) Act 2005, along with the Fire Safety (Scotland) Regulations 2006.

This sets out our fire safety responsibilities and seeks to ensure the safety of persons (whether they are employees, residents, visitors or others) from harm caused by fire.

The responsibility for complying with the fire safety duties in a care home sits with the employer and other persons who operate or have control of the premises to any extent, including managers, owners and staff.

## **Private Rented Sector – The Repairing Standard**

Our Lowther Homes subsidiary owns and manages our mid and full market rent portfolio. The portfolio is classed as private rented sector accommodation and as such is required to meet 'The Repairing Standard'.

Section 13(1) of the Housing (Scotland) Act 2006 sets out the criteria that must be met if a house is to comply with the Repairing Standard. Most importantly, a house should have satisfactory provision for detecting fires and for giving warning in the event of fire or suspected fire.

The Repairing Standard sets a high benchmark for smoke and fire detection, matching the standard required for new building and which is higher than many owner-occupiers will meet for their own homes. For example, a smoke alarm installed from 3 September 2007 onwards had to be mains powered with a standby power supply. As part of our commitment to continuous improvement, we will assess whether it would be appropriate to adopt this standard across all our social housing.

Building regulations set out the essential standards to be met when building work or a conversion takes place. The building regulations do not apply retrospectively and as such private rented properties may not apply to the current building regulations requirements, but should always comply with guidance set out in other relevant legislation, specifically the Housing (Scotland) Act 2006-

## **Responsibilities**

The Group Director of Property will have overall strategic responsibility and will oversee the successful implementation of the work plan.

Following agreement by the group board to this framework, each subsidiary will be responsible for developing their fire safety and mitigation approach, which reflects their customer base, stock profile, product portfolio and risk profile. They will be responsible for monitoring the implementation of this including providing assurance to the group about the successful implementation.

## **Review and Consultation**

This Framework will support the aspirations of our new Group Strategy and will be reviewed in 2026. Reviews will consider legislative, performance and good practice changes. More regular reviews may be considered where, for example, there is a need to respond to new legislation / policy guidance or recommendations from Fatal Accident Inquiries.

We will also review our strategy in light of any findings from the Scottish Government Ministerial Working Group, convened to examine and oversee the review building and fire safety regulatory frameworks with an initial focus on high rise domestic buildings, following the tragic Grenfell Tower fire in London.

In addition to scheduled reviews, we will report on progress annually to the Wheatley Group Board and Audit Committee.

We have developed this strategy in consultation with stakeholders. Similar consultation will take place for all proposed reviews.



## Report

**To:** Dunedin Canmore Housing Board

**By:** Pauline Turnock, Director of Financial and Legal Services

**Approved by:** Steven Henderson, Group Director of Finance

**Subject:** Finance report for the period to 30 April 2021

**Date of Meeting:** 27 May 2021

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### 1. Purpose

- 1.1 The purpose of this report is to provide the Dunedin Canmore Board with:
- The draft financial results for the year to 31 March 2021 and the first month of the new financial year; and
  - To seek the Board's approval to submit the Five Year Financial Projections and Loan Portfolio return to the Scottish Housing Regulator.

### 2. Authorising and strategic context

- 2.1 Under the terms of the Intra-Group Agreement between Dunedin Canmore ("DCH") and the Wheatley Group, as well as the Group Authorising Monitor Matrix, the DCH Board is responsible for the on-going monitoring of performance against agreed targets, including the on-going performance of its finances.
- 2.2 This report provides the Board with an update of performance to date to allow it to discharge its role in monitoring performance and agreeing any actions required.

### 3. Risk appetite and assessment

- 3.1 Our agreed risk appetite in Dunedin Canmore Performance against Group 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".

### 4. Background

- 4.1 This report outlines performance against for the month of April 2021, the full year to 31 March 2021, and provides an update on the Loan Portfolio return and the Five Year Financial projections.

## 5. Customer Engagement

5.1 No implications.

## 6. Discussion

6.1 This report outlines performance against budget with the appendix providing more detail on the financial results.

### Year to 31 March 2021

6.2 Dunedin Canmore has reported a statutory surplus of £5,194k for the year to 31 March 2021, which is £3,615k favourable to budget.

6.3 The key driver of the favourable variance in the statutory surplus is the £6,104k of HAG income recognised on completion of 83 units at Beaverbank (41 Social rent units), Lang Loan (7 social rent units), Morrison Crescent (19 MMR units) and Greendykes (16 MMR units) which were originally due to be completed in period 12 of 2019/20. In addition, 10 units at South Gilmerton were completed in period 12 of 2020/21, ahead of schedule.

6.4 Net rental income is reporting a £554k adverse variance. Gross rent is £389k adverse to budget, the majority of this variance relates to rental income attributable to the Barony properties which transferred on 1 September but were budgeted to be included at the start of the financial year.

6.5 Void losses are £165k adverse to budget largely due to an earlier backlog as a result of covid-19 restrictions which is now cleared and the ongoing restrictions on normal letting such as social distancing measures. Monthly void losses peaked in period 5 and have steadily reduced as the year has progressed.

6.6 Other income is reporting an adverse variance of £326k to budget. This is linked to the lower levels of recovery of DCPS staff against repair jobs from the operation of a revised service business model, which has resulted in unrecovered costs in the service of £277k.

6.7 The lower level of repairs activity flows through to lower reported costs through the repairs line in Dunedin Canmore, which on a standalone basis, reports a saving of £782k. The underlying repairs position taking into account the £277k unrecovered costs in DCPS along with repairs savings in the other RSLs that DCPS services amounts to a net reduction in repairs costs in the east subsidiaries of £548k in total.

6.8 Dunedin Canmore has reported net capital expenditure of £6,286k for the year to 31 March 2021, which is £8,291k lower than budget. Key points to note are:

- New build spend is reporting spend £10,644k lower than budget, as a result of the initial closure of all construction sites at the start of the financial year, with works recommencing in July and ongoing construction activity since then subject to enhanced health and safety requirements.
- Grant income of £11,305k has been received to the end of March 2021 for a number of sites including the Wisp 3C, Newmills Road, Longniddry, Westcraigs and South Gilmerton.



- The core investment programme reports spend £1,557k lower than budget, with a number of investment works being postponed and only essential works being undertaken in the earlier months of the year.

Period to 30 April 2021

- 6.9 Dunedin Canmore has reported a statutory deficit of £6k for the period to 30 April 2021, which is £104k favourable to budget driven by lower levels of cyclical repairs spend in the month.
- 6.10 Net capital expenditure is £453k below budget with core expenditure and new build expenditure reporting spend below budget for the period.

Scottish Housing Regulator ('SHR') Loan Portfolio Submission

- 6.11 We are required to submit Dunedin Canmore's loan facilities and borrowing position, as at 31 March 2021, 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.
- 6.12 The submission report contains the information relating to the intragroup funding from Wheatley Funding No. 1 Limited and on the debt position of Dunedin Canmore as at the financial year end.
- 6.13 The key information contained within the report is that, as at 31 March 2021:
- DCH had total borrowings of £159.5m (£127.0m intragroup and £32.5m direct funding (Allia £16.0m and THFC £16.5m)).
  - The intragroup loan was at fixed rates, with an average rate for the year of 5.05%.
  - Direct funding with THFC was at a fixed rate of [redacted] and with Allia at [redacted].
  - The value of the 5,108 units secured against the loan is £380.6m (£336.7m intragroup and £42.8m direct funding) (31 March 2020 valuation).
  - 158 units remain unencumbered and available to support further debt, [redacted].

- 6.14 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."

Five Year Financial Projections

- 6.15 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.

- 6.16 The return provides the actual results for 2020/21 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.
- 6.17 The return includes out turn and forecast Statements of Comprehensive Income, Financial Position and Cashflow together with other key assumptions such as movements in stock numbers and pension costs.
- 6.18 The five year forward financial projections reported within the return are based on the 2021/22 Financial Projections previously approved by the WLHP Board in February. The 2020/21 figures in the projections have been updated to reflect the 2020/21 year end management accounts.
- 6.19 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 management accounts in appendix 1 and the SHR return are shown below:

	<b>£k</b>	
<b>DC P12 Draft Statutory Surplus</b>	<b>5,194</b>	
Social housing property valuation movement	2,389	pending final JLL valuations
Investment property valuation movement	(793)	business plan estimate
Gain on business combination (BHA)	7,185	assets transferred in the year from BHA
Gain on sale of properties	797	estimate pending final calculations
<b>Surplus before tax per SHR return</b>	<b>14,772</b>	

- 6.20 The summary sheet and accompanying financial data and 5 year projections to be submitted to the regulator are attached at Appendix 3. The Board are requested to consider and approve these financial projections. Once approved, these will be submitted to the Scottish Housing Regulator.

## **7. Digital transformation alignment**

- 7.1 No implications.

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

- 8.1 Ensuring The results for 2020/21 are in line with the assumptions made in the most recent update of Dunedin Canmore's business plan. They have been presented to our credit rating agency, Standard & Poor's. We anticipate having an update on their rating outcome prior to the Board meeting.
- 8.2 Underlying surplus after deducting major repairs and interest costs from EBITDA was £596k for the month compared to budgeted underlying surplus of £377k, with the variance driven by lower levels of repairs, running costs, core programme expenditure and lower interest costs.

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

9.1 No implications.

**10. Equalities implications**

10.1 Not applicable.

**11. Environmental and sustainability implications**

11.1 Not applicable.

**12. Recommendations**

12.1 The Board is requested to:

- 1) Note the management accounts for the year ended 31 March 2021 and the month to 30 April 2021 at Appendix 1;
- 2) Approve the loan portfolio submission in Appendix 2 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; and
- 3) Approve the summary sheet and accompanying financial data and projections at Appendix 3 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.

**List of Appendices**

**Appendix 1:** Finance report – year to 31 March 2021 and period to 30 April 2021

**Appendix 2:** [redacted]

**Appendix 3:** Five Year Financial Projections Submission



**Year to 31 March 2021 and Period to 30 April  
2021  
Finance Report**

# 1) Operating Statement – Full Year 2020/21

## Key highlights:

Net operating surplus of £16,138k is £6,680k favourable to budget. Statutory surplus for the period to 31 March is £5,194k, £3,615k favourable to budget.

- The key driver of the variance to budget is the £6,104k of HAG income recognised on completion of 83 units at Beaverbank (41 Social rent units), Lang Loan (7 social rent units), Morrison Crescent (19 MMR units) and Greendykes (16 MMR units) which were originally due to be completed in period 12 of 2019/20. In addition, 10 units at South Gilmerton were completed in period 12 of 2020/21, ahead of schedule.
- Net rental income is reporting a £554k adverse variance. Gross rent is £389k adverse to budget, the majority of this variance relates to rental income expected from the units originally budgeted to be transferred from Barony HA on 1 April which were transferred on 1 September. Void losses are £165k adverse to budget largely due to an earlier backlog as a result of covid-19 restrictions now cleared and the ongoing restrictions on normal letting such as social distancing measures.
- Monthly void losses peaked in period 5 and have steadily decreased since this peak. The P12 void losses for the month were £32k, £2k adverse to budget.
- Other Income is £326k adverse to budget. This is largely as a result of DC Property Services (“DCPS”) generating a loss of £277k in the year against a budgeted profit of £85k due to changes to service delivery and a lower level of activity against which to recover staff time.
- Total expenditure is £1,456k favourable to budget. Of this variance £193k is linked to the Barony units. The largest variance relates to repairs and maintenance costs which are £782k favourable to budget due to the revised operating model which has resulted in a lower number of repair jobs. While the lower activity levels result in a reduction to costs recorded for the work undertaken, the costs of the in-house repairs staff not allocated to repair jobs is reported as a loss of £277k within other income, leaving a net favourable variance in repairs costs of £420k.
- Interest expenditure is £3,054k adverse to budget and includes Dunedin Canmore’s share of one off costs associated with breaking fixed interest rate loans.
- Investment expenditure on existing properties is £1,557k lower than budget. Of this variance £139k relates to Barony and the remaining variance reflects the postponement of a number of work types in the investment programme.
- New build spend of £13,281k is £10,664k lower than budget as a result of construction site closures between March and June and the requirement for enhanced health and safety measures on remobilised sites.

	Year to 31 March 2021			Full Year
	Actual £ks	Budget £ks	Variance £ks	Budget £ks
<b>INCOME</b>				
Rental Income	29,765	30,153	(389)	30,153
Void Losses	(528)	(363)	(165)	(363)
<b>Net Rental Income</b>	<b>29,237</b>	<b>29,791</b>	<b>(554)</b>	<b>29,791</b>
HAG Recognised in the Year	6,104	0	6,104	0
Other Income	2,527	2,853	(326)	2,853
<b>TOTAL INCOME</b>	<b>37,867</b>	<b>32,644</b>	<b>5,224</b>	<b>32,643</b>
<b>EXPENDITURE</b>				
Employee Costs - Direct	4,629	4,667	37	4,667
ER/VR	7	0	(7)	-
Employee Costs - Group Services	1,590	1,679	90	1,679
Direct Running Costs	3,099	3,398	299	3,398
Running Costs - Group Services	944	1,071	127	1,071
Revenue Repairs and Maintenance	3,498	4,279	782	4,279
Bad Debts	161	290	129	290
Depreciation	7,801	7,801	0	7,801
<b>TOTAL EXPENDITURE</b>	<b>21,730</b>	<b>23,186</b>	<b>1,456</b>	<b>23,186</b>
<b>NET OPERATING SURPLUS / (DEFICIT)</b>	<b>16,138</b>	<b>9,458</b>	<b>6,680</b>	<b>9,457</b>
<i>Net Operating Margin</i>	43%	29%	14%	29%
Interest receivable	1	13	(12)	13
Interest payable	(10,945)	(7,891)	(3,054)	(7,891)
<b>STATUTORY SURPLUS / (DEFICIT)</b>	<b>5,194</b>	<b>1,579</b>	<b>3,615</b>	<b>1,579</b>

	Year to 31 March 2021			Full Year
	Actual £ks	Budget £ks	Variance £ks	Budget £ks
<b>INVESTMENT</b>				
<b>Total Capital Investment Income</b>	<b>11,305</b>	<b>15,135</b>	<b>(3,830)</b>	<b>15,135</b>
Total Expenditure on Core Programme	3,880	5,437	1,557	5,437
New Build & Other Investment	13,281	23,925	10,644	23,925
Other Capital Expenditure	429	350	(79)	350
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>17,591</b>	<b>29,712</b>	<b>12,121</b>	<b>29,712</b>
<b>NET CAPITAL EXPENDITURE</b>	<b>6,286</b>	<b>14,577</b>	<b>8,291</b>	<b>14,577</b>

## 2) Period 1 2021/22 YTD – Operating Statement

	Year to 30 April 2021			Full Year
	Actual £ks	Budget £ks	Variance £ks	Budget £ks
<b>INCOME</b>				
Rental Income	2,570	2,569	1	30,985
Void Losses	(31)	(31)	0	(376)
<b>Net Rental Income</b>	<b>2,539</b>	<b>2,538</b>	<b>1</b>	<b>30,609</b>
HAG Recognised in the Year	0	0	0	4,909
Other Income	238	231	6	3,158
<b>TOTAL INCOME</b>	<b>2,776</b>	<b>2,769</b>	<b>8</b>	<b>38,676</b>
<b>EXPENDITURE</b>				
Employee Costs - Direct	345	338	(8)	4,862
ER/VR	0	0	0	-
Employee Costs - Group Services	136	130	(6)	1,562
Direct Running Costs	411	420	8	3,210
Running Costs - Group Services	85	94	9	1,123
Revenue Repairs and Maintenance	305	352	47	4,438
Bad Debts	18	25	6	296
Depreciation	909	909	0	10,908
<b>TOTAL EXPENDITURE</b>	<b>2,209</b>	<b>2,267</b>	<b>58</b>	<b>26,399</b>
<b>NET OPERATING SURPLUS / (DEFICIT)</b>	<b>567</b>	<b>502</b>	<b>65</b>	<b>12,278</b>
<i>Net Operating Margin</i>	20%	18%	2%	32%
Interest receivable	0	1	(0)	6
Interest payable	(573)	(612)	39	(7,280)
<b>STATUTORY SURPLUS / (DEFICIT)</b>	<b>(6)</b>	<b>(110)</b>	<b>104</b>	<b>5,003</b>

### Key highlights year to date:

Net operating surplus of £567k is £65k favourable to budget. Statutory deficit for the period to 30 April is £6k, £104k favourable to budget.

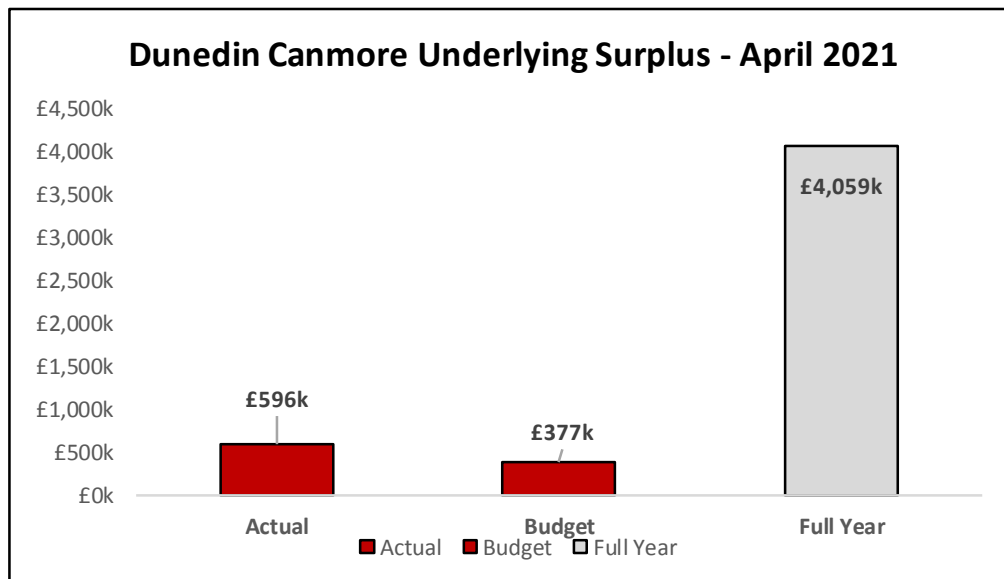
- Net rental income is broadly in line with budget. Gross rent is £1k favourable to budget, with void losses in line with budget.
- Other Income is £6k favourable to budget. This is largely as a result of DC Property Services (“DCPS”) generating a profit of £5k in period against a budgeted loss of £9k offset by lower than expected supporting people income for the Harbour as the new contract with City of Edinburgh council has not yet started and the budget assumed this would start from 1 April.
- Total expenditure is £58k favourable to budget. The largest variance relates to repairs and maintenance costs which are £47k favourable to budget largely due to lower than budgeted cyclical expenditure.
- Interest expenditure of £573k is £39K favourable to budget.
- Investment expenditure on existing properties is £117k lower than budget. This is largely as a result of ongoing coronavirus restrictions and it is expected that spend will accelerate in the coming months with a full service expected to resume in July.
- New build spend of £518k is £1,026k lower than budget largely as a result of accelerated spend on a number of sites in P12 of 2020/21.

	Year to 30 April 2021			Full Year
	Actual £ks	Budget £ks	Variance £ks	Budget £ks
<b>INVESTMENT</b>				
<b>Total Capital Investment Income</b>	<b>-</b>	<b>739</b>	<b>(739)</b>	<b>14,315</b>
Total Expenditure on Core Programme	307	423	117	6,944
New Build & Other Investment	518	1,545	1,026	21,576
Other Capital Expenditure	34	84	50	1,008
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>859</b>	<b>2,052</b>	<b>1,193</b>	<b>29,528</b>
<b>NET CAPITAL EXPENDITURE</b>	<b>859</b>	<b>1,313</b>	<b>453</b>	<b>15,213</b>

### 3) Underlying surplus - P1 April 2021

**Key highlights:**

- The Operating Statement (Income and Expenditure Account) on pages 2 and 3 are prepared in accordance with the requirements of accounting standards (Financial Reporting Standard 102 and the social housing Statement of Recommended Practice 2014).
- However, the inclusion of grant income on new build developments creates volatility in the results and does not reflect the underlying cash surplus/deficit on our letting activity.
- The chart below therefore shows a measure of underlying surplus which adjusts our net operating surplus by excluding the accounting adjustments for the recognition of grant income and depreciation, but including capital expenditure on our existing properties.
- In the first month of the financial year, an underlying surplus of £596k has been generated using this measure which is £219k favourable to budget. The variance is driven by lower levels of repairs, core programme expenditure and lower interest costs. The full year budget reflects an underlying surplus of £4,059k.



## 4) Period 1 – Property Services Operating Statement

	Year to 30 April 2021			Full Year Budget £ks
	Actual £ks	Budget £ks	Variance £ks	
<b>INCOME</b>				
Internal Subsidiaries	867	942	(75)	13,873
External Customers	0	19	(19)	222
<b>TOTAL INCOME</b>	<b>867</b>	<b>960</b>	<b>(94)</b>	<b>14,095</b>
<b>COST OF SALES</b>				
Staff	270	315	45	3,777
Materials	145	173	28	3,271
Subcontractor & Other Costs	241	257	16	4,500
<b>TOTAL COST OF SALES</b>	<b>656</b>	<b>744</b>	<b>88</b>	<b>11,547</b>
<b>GROSS PROFIT/(LOSS)</b>	<b>211</b>	<b>216</b>	<b>(5)</b>	<b>2,548</b>
Margin %	24%	23%	2%	18%
Overheads	206	225	20	2,462
<b>NET PROFIT/(LOSS)</b>	<b>5</b>	<b>(9)</b>	<b>14</b>	<b>86</b>

### Key highlights year to date:

- In the year to April 2021, DCPS is reporting a surplus of £5k, which is £14k favourable to budget.
- Income of £867k in the year is £94k adverse to budget. This is driven by lower than budgeted income for DC and also no external income as these works have not yet resumed.
- Correspondingly, cost of sales are reporting a £88k favourable variance to budget.
- Gross profit of £211k is £5k adverse to budget.
- Overhead expenditure includes vehicle rent and running costs, rates, insurance and other staff and office related costs. These are £20k favourable to budget for the year.



## 5) Period 1 – Dunedin Canmore Harbour

### Key highlights year to date:

	Year to 30 April 2021			Full Year
	Actual £ks	Budget £ks	Variance £ks	Budget £ks
<b>INCOME</b>				
Rental Income	70	70	(0)	837
Void Losses	(14)	(3)	(11)	(42)
<b>Net Rental Income</b>	<b>56</b>	<b>66</b>	<b>(11)</b>	<b>795</b>
Local Authority Contract Income	30	40	(10)	477
Other Income	1	1	(0)	13
<b>TOTAL INCOME</b>	<b>86</b>	<b>107</b>	<b>(21)</b>	<b>1,286</b>
<b>EXPENDITURE</b>				
Employee Costs	64	67	3	662
Direct running Costs	21	26	5	309
Revenue Repairs and Maintenance	1	3	2	37
Bad Debts and Depreciation	0	0	(0)	0
<b>TOTAL EXPENDITURE</b>	<b>86</b>	<b>96</b>	<b>10</b>	<b>1,007</b>
<b>NET OPERATING SURPLUS / (DEFICIT)</b>	<b>0</b>	<b>11</b>	<b>(11)</b>	<b>278</b>

- The service is breaking even at the net operating position and is £11k adverse to budget.
- Net rental income of £56k is £11k adverse to budget in the year to date, due to void losses which are £11k adverse to budget as a result of fire mitigation works which have meant a whole floor is void to allow the works to progress.
- Local authority income is £10k adverse to budget. This is due to the revised contract with City of Edinburgh Council not starting yet, the budget assumed this would start from 1 April.
- Employee costs of £64k are £3k favourable to budget. This is largely a result of increased staffing requirements as a result of the new contract with CEC not yet being required.
- Running costs of £21k include insurance, travel, safety equipment, printing, stationary and mobile costs. Costs are £5k favourable to budget in the year to date, again largely due to additional costs associated with the new contract not yet being required.
- Repair and maintenance expenditure of £1k is £2k favourable to budget.

## 6) Management information – Repairs and investment

Key highlights year to date:

### Repairs and maintenance

- Reactive repairs spend in the year to 30 April is £246k against a budget of £208k, £38k adverse to budget, largely driven by high volumes of essential works under our safety first service.
- Cyclical repairs spend of £59k has been incurred in the YTD, £85k favourable to budget. This is due to ongoing coronavirus restrictions which have meant that a number of workstreams including EICR testing have been delayed.

Repairs and maintenance	Year to 30 April 2021			Full Year Budget £ks
	Actual £ks	Budget £ks	Variance £ks	
Reactive	246	208	(38)	2,709
Cyclical	59	144	85	1,729
	<b>305</b>	<b>352</b>	<b>47</b>	<b>4,438</b>

### Investment

- Investment covers all areas of our properties and external environment.
- Major Repairs spend for the period to 30 April is £169k against a budget of £308k, a favourable variance of £138k. The variance reflects lower than budgeted spend against a number of work streams, largely due to ongoing coronavirus restrictions. Expenditure includes a number of high value essential roof repairs.
- Void costs of £72k have been incurred to the end of period 1 against a budget of £60k. This is £12k adverse to budget with higher than anticipated spend at the start of the new financial year.
- Void costs, which include repairs and maintenance to extend the life of the properties, are capitalised in line with Group policy.

Investment	Year to 30 April 2021			Full Year Budget £ks
	Actual £ks	Budget £ks	Variance £ks	
Void	72	60	(12)	718
Major	169	308	138	5,557
Capitalised Staff	65	67	2	804
<b>TOTAL</b>	<b>307</b>	<b>435</b>	<b>127</b>	<b>7,079</b>

# 7) Management information – New Build Programme

Key highlights year to date:

Development Name	Year To Date (£'000)			FY Budget
	Actual	Budget	Variance	
CAMMO FIELDS	5	-	(5)	-
FOUNTAINBRIDGE	-	-	-	73
GREENDYKES	-	-	-	145
LANG LOAN	-	-	-	168
LONGNIDDRY	77	50	(27)	426
MACMERRY	-	-	0	2,366
NEWMILLS RD PH2	-	142	142	1,710
NURSERY EASTPH1	2	222	220	3,709
ROSLIN	2	200	198	2,400
ROWANBANK	-	-	-	2,500
SOUTH GILMERTON	1	600	599	2,032
WALLYFORD PH 2	-	-	-	2,205
WESTCRAIGS1	26	-	(26)	-
WESTCRAIGS2	17	-	(17)	-
WESTCRAIGS3	-	-	-	651
WISP 3C	359	300	(59)	2,828
Capitalised staff costs	30	30	0	363
<b>Total Cost</b>	<b>518</b>	<b>1,545</b>	<b>1,026</b>	<b>21,576</b>
<b>Grant Income</b>	<b>0</b>	<b>739</b>	<b>(739)</b>	<b>14,315</b>
<b>Net New Build Costs</b>	<b>518</b>	<b>805</b>	<b>287</b>	<b>7,261</b>

## Capital Investment Income

- Grant income (“HAG”) reported within the capital budget represents the cash received in the year to date. It is only recognised in the Income and Expenditure (“I&E”) account as HAG Income upon completion of the properties.
- No grant income has been received up to the end of period 1.
- In the year to 1 April, no HAG income has been recognised in the income statement which is in line with the budget.

## New Build

- Expenditure of £518k is £1,026k lower than budget with the variance largely driven by accelerated spend in P12 of 2020/21 at several sites including Roslin and Nursery East Phase 1.

# 8) Balance sheet

	30 April 2021 £'000	31 March 2021 £'000
<b>Fixed Assets</b>		
Social Housing Properties	348,913	348,996
Other Fixed Assets	6,555	6,521
Investment Properties	28,561	28,561
	<u>384,029</u>	<u>384,079</u>
<b>Current Assets</b>		
Stock	508	505
Trade & Other Debtors	3,715	9,418
Cash & Cash Equivalents	6,794	2,983
	<u>11,017</u>	<u>12,906</u>
<b>Creditors: within 1 year</b>		
Trade Creditors	(312)	(701)
Accruals & Deferred Income	(21,066)	(23,442)
Prepayments of Rent and Service Charge	(1,331)	(1,335)
Other Creditors	(524)	(517)
Amounts due to Group Undertakings	(7,740)	(6,956)
	<u>(30,973)</u>	<u>(32,952)</u>
<b>Net Current Liability</b>	<b>(19,957)</b>	<b>(20,046)</b>
<b>Long Term Creditors</b>		
Loans	(33,678)	(33,633)
Amounts due to Group Undertakings	(126,810)	(126,810)
Pension Liability	(751)	(751)
	<u>(161,239)</u>	<u>(161,234)</u>
<b>Net Assets</b>	<b>202,833</b>	<b>202,839</b>
<b>Capital and Reserves</b>		
Share Capital	-	-
Revenue Reserve	202,833	202,839
	<u>202,833</u>	<u>202,839</u>
<b>Association's funds</b>	<b>202,833</b>	<b>202,839</b>

## Key highlights year to date:

- The balance sheet reported reflects the 31 March 2021 year end position which is still subject to final audit and year end statutory 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.
- **Trade & other debtors** of £3.7m include prepayments and accrued income of £0.1m, an intercompany balance of £0.7m and net rent arrears of £0.3m (after bad debt provision).
- **Cash at Bank** – At 31 March Dunedin Canmore had £6.8m in the bank and has access to draw down further funding from WFL1 as and when required.
- **Short-Term Creditors** – Amounts due within one year of £31.0m includes £7.7m due to other Wheatley entities and £21.1m in accruals and deferred income. The remaining balance includes rent received in advance from our tenants, trade and other creditors (factoring deposits and payroll creditors).
- **Loans** of £160.5m relate to funding drawn down from WFL1, and external funding of £33.7m due to THFC and Allia (inclusive of rolled up interest charges).

# Financial Projections & Assumptions

2021

## Dunedin Canmore Housing Limited

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		2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	
		Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	
		£'000	£'000	£'000	£'000	£'000	£'000	Comments
<b>PLEASE USE "0" FOR NIL VALUES THROUGHOUT THIS RETURN</b>								
<b>STATEMENT OF COMPREHENSIVE INCOME</b>								
Gross rents	10 :	27,903.0	29,011.9	30,029.6	31,904.8	33,386.0	34,895.0	
Service charges	11 :	1,862.0	1,973.2	2,021.3	2,080.0	2,140.5	2,202.0	
<b>Gross rents &amp; service charges</b>	12 :	<b>29,765.0</b>	<b>30,985.1</b>	<b>32,050.9</b>	<b>33,984.8</b>	<b>35,526.5</b>	<b>37,097.0</b>	
Rent loss from voids	13 :	528.0	375.7	383.0	393.4	406.7	421.2	
<b>Net rent &amp; service charges</b>	14 :	<b>29,237.0</b>	<b>30,609.4</b>	<b>31,667.9</b>	<b>33,591.4</b>	<b>35,119.8</b>	<b>36,675.8</b>	
Developments for sale income	15 :	0.0	0.0	0.0	0.0	0.0	0.0	
Grants released from deferred income	16 :	6,104.0	4,908.6	12,443.2	14,508.7	10,086.8	16,390.6	
Grants from Scottish Ministers	17 :	361.0	477.1	477.1	477.1	477.1	477.1	
Other grants	18 :	0.0	0.0	0.0	0.0	0.0	0.0	
Other income	19 :	4,068.0	4,927.3	5,166.1	5,594.6	6,073.4	6,831.9	
<b>TURNOVER</b>	20 :	<b>39,770.0</b>	<b>40,922.4</b>	<b>49,754.3</b>	<b>54,171.8</b>	<b>51,757.1</b>	<b>60,375.4</b>	
Less:								
Housing depreciation	22 :	7,105.2	9,916.4	10,005.2	10,068.5	10,121.8	10,168.5	
Impairment written off / (back)	23 :	0.0	0.0	0.0	0.0	0.0	0.0	
Management costs	25 :	4,967.2	5,160.0	4,473.9	4,599.1	4,666.3	5,105.7	
Service costs	26 :	1,428.1	1,513.4	1,550.3	1,595.3	1,641.7	1,688.8	
Planned maintenance - direct costs	27 :	2,202.2	2,828.9	2,887.8	3,010.4	3,122.3	3,222.7	
Re-active & voids maintenance - direct costs	28 :	2,342.0	2,550.5	2,583.8	2,686.9	2,766.7	2,880.2	
Maintenance overhead costs	29 :	0.0	0.0	0.0	0.0	0.0	0.0	
Bad debts written off / (back)	30 :	161.0	295.6	303.6	317.0	328.5	340.8	
Developments for sale costs	31 :	0.0	0.0	0.0	0.0	0.0	0.0	
Other activity costs	32 :	4,730.6	5,389.0	5,523.6	5,661.6	5,760.6	5,893.4	
Other costs	33 :	695.8	992.0	1,469.8	1,651.1	1,497.5	1,218.3	
	34 :	16,526.8	18,729.4	18,792.8	19,521.4	19,783.6	20,349.9	
<b>Operating Costs</b>	36 :	<b>23,632.0</b>	<b>28,645.8</b>	<b>28,798.0</b>	<b>29,589.9</b>	<b>29,905.4</b>	<b>30,518.4</b>	
Gain/(Loss) on disposal of PPE	37 :	796.9	0.0	275.0	8.0	0.0	0.0	
Exceptional Items - (Income) / Expense	38 :	(6,391.7)	(399.0)	(461.0)	3,121.0	4,721.0	1,966.0	
<b>OPERATING SURPLUS/(DEFICIT)</b>	39 :	<b>23,326.6</b>	<b>12,675.6</b>	<b>21,692.3</b>	<b>21,468.9</b>	<b>17,130.7</b>	<b>27,891.0</b>	
Interest receivable and other income	41 :	1.0	6.3	12.5	18.8	37.5	50.0	
Interest payable and similar charges	42 :	10,945.0	7,280.4	7,584.3	8,561.7	9,112.8	9,549.8	
Increase / (Decrease) in Negative Goodwill	43 :	0.0	0.0	0.0	0.0	0.0	0.0	
Other Gains / (Losses)	44 :	2,389.0	3,806.0	(2,060.0)	(522.0)	6,248.0	(4,257.0)	
<b>SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAX</b>	46 :	<b>14,771.6</b>	<b>9,207.5</b>	<b>12,060.5</b>	<b>12,404.0</b>	<b>14,303.4</b>	<b>14,134.2</b>	
Tax on surplus on ordinary activities	48 :	0.0	0.0	0.0	0.0	0.0	0.0	
<b>SYRPLUS/(DEFICIT) FOR THE YEAR AFTER TAX</b>	50 :	<b>14,771.6</b>	<b>9,207.5</b>	<b>12,060.5</b>	<b>12,404.0</b>	<b>14,303.4</b>	<b>14,134.2</b>	

Year 1 (2021) Projections 2021-2025

Number of units lost during year to:		£'000	£'000	£'000	£'000	£'000	£'000	Comments
Actuarial (loss) / gain in respect of pension schemes	52 :	0.0	0.0	0.0	0.0	0.0	0.0	
Change in Fair Value of hedged financial instruments.	53 :	0.0	0.0	0.0	0.0	0.0	0.0	
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	55 :	<b>14,771.6</b>	<b>9,207.5</b>	<b>12,060.5</b>	<b>12,404.0</b>	<b>14,303.4</b>	<b>14,134.2</b>	
<b>STATEMENT OF FINANCIAL POSITION</b>								
<b>Non-Current Assets</b>								
Intangible Assets & Goodwill	60 :	0.0	0.0	0.0	0.0	0.0	0.0	
Housing properties - Gross cost or valuation	63 :	351,385.0	358,232.0	372,184.3	380,221.4	400,365.6	417,078.6	
Less								
Housing Depreciation	65 :	0.0	0.0	0.0	0.0	0.0	0.0	
Negative Goodwill	66 :	0.0	0.0	0.0	0.0	0.0	0.0	
<b>NET HOUSING ASSETS</b>	67 :	<b>351,385.0</b>	<b>358,232.0</b>	<b>372,184.3</b>	<b>380,221.4</b>	<b>400,365.6</b>	<b>417,078.6</b>	
Non-Current Investments	69 :	27,768.0	36,535.1	45,117.4	52,674.5	61,152.6	67,475.4	
Other Non Current Assets	70 :	6,521.0	6,966.1	7,099.6	6,893.3	6,755.4	6,654.4	
<b>TOTAL NON-CURRENT ASSETS</b>	71 :	<b>385,674.0</b>	<b>401,733.2</b>	<b>424,401.3</b>	<b>439,789.2</b>	<b>468,273.6</b>	<b>491,208.4</b>	
<b>Current Assets</b>								
Net rental receivables	74 :	939.0	1,563.9	1,673.6	1,755.4	1,703.1	1,672.7	
Other receivables, stock & WIP	75 :	8,984.0	4,899.1	4,899.2	4,899.2	4,899.2	4,900.0	
Investments (non-cash)	76 :	0.0	0.0	0.0	0.0	0.0	0.0	
Cash at bank and in hand	77 :	2,983.0	2,500.0	2,500.0	2,500.0	2,500.0	2,500.0	
<b>TOTAL CURRENT ASSETS</b>	78 :	<b>12,906.0</b>	<b>8,963.0</b>	<b>9,072.8</b>	<b>9,154.6</b>	<b>9,102.3</b>	<b>9,072.7</b>	
<b>Payables : Amounts falling due within One Year</b>								
Loans due within one year	81 :	0.0	0.0	0.0	0.0	0.0	0.0	
Overdrafts due within one year	82 :	0.0	0.0	0.0	0.0	0.0	0.0	
Other short-term payables	83 :	18,404.2	9,121.6	9,231.6	9,355.4	9,396.6	9,396.6	
<b>TOTAL CURRENT LIABILITIES</b>	84 :	<b>18,404.2</b>	<b>9,121.6</b>	<b>9,231.6</b>	<b>9,355.4</b>	<b>9,396.6</b>	<b>9,396.6</b>	
<b>NET CURRENT ASSETS/(LIABILITIES)</b>	86 :	<b>(5,498.2)</b>	<b>(158.6)</b>	<b>(158.8)</b>	<b>(200.8)</b>	<b>(294.3)</b>	<b>(323.9)</b>	
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	88 :	<b>380,175.8</b>	<b>401,574.6</b>	<b>424,242.5</b>	<b>439,588.4</b>	<b>467,979.3</b>	<b>490,884.5</b>	
<b>Payables : Amounts falling due After One Year</b>								
Loans due after one year	91 :	160,443.0	165,464.2	179,721.1	188,296.7	198,818.1	206,642.8	
Other long-term payables	92 :	0.0	1,014.0	1,014.0	1,014.0	1,014.0	1,014.0	
Grants to be released	93 :	13,750.9	20,354.1	16,703.8	11,070.1	14,636.4	15,581.7	
	94 :	<b>174,193.9</b>	<b>186,832.3</b>	<b>197,438.9</b>	<b>200,380.8</b>	<b>214,468.5</b>	<b>223,238.5</b>	
Provisions for liabilities & charges	95 :	0.0	0.0	0.0	0.0	0.0	0.0	
Pension asset / (liability)	96 :	751.0	751.0	751.0	751.0	751.0	751.0	
<b>NET ASSETS</b>	97 :	<b>205,230.9</b>	<b>213,991.3</b>	<b>226,052.6</b>	<b>238,456.6</b>	<b>252,759.8</b>	<b>266,895.0</b>	
<b>Capital &amp; Reserves</b>								
Share capital	100 :	0.0	0.0	0.0	0.0	0.0	0.0	
Revaluation reserve	101 :	0.0	0.0	0.0	0.0	0.0	0.0	
Restricted reserves	102 :	0.0	0.0	0.0	0.0	0.0	0.0	
Revenue reserves	103 :	205,230.9	213,991.3	226,052.6	238,456.6	252,759.8	266,895.0	
<b>TOTAL CAPITAL &amp; RESERVES</b>	104 :	<b>205,230.9</b>	<b>213,991.3</b>	<b>226,052.6</b>	<b>238,456.6</b>	<b>252,759.8</b>	<b>266,895.0</b>	
Intra Group Receivables - as included above	106 :	2,736.0	1,650.0	1,650.0	1,650.0	1,650.0	1,650.0	
Intra Group Payables - as included above	107 :	6,956.0	4,212.0	4,212.0	4,212.0	4,212.0	4,212.0	

Number of units lost during year to:		£'000	£'000	£'000	£'000	£'000	£'000	Comments
<b>STATEMENT OF CASHFLOWS</b>								
<b>Net Cash from Operating Activities</b>								
Operating Surplus/(Deficit)	112 :	23,326.6	12,675.6	21,692.3	21,468.9	17,130.7	27,891.0	
Depreciation & Amortisation	113 :	7,801.0	10,908.4	11,475.0	11,719.6	11,619.3	11,386.8	
Impairments / (Revaluation Enhancements)	114 :	0.0	0.0	0.0	0.0	0.0	0.0	
Increase / (Decrease) in Payables	115 :	10,116.2	0.0	0.0	0.0	0.0	0.0	
(Increase) / Decrease in Receivables	116 :	(4,295.0)	(248.4)	(506.6)	(229.2)	52.1	30.1	
(Increase) / Decrease in Stock & WIP	117 :	(171.0)	0.0	0.0	0.0	0.0	0.0	
Gain / (Loss) on sale of non-current assets	118 :	0.0	0.0	0.0	0.0	0.0	0.0	
Other non-cash adjustments	119 :	(12,495.7)	(5,307.6)	(12,904.7)	(11,387.3)	(5,366.1)	(14,425.0)	
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>120 :</b>	<b>24,282.1</b>	<b>18,028.0</b>	<b>19,756.0</b>	<b>21,572.0</b>	<b>23,436.0</b>	<b>24,883.0</b>	
Tax (Paid) / Refunded	122 :	0.0	0.0	0.0	0.0	0.0	0.0	
<b>Return on Investment and Servicing of Finance</b>								
Interest Received	125 :	1.0	6.3	12.5	18.8	37.5	50.0	
Interest (Paid)	126 :	(11,084.1)	(6,949.5)	(7,368.1)	(8,319.6)	(8,942.6)	(9,425.7)	
<b>RETURNS ON INVESTMENT AND SERVICING OF FINANCE</b>	<b>127 :</b>	<b>(11,083.1)</b>	<b>(6,943.2)</b>	<b>(7,355.6)</b>	<b>(8,300.8)</b>	<b>(8,905.1)</b>	<b>(9,375.7)</b>	
<b>Capital Expenditure &amp; Financial Investment</b>								
Construction or acquisition of Housing properties	130 :	(13,145.0)	(21,212.5)	(28,533.0)	(23,405.1)	(30,885.0)	(33,035.1)	
Improvement of Housing	131 :	(3,880.0)	(6,944.0)	(5,850.6)	(6,006.8)	(5,853.2)	(5,882.9)	
Construction or acquisition of other Land & Buildings	132 :	0.0	0.0	0.0	0.0	0.0	0.0	
Construction or acquisition of other Non-Current Assets	133 :	(429.0)	(1,371.0)	(1,494.3)	(1,326.5)	(1,388.4)	(1,153.6)	
Sale of Social Housing Properties	134 :	0.0	0.0	0.0	0.0	0.0	0.0	
Sale of Other Land & Buildings	135 :	0.0	0.0	0.0	0.0	0.0	0.0	
Sale of Other Non-Current Assets	136 :	0.0	0.0	0.0	0.0	0.0	0.0	
Grants (Repaid) / Received	137 :	11,000.0	14,314.4	8,793.0	8,875.0	13,653.2	17,335.9	
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>	<b>138 :</b>	<b>(6,454.0)</b>	<b>(15,213.1)</b>	<b>(27,084.9)</b>	<b>(21,863.4)</b>	<b>(24,473.4)</b>	<b>(22,735.7)</b>	
<b>NET CASH BEFORE FINANCING</b>	<b>140 :</b>	<b>6,745.0</b>	<b>(4,128.3)</b>	<b>(14,684.5)</b>	<b>(8,592.2)</b>	<b>(9,942.5)</b>	<b>(7,228.4)</b>	
<b>Financing</b>								
Equity drawdown	143 :	0.0	0.0	0.0	0.0	0.0	0.0	
Debt drawdown	144 :	0.0	0.0	0.0	0.0	0.0	0.0	
Debt repayment	145 :	0.0	0.0	0.0	0.0	0.0	0.0	
Working Capital (Cash) - Drawn / (Repaid)	146 :	(8,035.0)	3,645.3	13,709.5	8,012.2	9,942.5	7,228.4	
<b>NET CASH FROM FINANCING</b>	<b>147 :</b>	<b>(8,035.0)</b>	<b>3,645.3</b>	<b>13,709.5</b>	<b>8,012.2</b>	<b>9,942.5</b>	<b>7,228.4</b>	
<b>INCREASE / (DECREASE) IN NET CASH</b>	<b>149 :</b>	<b>(1,290.0)</b>	<b>(483.0)</b>	<b>(975.0)</b>	<b>(580.0)</b>	<b>0.0</b>	<b>0.0</b>	
<b>Cash Balance</b>								
Balance Brought Forward	152 :	4,273.0	2,983.0	2,500.0	1,525.0	945.0	945.0	
Increase / (Decrease) in Net Cash	153 :	(1,290.0)	(483.0)	(975.0)	(580.0)	0.0	0.0	
<b>CLOSING BALANCE</b>	<b>154 :</b>	<b>2,983.0</b>	<b>2,500.0</b>	<b>1,525.0</b>	<b>945.0</b>	<b>945.0</b>	<b>945.0</b>	
<b>ADDITIONAL INFORMATION</b>								
<b>Number of units added during year to:</b>								
New Social Rent Properties added	159 :	58	54	162	142	70	170	
New MMR Properties added	160 :	35	25	0	66	90	52	
New Low Costs Home Ownership Properties added	161 :	0.0	0.0	0.0	0.0	0.0	0.0	
New Properties - Other Tenures added	162 :	0.0	0.0	0.0	0.0	0.0	0.0	
<b>Total number of new affordable housing units added during year</b>	<b>163 :</b>	<b>93</b>	<b>79</b>	<b>162</b>	<b>208</b>	<b>160</b>	<b>222</b>	

Number of units lost during year to:		£'000	£'000	£'000	£'000	£'000	£'000	Comments
<b>Number of units lost during year from:</b>								
Sales including right to buy	166 :	29	0	(13)	(15)	0	0	
Demolition	167 :	0	0	0	0	0	0	
Other	168 :	0	0	0	0	0	0	
<b>Units owned:</b>								
Social Rent Properties	171 :	5,269	5,323	5,498	5,655	5,725	5,895	
MMR Properties	172 :	322	347	347	413	503	555	
Low Costs Home Ownership Properties	173 :	339	339	339	339	339	339	
Properties - Other Tenures	174 :	0	0	0	0	0	0	
<b>Number of units owned at end of period</b>	175 :	<b>5930</b>	<b>6009</b>	<b>6184</b>	<b>6407</b>	<b>6567</b>	<b>6789</b>	
Number of units managed at end of period (exclude factored units)	177 :	0	0	0	0	0	0	
<b>Financed by:</b>								
Scottish Housing Grants	180 :	6,104.0	4,908.6	12,443.2	14,508.7	10,086.8	16,390.6	
Other public subsidy	181 :	0	0	0	0	0	0	
Private finance	182 :	4,919.0	4,395.4	11,046.8	14,842.3	16,594.2	18,622.4	
Sales	183 :	0	0	0	0	0	0	
Cash reserves	184 :	0	0	0	0	0	0	
Other	185 :	0	0	0	0	0	0	
<b>Total cost of new units</b>	186 :	<b>11,023.0</b>	<b>9,304.0</b>	<b>23,490.0</b>	<b>29,351.0</b>	<b>26,681.0</b>	<b>35,013.0</b>	
<b>Assumptions:</b>								
General Inflation (%)	189 :	0.0	1.5	3.0	3.0	3.0	2.5	
Rent increase - Margin above General Inflation (%)	190 :	0.0	0.2	(0.6)	(0.1)	(0.1)	0.4	
Operating cost increase - Margin above General Inflation (%)	191 :	0.0	0.0	0.0	0.0	0.0	0.0	
Direct maintenance cost increase - Margin above General Inflation (%)	192 :	0.0	0.0	0.0	0.0	0.0	0.0	
Actual / Assumed average salary increase (%)	193 :	0.0	1.5	1.5	1.5	2.0	2.0	
Average cost of borrowing (%)	194 :	5.1	5.0	5.0	5.1	5.1	5.1	
Employers Contributions for pensions (%)	195 :	6.4	6.4	6.4	6.4	6.4	6.4	
Employers Contributions for pensions (£'000)	196 :	955.2	969.5	984.1	998.8	1,018.8	1,039.2	
SHAPS Pensions deficit contributions (£'000)	197 :	785.0	806.4	0.0	0.0	0.0	0.0	
Minimum headroom cover on tightest interest cover covenant (£'000)	198 :	0.0	0.0	0.0	0.0	0.0	0.0	
Minimum headroom cover on tightest gearing covenant (£'000)	199 :	0.0	0.0	0.0	0.0	0.0	0.0	
Minimum headroom cover on tightest asset cover covenant (£'000)	200 :	0.0	0.0	0.0	0.0	0.0	0.0	
Total staff costs (including NI & pension costs)	202 :	7,356.4	9,255.5	9,394.5	9,535.3	9,725.8	9,920.5	
Full time equivalent staff	203 :	198.0	198.0	198.0	198.0	198.0	198.0	
EESSE Revenue Expenditure included above	205 :	0.0	0.0	0.0	0.0	0.0	0.0	
EESSE Capital Expenditure included above	206 :	1.5	135	135	135	100	100	
Total capital and revenue expenditure on maintenance of pre-1919 properties	207 :	768.9	750	694	750	750	750	
Total capital and revenue expenditure on maintenance of all other properties	208 :	5,453.1	8,744.5	7,740.8	7,943.7	7,869.9	8,013.1	
<b>Version 8.64</b>								



**Ratios**
**Dunedin Canmore Housing Limited**
**116**

	2020/21 Year 0	2021/22 Year 1	2022/23 Year 2	2023/24 Year 3	2024/25 Year 4	2025/26 Year 5
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**Financial capacity**

Interest cover %	219.081	259.505	268.298	259.517	262.491	264.521
Gearing %	76.723	76.155	78.398	77.916	77.670	76.488

**Efficiency**

Voids %	1.774	1.213	1.195	1.158	1.145	1.135
Arrears %	3.212	5.109	5.285	5.226	4.849	4.561
Bad debts %	0.551	0.966	0.959	0.944	0.935	0.929
Staff costs / turnover %	18.497	22.617	18.882	17.602	18.791	16.431
Turnover per unit (£)	6,707	6,810	8,046	8,455	7,881	8,893
Responsive repairs to planned maintenance ratio	2.6	3.8	3.4	3.4	3.2	3.2

**Liquidity**

Current ratio	0.7	1.0	1.0	1.0	1.0	1.0
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**Profitability**

Gross surplus / Deficit %	58.654	30.975	43.599	39.631	33.098	46.196
Net surplus / Deficit %	37.143	22.500	24.240	22.898	27.636	23.411
EBITDA / revenue (%)	66.763	38.238	51.949	47.129	41.346	53.294

**Financing**

Debt Burden ratio	4.0	4.0	3.6	3.5	3.8	3.4
Net debt per unit (£)	26,553	27,120	28,658	28,999	29,895	30,070
Debt per unit (£)	27,056	27,536	29,062	29,389	30,275	30,438

**Diversification**

Income from non-rental activities %	26.485	25.201	36.351	37.991	32.145	39.254
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## Report

**To:** Dunedin Canmore Housing Board

**By:** Anthony Allison, Director of Governance

**Approved by:** Steven Henderson, Group Director of Finance

**Subject:** Strategic governance review

**Date of Meeting:** 27 May 2021

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### 1. Purpose

1.1 To update the Board on the planned Group wide strategic governance review.

### 2. Authorising and strategic context

2.1 Under the Group Standing Orders, the Group Board is responsible for the Group's overall governance arrangements. The Group Remuneration, Appointments, Appraisal and Governance ("RAAG") Committee supports the Board in this role.

2.2 As we transition into the implementation phase of the new Group strategy and the final phases of the main pandemic restrictions the Group Board agreed that the strategic context was appropriate to initiate a strategic governance review. The Group Board agreed the Terms of Reference for the review at its last meeting, which are attached at Appendix 1.

2.3 The strategic governance review will lay the foundation for the commitment in the Group strategy to redesign our authorising environment. This review will set the overarching governance context to allow a review of how the staffing authorising environment, our internal governance, operates.

### 3. Risk appetite and assessment

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

3.2 The Group strategic risk register contains the risk "*The governance structure is not clearly defined, is overly complex and lacks appropriate skills at Board and Committee levels to govern the Group effectively. Failure of corporate governance arrangements could lead to serious service and financial failures.*"

3.3 We mitigate this risk by having clearly defined roles and responsibilities across our governance framework, regularly reviewing our framework and submitting our governance arrangements to external review.

- 3.4 The proposed strategic governance review will engage independent expertise to review our governance arrangements and make recommendations for how they can be refined to continue to mitigate this risk.

## **4. Background**

4.1 Since the last Group strategic review our governance has changed significantly. In part, this relates to the implementation of recommendations made during the previous review, such as the integration of commercial activity across the Group. We have also continued with the wider theme from the last strategic governance review of reducing our 'washing line' where there has been a clear strategic benefit, direct customer benefits and support from relevant Boards.

4.2 This has included consolidating all care activity into Wheatley Care, which subsequently led to us disaggregating Barony stock across WLHP and Dunedin Canmore Housing. We are also in the process of creating a single vehicle in Glasgow, which will ultimately remove Cube from the Group structure.

4.3 Since the previous review DGHP joined the Group in December 2019, increasing our Group structure. At the time of joining DGHP had an Audit Committee, Development Committee and two subsidiaries. As part of the DGHP Transformation Programme we have already wound up the two DGHP Committees and agreed to wind up Novantie.

4.4 In totality, taking into work completed and underway, our governance structure will have been reduced by the following:

- Dunedin Canmore Enterprises;
- Novantie;
- Wheatley Enterprises;
- YourPlace Property Management;
- Barony;
- Cube;
- DGHP Audit Committee; and
- DGHP Development Committee.

4.5 In practical terms, this represents:

- 6 less legal entities requiring: annual accounts; individual legal and regulatory returns; and staffing and payroll arrangements;
- 40+ less Board and Committee meetings per annum to service with papers, officer and Non-Executive time; and
- 30+ less policies required across the wider group.

## **5. Customer engagement**

5.1 Our strategic governance review is internally focussed, with our strategy having already established our plans to enhance the mechanisms for Board decision making being influenced by customer feedback and input.

5.2 Future governance reviews will seek to more formally consider how well we have integrated customer feedback into our Board level decision making.

## 6. Discussion

- 6.1 The significant level of change in our governance structures, combined with the reflection of how our governance has operated during the pandemic and how that can inform our future approach, the timing is appropriate to initiate a strategic governance review. This also aligns with the early phases of implementing our strategy.
- 6.2 The scope of the review of our overarching governance structure and arrangements will cover five key areas:
1. The overarching Group structure;
  2. The role and remit of Boards and Group Committees within the Group structure;
  3. Board compositions;
  4. Board practice; and
  5. Assurance of compliance with SHR Regulatory Framework.

A summary of each is set out below:

### Group structure/ role and remit of Boards and Group Committees

- 6.3 As previously identified, our group structure has continued to evolve. The review will consider the current level of complexity within our structure taking into account these changes. This will include areas such as intragroup relationships, ongoing legal and regulatory compliance requirements and decision making.
- 6.4 The review of the Group structure is inherently aligned to the role and remit of Boards and Committees, given they will, in part, determine some intragroup relationships. This element of the review would be expected to consider whether the current structure and roles and remit lead to unnecessary duplication which impacts the effectiveness and agility of decision making.
- 6.5 We know from the changes we have made in Lowther, Barony and Cube that there are potential benefits for both our governance and customers through integration. The review will consider the potential for any further similar benefits. The identification of potential benefits would be just one factor for Boards to consider along with a range of other factors, including the legal and regulatory practicalities.
- 6.6 The review will also draw on lessons learned and good practice from elsewhere within and outwith the sector.

### Board and Committee compositions

- 6.7 The interim governance arrangements we have operated throughout the pandemic provide a point of reflection. In particular, the lessons learned from our experience operating smaller Boards with a narrower skills base and the broadening of this to our dual board approach.

- 6.8 Most of the aspects of Board composition are relatively standard in nature and the review will require to reflect the findings of the preceding elements when formulating recommendations. Given the importance of such roles, it specifically includes consideration of the office bearer eligibility and appointment process. At present, a number of office bearer roles have restricted eligibility.

#### Board practice

- 6.9 Our pre pandemic Board practice of all Board meetings being in person, held at respective head offices will no longer be an option in future. This element of the review will focus on how we draw on the lessons learned and cast forward to how our practice will reflect our new hub model.

#### Assurance of compliance with SHR Regulatory Framework

- 6.10 As we focussed on the response to the pandemic and operated interim governance arrangements we agreed to postpone the external review of our annual assurance statement evidence.
- 6.11 It will be included as an element of the review. It is intended that our Internal Audit team will independently work in partnership with the external reviewer to strengthen the level of independent assurance provided to the Board.

#### Methodology

- 6.12 As with all our strategic governance reviews, we will engage independent external expertise to undertake the review. Our previous strategic governance reviews have been undertaken by Campbell Tickell. As a matter of good practice, we will however test the market prior to any appointment.
- 6.13 As with previous reviews, a foundation of the review will be direct engagement with all Group Board members, which includes the DCH Chair. This allows all Board members to express individual views confidentially, whilst providing a basis to ensure any proposals reflects the themes and patterns within the overall Board feedback.
- 6.14 Prior to the interviews, an extensive desktop review process and contextual research will have been undertaken to ensure that the external reviewer is well informed.

#### Board engagement

- 6.15 The Terms of Reference set out key milestones and timescales for the review. An important element of this is that recommendations agreed by the Group Board are subject to discussion at individual Board workshops, where appropriate, prior to our implementation plan being agreed. This reflects our approach to decision making being based on engagement with Boards across the Group.

## Summary

- 6.16 The strategic governance review will allow us to ensure that our governance arrangements are fully aligned to our new strategy and operating model. In parallel, it will provide an opportunity to quickly adapt our governance to embed the lessons learned from the pandemic.

### **7. Digital transformation alignment**

- 7.1 The review is not directly related to our digital transformation activities; however, the Board practice element will consider how digital more widely can play a role in our governance approach.
- 7.2 The oversight of our digital transformation activity will however be considered within the review as part of the wider review of Board and Committee roles and responsibilities.

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

- 8.1 The review will be covered from within existing budgets.

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

- 9.1 The review will include consideration of our compliance with regulatory requirements. Additionally, undertaking the review through an independent expert will strengthen our compliance with the Regulatory Standards of Governance.
- 9.2 As with previous reviews, we will update the Scottish Housing Regulator on our plans as part of our routine engagement. Any changes agreed by the Board during the review will be subject to specific engagement with the SHR and our funders where there are regulatory framework or consent requirements.

### **10. Equalities impact**

- 10.1 There are no equalities implications arising from this report. As part of the review against the Regulatory Standards of Governance we will consider our approach to equality and diversity.

### **11. Environmental and sustainability implications**

- 11.1 There are no direct environmental and sustainability implications arising from this report. As part of the strategic governance review, it is expected that roles and responsibilities for oversight of our environmental and sustainability activities will be more clearly defined, reflecting their greater prominence in our strategy.

### **12. Recommendation**

- 12.1 The Board is asked to note the Strategic Governance Review Terms of Reference.

## **List of Appendices**

Appendix 1: Strategic Governance Review Terms of Reference

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April 2021



# Strategic governance review

## - Terms of Reference



## 1. Context

Wheatley Housing Group (“WHG”) is the Parent within a Group structure (“the Group”). The group structure contains entities legally constituted and regulated in a range of different ways, including:

- Registered Social Landlords (“RSLs”)
- Companies Limited by Shares
- Companies Limited by Guarantee
- Registered Societies (via the Financial Conduct Authority)
- Registered Charities (via the Office of the Scottish Charity Regulator)
- Registered Care services (Via the Care Inspectorate)
- Registered factor and letting agent (via the Scottish Government)
- Financial Conduct Authority (insurance mediation via Wheatley Solutions)

As WHG is a Registered Social Landlord, the Group is principally regulated by the Scottish Housing Regulator.

As a group, we have routinely undertaken strategic governance reviews: to reflect our strategic direction in our governance arrangements; take into account any material changes in our group context; learn lessons from previous governance reviews; learn lessons from the wider sector; review the effectiveness of our current governance arrangements.

Since our last strategic governance review, the following key activities have taken place

- A new 2021-26 Group strategy has been agreed
- Dumfries and Galloway Housing Partnership has joined the Group and initiated the process to fully align its governance arrangements with the Group
- Cube tenants have voted to change landlord
- The GHA and Group Board have agreed we develop a new platform for Glasgow
- We have integrated our care activity into a single vehicle – Wheatley Care
- We have integrated our commercial activity into a single vehicle – Lowther Homes
- We have created a new Group Development Committee

Combined with the reflection of how our governance has operated during the pandemic and how that can inform our approach as we emerge from the pandemic, the timing is appropriate to initiate a strategic governance review.

## 2. Scope of review

The scope of the review is based on our overarching governance structure and arrangements. The strategic review should cover five key areas:

1. The overarching Group structure
2. The role and remit of Boards and Group Committees within the Group structure
3. Board compositions
4. Board practice
5. Assurance of compliance with SHR Regulatory Framework

Further detail on each is set out in the proposed approach and methodology.

City Building (Glasgow) are not within the scope of the review.

## 3. Review Area

### Group structure

Our assumed Group structure, post changes already underway, is attached at Appendix 1. In recent years the focus of our group structure has been twofold: what delivers the best service and benefits for tenants; and what reduces risk and complexity. This is set within the context of understanding that our operating context and stakeholders are factors in the decisions we make regarding our group structure.

The review of our group structure should incorporate the following:

### *Risk and complexity*

A review and assessment of the level of risk and complexity within our current group structure. This should include:

- the external legal and regulatory compliance requirements of the current structure;
- intragroup contracting arrangements and relationships eg Intra-Group Agreements and Service Agreements
- decision making within the current group structure
- reference to lessons learned and good practice within and outwith the wider sector

Recommendations should be made for how the Group structure could be evolved to reduce complexity and risk.

### *Previous group integration*

We have undertaken, or are in the process of undertaking, a significant element of integration within our group structure. Each element has been agreed based on the potential released in terms of: enhanced services and investment for customers; reduced rent levels for tenants; increased new build; operational efficiency; and/or strategic alignment.

The potential for similar benefits to be gained by further changes to the group structure should be evaluated and identified.

## Role and remit of Group/Subsidiary Boards/Committees

Review and assess the role and remit of each Board and Committee within the Group. This should include:

- the delineation of roles and responsibilities of Boards and Committees
- the effectiveness and agility of decision making and the identification of any inherent or unnecessary duplication
- Areas where integration of roles and responsibilities could enhance our governance
- any gaps in the role and remits of Boards or Committees
- reference to lessons learned and good practice within and outwith the wider sector

Recommendations should be made on the role and remit of Boards and Committees, including where amendment or integration could improve the overall governance of the Group.

## Board and Committee compositions

Taking into account the findings in relation to the role and remit of Boards and Committees, Board composition should be assessed and reviewed.

This should include consideration of:

- lessons learned from the governance arrangements operated during the pandemic
- the skill and experience requirements of each Board and Committee relative to its role and responsibilities
- the composition of each Board – including the balance of the different constituent memberships
- Office bearer eligibility and appointment process
- The overall size of each Board, including the effectiveness of our current Board sizes
- reference to lessons learned and good practice within and outwith the wider sector

Recommendations should be made on the size, composition and skills and experience required for Committees and Boards. These should be accompanied by revised skills matrices for each Committee and Board.

## Board practice

The pandemic has led to a fundamental change to Board practice. Videoconferencing has become the default by necessity for Board meetings and is now a more established practice.

In addition to this, we are redefining our corporate estate to focus on a Centres of Excellence hub model which will focus more on how our buildings provide space for staff to engage and collaborate, rather than have dedicated spaces such as Board rooms.

As we emerge from the pandemic and face to face becomes possible we wish to consider what our approach should be in future. The review should consider:

- Lessons learned from how our governance operated during the pandemic
- What our future Board practices should be in terms of the potential to blend digital and physical meetings, including a blend within meetings
- For physical meetings, when and where should they be held – does the current previous approach still fit with post pandemic flexible working practices

Recommendations should be made as to how our future approach can take the positive elements of how our governance has operated during the pandemic to refine our Board practice in future.

### Assurance of compliance with SHR Regulatory Framework

The Group requires to undertake an Annual Assurance self assessment exercise and report to the Scottish Housing Regulator. As part of this, we draw on independent external assurance over elements of our self-assessment.

The review should include:

- An independent review of the self assessment evidence for the 2021 Assurance Statement
- Co-development and/or independent expert input into approaches being developed to enhance compliance

Recommendations should be made on areas where compliance could be strengthened, including, where appropriate, specific means for doing so.

#### 4. Methodology and approach

The methodology and approach should incorporate the following elements:

Element	Approach
Desktop review	<ul style="list-style-type: none"> <li>▪ Review of existing Group structure and intragroup relationships</li>   <li>▪ Review of Board and Committee roles and responsibilities               <ul style="list-style-type: none"> <li>- Reserved matters</li> <li>- Devolved matters</li> <li>- Committee Terms of Reference</li> <li>- Board level Schemes of Delegation</li> <li>- How the roles were discharged during pandemic</li> </ul> </li>   <li>▪ Review of all existing Board and Committee compositions               <ul style="list-style-type: none"> <li>- Size of Board</li> <li>- Constituent membership</li> <li>- Office bearer eligibility</li> </ul> </li>   <li>▪ Review of Board and Committee papers</li>   <li>▪ Review of governance approach during pandemic</li>   <li>▪ Review of self assessment evidence</li> </ul>
Board/Committee engagement	<ul style="list-style-type: none"> <li>▪ One to One interview with all Group Board members (which also covers all partner Board and Committee Chairs and Group CEO)</li>   <li>▪ Discussion with Group RAAG Committee</li> </ul>
Contextual research	<ul style="list-style-type: none"> <li>▪ Group Strategy 2021-26</li>   <li>▪ Individual partner organisation strategies</li>   <li>▪ SHR Regulatory Framework</li> </ul>
Good practice	<ul style="list-style-type: none"> <li>▪ Review/research of good and emerging practice and lessons learned within and outwith sectors in which the Group operates</li> </ul>

## 5. Timescale

The target timescale for completion of the review will be as follows:

<b>Milestone</b>	<b>Completion date</b>
Group Board agree Terms of Reference for strategic governance review	28 April 2021
Independent consultant appointed	May 2021
Desktop review completed	May 2021
Board member interviews	Early-mid June 2021
Update to Group RAAG Committee	End June 2021
Initial findings and recommendations	July 2021
RAAG Committee review of draft report	Early August 2021
Final report to Group Board	August Board residential – end August 2021
Group Board agree what recommendations to adopt	August Board residential – end August 2021
Partner Board workshops as required on key recommendations	September 2021
Implementation plan to Group Board	October 2021
Update to all partner Boards/Committees	October- November 2021

## Report

**To:** Dunedin Canmore Housing Board

**By:** Lewis McGregor, Director of IT and Digital Services

**Approved by:** Steven Henderson, Group Director of Finance

**Subject:** Cyber Security

**Date of Meeting:** 27 May 2021

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### 1. Purpose

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

- an update on the key cyber security threats we face;
- a summary of our approach to protecting the Group from these threats; and
- a series of proposed next steps to strengthen our cyber security approach in the context of the new operating model and 2021-26 strategy.

### 2. Authorising and strategic context

2.1 Under the Group Authorising Framework (GAF) and Intra-Group Agreement (IGA) the Group Board are responsible for monitoring group wide approaches and understanding how we are managing and mitigating risks.

2.2 Digital transformation and investment in technology is a significant element of our strategy. Evolving our digital platforms is a key element of the Enabling our Ambitions strategic theme. Within this context, cyber security is a key consideration for us as we progress with implementing the digital elements of our strategy.

### 3. Risk appetite and assessment

3.1 Our Group risk appetite for general ICT matters (such as Technology and Channel Shift) is "open". The definition of this is "willing to choose the option that is most likely to result in successful delivery while also providing an acceptable level of reward i.e., value for money".

3.2 Cyber security is the application of technologies, processes and controls to protect systems, networks, programs, devices and data from malicious cyber attacks. The consequences of such attacks could be extremely serious, including temporary or permanent loss of major systems and customer and staff data being compromised. For that reason, the Group Board agreed to set our cyber security risk appetite as "averse".

- 3.3 Cyber security risks constantly evolve, and as we deliver new service models and make use of home, hybrid and remote working approaches, we will need to remain agile and adapt the protections and controls we use.
- 3.4 The key cyber security threats and consequent risks have been detailed within this report for consideration, and key recommendations are proposed to improve Group alignment for technology and information security concerns.

## 4. Background

4.1 Cyber security risk has been present for many years. However, in recent times, particularly with the increased risks associated with Covid and working from home, the nature of the threat has evolved and the criminal groups around the world behind many attacks have become increasingly sophisticated. The main threats we face include:

- **Phishing/Whaling/Business Email Compromise** – this has become the primary attack method - email-based attack, can be specific against CEO/CFO and senior managers or untargeted; Finance and HR focus (payments and data) and can be first part of a multi-stage attack. Note: Can include non-email channels (voice, SMS, chat and IM);
- **Ransomware** – digital extortion through targeted attacks, increasingly deployed by organised ransomware gangs; data exfiltration and encryption prevalent;
- **Account Compromise** – poor user password management, compromised account information used to access services, devices and data, specifically MS Office 365 and cloud services;
- **External Attacks/Scan & Exploit** – poor configuration or exposed services badly secured/maintained and available to exploit or compromise;
- **Malware (malicious software) deployment** – All Internet users at risk; email links, search links, compromised web content/services deploy malware to infect/corrupt services, often as a prelude to additional attacks;
- **Compromised Supplier/Stakeholder** – a range of risks from data processing breaches, lateral movement attacks from trusted 3<sup>rd</sup> party communications, to technical compromises across applications and platforms; and
- **Staff/Insider Threats** – wide risk profiling across human error, disgruntled employees and contractors, staff leaving employment with retained access to services.

4.2 Cases in the last year include ransomware attacks against housing associations in Scotland (Waverley Housing) and England (Flagship Group) which disabled key systems for significant periods. The hackers demanded ransoms be paid to unlock these systems. The Scottish Environment Protection Agency (SEPA) was subject to a serious ransomware attack which saw over 4,000 files stolen and subsequently published by hackers. While we understand no ransoms were paid, the process of reconstituting systems and data files is long and complex for the organisations involved.



4.3 Our IT operations have grown in scale and complexity in recent years, and we now have:

- 3,000 users with remote desktop & system access and Microsoft Office 365 services (email, Teams, Sharepoint, OneDrive);
- 1,900 staff using mobile devices (Apple, Android);
- >500 staff handling card payment data;
- Over 100 staff with VPN (remote access) to Group systems for call centre voice platforms;
- 30 Software as a Service (cloud applications) with sensitive data currently in use;
- >46,000 customers with online access to Group services; and
- 24 hour delivery of services to customers through online applications and contact centre operations, supported by Group IT on call engineers.

4.4 In this context, our scale and public profile makes us a target for hackers and cyber criminals. Our staff are sent “phishing” type emails on a regular basis and while our detection systems prevent a large number of these, some do get through. Historically, one of our main defences to attacks has been raising staff awareness and as a result, staff behaviour and training are well embedded. In the Flagship Group case, a staff member clicked on a link in an email which allowed hackers to enter and remain undetected in their systems while conducting surveillance for two weeks before the ransomware attack was launched.

## **5. Customer engagement**

5.1 Given the highly technical nature of our cyber security arrangements, it is not an area we would engage with our customers on directly. However, the strength of our cyber security arrangements are important to our customers in terms of how they protect their personal data and create a confidence in using our digital platforms.

5.2 It is intended that we will consider how we communicate with customers in terms of providing them comfort our systems are protected. Additionally, we are considering how we can use our customer engagement to raise awareness of cyber security with our customers more widely.

## **6. Discussion**

6.1 This report considers the following three key aspects of cyber security:

- (i) Malware (including ransomware) attacks;
- (ii) Cyber security in our supply chains; and
- (iii) Data breaches other than through malicious attacks.

(i) Malware (including ransomware) attacks

6.2 There is no way to entirely eliminate all risk of malware infection, so we adopt a “defence-in-depth” approach. This means using layers of defence with several mitigations at each layer. This provides us with more opportunities to detect malware, and then stop it before it causes significant harm. Our planning approach is in line with that recommended by the UK Government’s National Cyber Security Centre, which assumes – for planning purposes - that some malware will infiltrate the Group. This allows us to take steps to limit the impact this would cause, and understand how we would respond. Our key actions include:

- **Preventing malware from being delivered and spreading to devices** – this is a wide-ranging area of work, and includes:
  - a range of technical security measures, such as: filtering to only allow file types we would expect to receive, blocking websites that are known to be malicious, actively inspecting content and using signatures to block known malicious code, multi-factor authentication for Office 365 access so that if malware steals credentials, they cannot easily be reused, removing or isolating obsolete systems (such as legacy systems from partnerships) and regular security patching;
  - a progressive move of data storage to “the cloud”. The cloud is a term for data storage space which is not located in our own computers, devices and data centres, but on servers hosted by third party providers. Usually cloud services are therefore accessed through the internet, which may appear to create risk, but in most cases, the cloud is more secure than on-premise data centres because cloud providers have high levels of data security and protection. In conversation with the Flagship Group, one of their lessons learned was the need to move more of their storage to the cloud where inbuilt security measures would have limited the impact of the attack they experienced. We have moved to Microsoft Office 365, part of which includes migration of enterprise platforms to Azure (Microsoft’s cloud platform) which will be completed this year for critical services; and
  - mandatory training for staff, including how to spot suspicious “phishing” emails – completion of the latest round of training which started in early 2021 stands at 55%.
  
- **Preventing malware from running on devices** – although no technical protection is 100% effective, we have deployed:
  - a range of technical controls to manage our end user devices and limit the potential for malware incidents from occurring, or to reduce the impact of such incidents. User restrictions prevent staff from downloading or installing apps or software without the approval of the central IT security team; and
  - Anti-malware products are deployed across our systems including Trend Anti-virus (for virtual desktops), Windows Defender (for Windows devices such as laptops and our server estate including Linux), InTune (for Android and Windows device management) and MobileIron (for Apple devices).

- **Regular Backup** – to ensure that our data integrity and availability is maintained in the event of any security or technology incidents:
  - backup policies (including nightly, weekly and 4 weekly backups) are implemented across all systems and data, with backup data retained off site within our managed service cloud provider. Our backup processes include daily checks on datasets and monthly testing of recovery processes across multiple data sets (files, databases and platforms); and
  - additional data protection is provided for critical services (such as our Customer Relationship Management and Housing Management systems) via active data replication services, which would allow rapid disaster recovery.
  
- **Preparing for an incident** – we have a well-established Cyber Security Response Plan integrated with Group Crisis Management processes to manage the response and recovery following cyber incidents. As part of this, our Group IT function provides 24-hour operational support, including security incident reporting and management with additional on-call support from NCC Group (see below). We have CyberSecurity insurance cover (including incident response, recovery and customer data loss coverage) and wider vendor support for network and infrastructure security incidents. The next steps for scenario response planning are set out in paragraph 6.2.

## **NCC Group**

- 6.3 We maintain call-off contract arrangements with NCC Group, a specialist cyber security firm, and Gartner, a leading technology consultancy. These provide us with regular updates on changes to the external threat environment and emerging trends. In case of specific security incidents, NCC are available on call to perform detailed diagnostic and system analysis to support our internal assessment of the extent of any system compromise. We also engage NCC for penetration testing, vulnerability scanning and secure design reviews.

## **Assurance**

- 6.4 Our overall approach has been reviewed by our Group Assurance function, with specialist external support from Azets, the accountancy firm. Two reviews of cyber security have been carried out in the last 12 months and reported to the Audit Committee. The first report, which focused on the general approach of our IT function, concluded:
- *IT security over the systems and services that the IT function is responsible for is well established and, as described by management, reflects good practice in many respects.*
- 6.5 In terms of wider external review and assurance, we propose to have NCC Group undertake an assessment for us later this year for the “Cyber Essentials Plus” certification. This offers a mechanism, endorsed by the National Cyber Security Centre, for organisations to demonstrate that they have taken essential precautions. There are different levels of accreditation; with the “Plus” certification being the highest. The outcome of this will be reported to the Audit Committee.

## (ii) Cyber security in our supply chains

- 6.6 Exchanging data with or allowing other organisations to link to our systems means we need to seek assurance that these organisations have robust cyber security measures in place. We conduct external “Vendor Security Assessments” under which we seek a range of sources of assurance that these suppliers have robust approaches to cyber security management and will keep our data safe.
- 6.7 As part of the second cyber security review noted by the Audit Committee, it was agreed that we would strengthen our procedures for recording the outcome of annual vendor reviews for all key SAAS/data processing services.

## (iii) Data breaches other than through malicious attack

- 6.8 Our cyber security could also be compromised by the actions of individuals, such as deliberate actions by staff and 3<sup>rd</sup> parties to errors on system and platform usage, or inattention to detail when processing information and collaborating with colleagues and 3<sup>rd</sup> parties.
- 6.9 We mitigate these risks through a range of data management policies and procedures, such as information retention schedules, mandatory data protection training and the introduction of “are you sure?” warning messages where staff propose to send emails to external recipients. An information governance update is provided regularly to the Audit Committee, covering data breaches and how we have responded to lessons learned.

## Summary

- 6.10 Our cyber security approach has been effective to date. The external threats will continue to evolve, so we will continue to keep our systems as secure as possible and ensure that we have appropriate back-up arrangements that should the “worst case event” occur, we would be able to recreate our systems with minimal disruption to our customers.
- 6.11 There are five key areas in which we will augment our already-strong cyber security approach. These are summarised as follows:
- (i) **Reinforcing our internal capability** - we will strengthen our in-house cyber security resource by the creation of a dedicated team, with further recruitment to support our existing IT Security Lead. We will establish a digital security group, comprised of senior staff, including IT, Assurance and Information Governance. This group will identify actions following a quarterly cyber risk review, make recommendations to the Executive Team where relevant and support a bi-annual cyber-security update to the Audit Committee;
  - (ii) **Strengthening our oversight of the supply chain** - we will document annual reviews of key third party Software-as-a-Service providers; and
  - (iii) **Continue emphasising key messages through training and communication** - cyber security will continue to be an annual mandatory training requirement, and will also now become part of Board CPD. We will reinforce what staff should do in the event of receiving suspicious emails or other IT issues through an ongoing communications campaign including on the staff intranet.

(iv) **Next phase roll-out of technical security measures** – including:

- enhanced user access security - all services available to staff working from home will require “multi-factor authentication” where not currently available; this will mean a “token” having to be used by staff that will generate an access code; this will be rolled out during 2021;
- daily threat analysis and response and two-weekly security patching across key services; and
- removal of legacy systems and services due to the risks such services pose - for example once the DGHP system integration is completed.

(v) **Review and update our disaster and cyber recovery plans** – with the increasingly complex external threat environment, we propose to develop specific scenario response plans, tailored to the potential impacts of different types of incidents (e.g Ransomware). These plans will be prepared by mid-2021, with a range of test approaches (table-top exercises or Red Team reviews) to be implemented thereafter and run quarterly.

## **7. Digital transformation alignment**

7.1 Cyber security is a fundamental consideration in our digital transformation programme. Section 6 sets out in detail the arrangements we have in place to understand and mitigate the risks associated with cyber security.

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

8.1 No implications.

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

9.1 The Scottish Housing Regulator publishes high level guidance and advice on cyber security from time to time, most recently in April 2020 following the Waverley attack. Their guidance makes reference to Cyber Essentials certification as one mechanism RSLs could consider; this is addressed in paragraph 5.4.

## **10. Equalities impact**

10.1 There is no equalities impact identified as a result of this report.

## **11. Environmental and sustainability implications**

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

## **12. Recommendation**

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

## Report

**To:** Dunedin Canmore Housing Board

**By:** Hazel Young, Managing Director

**Approved by:** Steven Henderson, Group Director of Finance

**Subject:** Corporate Risk Register

**Date of Meeting:** 27 May 2021

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### 1. Purpose

- 1.1. To provide the Dunedin Canmore Housing Board (the Board) with a revised Corporate Risk Register at **Appendix 1** for approval.

### 2. Authorising and strategic context

- 2.1. In accordance with the Group Authorise/Monitor/Manage Matrix, the Group Board is responsible for managing and monitoring the Wheatley Group Risk Management Framework. The Dunedin Canmore Housing Board (the Board) is responsible for managing and monitoring its Corporate Risk Register and Risk Appetite in accordance with the Group Risk Management Framework.
- 2.2. Risk registers are in place across the Group and are reported to each subsidiary board on a bi-annual basis. These capture risks that may impact on the delivery of the Board's strategic aims.

### 3. Risk appetite and assessment

- 3.1. Each identified risk has been scored in line with the Group's risk management policy and considered using Dunedin Canmore's risk appetite matrix.

### 4. Background

- 4.1. The Group Audit Committee reviewed the Strategic Risk Register on 24 February 2021 and agreed changes were approved by the Wheatley Group Board on 28 April 2021. These risks have been considered when updating our Corporate Risk Register.
- 4.2. To reflect changes to the Group's Risk Management approach (as approved by the Group Audit Committee) a revised Group Risk Management Policy was approved by the Group Board on 28 April 2021.
- 4.3. The full policy will be available on Admincontrol. The key changes to the Policy are as follows:

Change	Reason for change
Format	Aligned to current Group style.
Introduction and Our aims	These sections replace the following sections: Background; Objectives of the Policy; Group Benefits; and Regulatory Requirements. Content has been streamlined to make the policy clearer and more concise. The 'Introduction' and 'Our aims' sections provide information on the Group's aims and approach towards risk management, regulatory guidance, and the benefits of managing risk effectively.
Roles and Responsibilities	New section setting out key responsibilities of Boards and Senior Management within the Group risk management approach.
Risk Hierarchy	New section to clarify the structure and hierarchy of risk within the Group.
Risk Appetite	New section stating that the Group's Risk Appetite is set by the Group Board annually, and that Group risk should be managed within these levels.
Publication	New section capturing publication arrangements for the policy.

## 5. Customer engagement

- 5.1. There are no customer engagement implications arising directly from this report.

## 6. Discussion

- 6.1. Key strategic risk areas have been identified through a high-level review of our evolving strategies, operational risks and the current operating environment. The following table provides a summary of the changes to the Corporate Risk Register, which is available in full at **Appendix 1**.

Risk Reference	Risk Title	Proposed change
DCCRR01	Rent arrears, including Universal Credit	Risk updated to reflect impact of current legislation preventing evictions on rent arrears.
DCCRR05	Political and Policy Changes	Risk and controls updated to remove Brexit references.
DCCRR06	Laws and Regulations	Controls updated to reflect that the annual Assurance Statement process is now established.
DCCRR11	Building Safety	Risk description, controls and scoring updated to reflect HMO licence requirements.

Risk Reference	Risk Title	Proposed change
DCCRR12	Brexit trade deal	Risk updated to reflect the impact of Brexit trade deal risk on supply chains.
DCCRR13	Securing new funding and adverse market changes	Controls updated for revised Board approved financial golden rules.
DCCRR15	Group Credit Rating	Risk updated following Brexit and clarity on trade agreement.
DCCRR16	Pension Contributions	Controls updated to reflect Group's approach to SHAPs and LGPS schemes.
DCCRR17	Cyber Security	Risk updated to reflect increased home working.
DCCRR18	Post-2021 Housing Policy and Grant availability	Controls updated to reflect launch of Group's Green Investment Plan.
DCCRR19	Customer Satisfaction	Controls updated to refer to 2021-26 Group Strategy and approach to gathering customer insight.
DCCRR20	Customer Satisfaction of Shared Owners	New risk added to reflect DC specific risk regarding the satisfaction of Shared Owners.
DCCRR22	Ongoing threat of future waves of COVID-19	Risk and controls updated to reflect current position.
DCCRR23	New operating model implementation	Controls updated to reflect current status of implementation of new operating model.
DCCRR24	Coronavirus vaccination roll-out	New risk added to reflect the lack of clarity over employers' responsibilities in relation to the Covid-19 vaccine results.
DCCRR25	Climate change	Risk added to reflect risks arising from climate change.

## 7. Digital transformation alignment

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

## 8. Financial and value for money implications

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



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

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

## **10. Equalities implications**

10.1. There are no equalities implications arising from this report.

## **11. Environmental and sustainability implications**

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

## **12. Recommendation**

12.1. The Board is asked to review and approve the revised Corporate Risk Register.

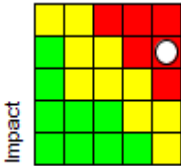
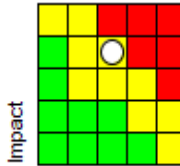
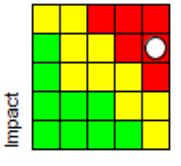
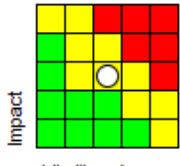
## **List of Appendices**

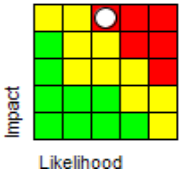
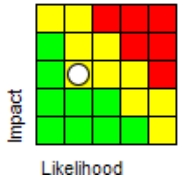
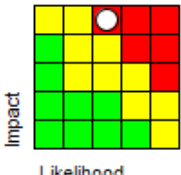
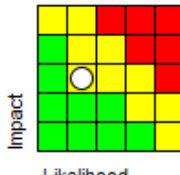
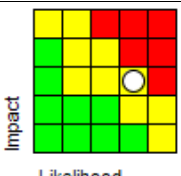
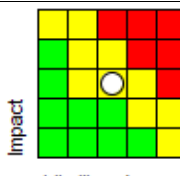
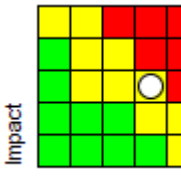
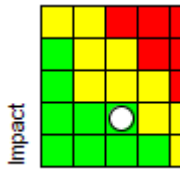
Appendix 1 –Dunedin Canmore Housing Corporate Risk Register- Draft for Approval

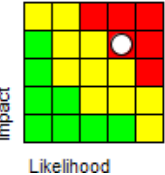
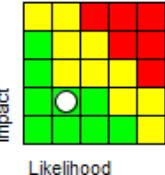
Appendix 2- Risk Scoring Definitions

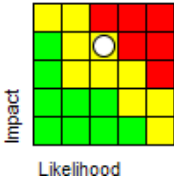
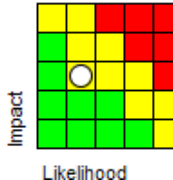
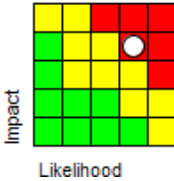
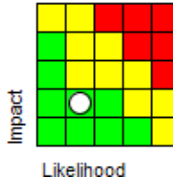
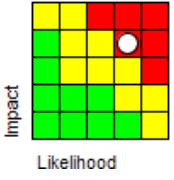
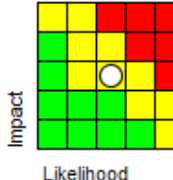
Appendix 3- Risk Appetite Definitions

## Appendix 1 - Dunedin Canmore Corporate Risk Register (Proposed changes in red text)

Code & Title	Description	Inherent risk score	Existing Controls / Monitoring & Check	Residual Risk score	Risk Appetite
DCCRR01 Rent arrears including Universal Credit	<p>The impact of Covid-19, <b>including legislation to prevent evictions</b>, as well as the continued expansion of Universal Credit, continue to impact on our rental income stream and increase our arrears.</p> <p>This also has negative impacts for customers, with increasing financial hardship.</p>	 <p>Likelihood</p>	<p>Staff across the Group – including frontline housing teams, the customer service centre and communications – run ongoing campaigns and programmes of contact with customers affected by financial hardship and with problems in paying their rent, whether caused as a result of Covid-19, the wider issues with Universal Credit or for other reasons.</p> <p>This includes a dedicated Universal Credit team, use of GoMobile for staff to assist customers with online transactions and working with partners to influence the UK and Scottish policy and funding environment.</p> <p><b>Our small housing patch sizes provide a key mitigation, allowing staff to work proactively with customers before their debts become unmanageable, drawing in Wheatley 360 support services such as welfare benefits advice, as required.</b></p> <p><b>The Group business plan also contains a significant buffer within its assumptions for risk in relation to bad debts and rent arrears.</b></p>	 <p>Likelihood</p>	Open
DCCRR02 Development Program	<p>Appropriate development sites fail to be identified and acquired resulting in non-delivery of commitment made in Business Plan to build 1000 new homes and results in reduced income flow and loss of reputation, with potential consequences as follows:</p> <ul style="list-style-type: none"> <li>• Inability to attract new customers</li> <li>• Loss of confidence by stakeholders</li> <li>• Reduced income stream</li> </ul>	 <p>Likelihood</p>	<p>Political lobbying and support</p> <p>Good design and cost plan</p> <p>Delivery record</p> <p>Bid on the right sites</p> <p>Review Dunedin Canmore's geographical footprint for potential development opportunities.</p> <p>Implementation of Group Development Committee to oversee Development Programme</p>	 <p>Likelihood</p>	Open

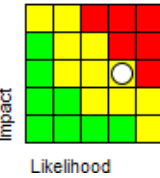
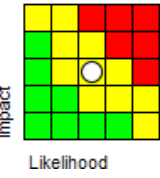
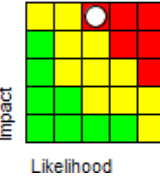
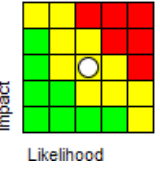
Code & Title	Description	Inherent score risk	Existing Controls / Monitoring & Check	Residual Risk score	Risk Appetite
DCCRR03 Stock Condition	<p>Pre 1990 mixed tenure stock condition cannot be maintained because owners do not agree to pay their share of costs involved, with potential consequences as follows:</p> <ul style="list-style-type: none"> <li>• Further deterioration of stock</li> <li>• H&amp;S incidents due to falling stonework or roof tiles</li> <li>• Lack of demand for properties by customers</li> </ul>		<p>3rd party public liability insurance</p> <p>Disposal strategy</p> <p>Financial planning</p> <p>Stock condition surveys</p> <p>Asset strategy</p>		Open
DCCRR04 Business Continuity & Disaster Recovery	<p>Dunedin Canmore does not have adequate or tested business continuity/disaster recovery plans in place for key business activities, including those with significant contractors, resulting in significant disruption to service.</p>		<p>Plans in place and have been tested recently</p> <p>Replication to Bilston</p> <p>Back up lines</p> <p>Third party specialist used to carry out audits on specialised areas/activity</p> <p>Group Assurance continue to monitor progress and robustness of plans.</p>		Minimal
DCCRR05 Political & Policy Changes	<p>The risk that political and policy changes (within Scotland and the UK) affect the ability of Wheatley Housing Group to deliver strategic objectives resulting in significant adverse reputational impact.</p> <p><del>For example: Brexit will result in the withdrawal of EU grant funding which will affect the Group's total income.</del></p>		<p>The current policy and national political environment (e.g. <del>Brexit</del>) brings a degree of uncertainty.</p> <p>The Group has an established stakeholder management framework in place and relevant Managers will be focussed on responding to changes in policy and administration as they arise.</p> <p>The Group's policy of not building homes for sale also mitigates potential property market risk.</p>		Minimal
DCCRR06 Laws & Regulation	<p>Non-compliance with statutory laws and regulations, including but not limited to: (i) Scottish Housing Regulator and Care Inspectorate regulations, (ii) Financial Conduct Authority (FCA) regulations, (iii) compliance with Health and Safety Building Regulations, (iv) Freedom of Information (Scotland) Act, and</p>		<p>A Group wide Scottish Housing Charter Assurance process is <del>established</del> supported by the Strategic Scrutiny Panel reviewing outcomes.</p> <p>FCA regulations are considered when new products and services are developed.</p> <p>Qualified personnel undertaking capital improvement works as well as suitable sign off and compliance</p>		Minimal

Code & Title	Description	Inherent score risk	Existing Controls / Monitoring & Check	Residual Risk score	Risk Appetite
	(v) General Data Protection Regulations resulting in adverse feedback and loss in confidence from Regulator, the Scottish Information Commissioner, funders, customers and potential partners, as well as potential fines and penalties.		<p>checks of new installations (e.g. external wall coverings), to ensure these meet relevant building standards.</p> <p>New product offerings follow a clear route to governance, with approval required from the Executive Team before formal approval is requested from the Group Board.</p> <p>Legal and financial advice is obtained for all financial offerings to customers.</p> <p>Compliance Plan monitored on an on-going basis and any issues raised to Executive Team and Audit Committee on an exceptions basis. The Group has on-going relationship management with Regulator.</p> <p>Group wide approach to how the Group manages information.</p> <p>Privacy Impact Statements to be implemented across the Group.</p> <p>Changes to existing legislation are identified and implemented by identified responsible officers across the Group.</p>		
DCCRR07 Failure to recruit, develop, retain and succession plan	Failure to recruit, develop, retain and succession plan for high quality / qualified staff, resulting in reduced levels of service provision, staff not competent to perform their job to expected standard and achieve strategic objectives.		<p>My Contribution in place for all staff</p> <p>Training Logs for all staff with training courses at the Academy and online</p> <p>Leadership Development programme, succession planning and talent management programme</p> <p>HR policies on recruitment and selection</p> <p>Employee satisfaction surveys.</p> <p>Working with schools via career days to promote careers with environmental services and care.</p>		Cautious

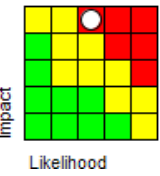
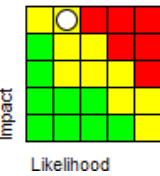
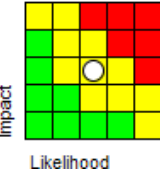
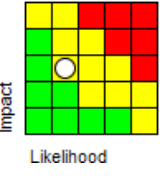
Code & Title	Description	Inherent risk score	Existing Controls / Monitoring & Check	Residual Risk score	Risk Appetite
DCCRR08 Board Governance	DCH Board members or Senior Officers leave and cannot be replaced leading to: <ul style="list-style-type: none"> <li>Loss of knowledge, experience and reduced effectiveness of Board.</li> <li>Potential Notifiable Event to the Scottish Housing Regulator if membership falls under 7.</li> <li>Lack of effective Governance</li> </ul>		<ul style="list-style-type: none"> <li>Recruitment of tenant members</li> <li>Group succession planning arrangements</li> <li>Advertise to attract appropriate skills</li> <li>Skills mix updated through recent recruitment</li> <li>Group approach to induction and refresher training for Board members</li> </ul>		Cautious
DCCRR09 Property Services	Failure to actively manage contractors in the Workshop results in interruption of services to customers with potential consequences as follows: <ul style="list-style-type: none"> <li>Loss of key personnel</li> <li>Financial objectives are not achieved</li> <li>Reduced customer satisfaction</li> <li>Lack of ability to attract and retain skilled workforce</li> <li>Lack of opportunity to plan for succession</li> <li>Inability to maintain stock</li> </ul>		<ul style="list-style-type: none"> <li>Succession plan in place</li> <li>Apprenticeship program</li> <li>Revised business model</li> <li>Procurement strategy</li> <li>Third party contractor framework</li> <li>Support from Group Health and Safety</li> <li>Management support from Wheatley Director of Investment, Repairs and Compliance</li> </ul>		Open
DCCRR10 NETS DC	The employability model for staffing the Neighbourhood Environmental Teams and the wider employment environment within the East of Scotland results in increased staff turnover leading to reduction in customer satisfaction and reputational damage.		<ul style="list-style-type: none"> <li>Support from Wheatley Foundation for retention and support of modern apprentices employed within the Neighbourhood Environmental Teams</li> <li>Local promotion of NETS service and employment opportunities.</li> <li>Training schemes in place for all NETs staff members.</li> <li>Positive reputation of the NETS is helping to promote job opportunities within the service.</li> </ul>		Open

Code & Title	Description	Inherent score risk	Existing Controls / Monitoring & Check	Residual Risk score	Risk Appetite
DCCRR11 Building safety	<p>The risk that the health and safety of our customers and staff is put at risk through failure to comply with all relevant building health and safety rules, including HMO Licence requirements.</p> <p>The continuously changing nature of regulations and guidance in this area, for example in relation to fire safety, elevates the risks in relation to continuing compliance.</p>	<p>Revised score:</p>	<p>External review, commissioned by the Assurance Team, of our Fire Safety arrangements every 2 years.</p> <p>Community Improvement Partnership focused on fire prevention and education.</p> <p>Business Continuity Plans.</p> <p>Fire Prevention and Mitigation Framework and Fire Risk Assessments.</p> <p>DC fire awareness campaign- Ongoing scoping exercise in multi-tenure flats. Project will resume as COVID restrictions ease with input from crime prevention officers.</p> <p>DC existing LD2 upgrade programme</p> <p>Robust processes are in place to ensure the appropriate management of HMO licences, including monitoring of expiry dates.</p> <p><u>Proposed control</u> – Ongoing discussions on future management arrangements</p>	<p>Revised score:</p>	Averse
DCCRR12 Brexit trade deal	<p>The <del>absence of a impact of the</del> Brexit trade deal <del>could result in restrictions to free trade, may mean some delays in sourcing materials and goods, whether directly or indirectly via our supply chain which could adversely impact the Group and its contractors' supply chains. Specific risks relate to availability / cost of materials and / or availability of trades. Wheatley Care may also face workforce challenges.</del></p> <p>This could result in increased costs for new build and property investment and repair works, or negatively impact on the wellbeing and satisfaction of People We Work For.</p>		<p><b>General</b></p> <p>Procurement procedures include assessment of suppliers' financial health. Proactive monitoring of supply chains by Operational leads with regular contract management meetings.</p> <p>Regular engagement with Scottish Government on cost or delay impact potential as issues emerge. In the event of supplier insolvency, procurement frameworks / approved supplier listings would be used to identify alternative suppliers.</p> <p><b>Repairs Service</b></p> <p>Manage stock levels of components and materials. Engagement with key suppliers.</p>		Cautious

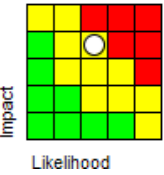
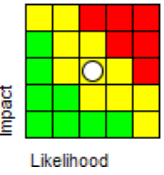
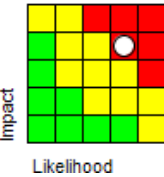
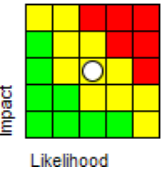
Code & Title	Description	Inherent risk score	Existing Controls / Monitoring & Check	Residual Risk score	Risk Appetite
			<p>Specific contingency plans for key services e.g. lifts. Local staff directly employed by DCPS.</p> <p><b>Investment Programme.</b> Manage stock levels of components and materials. Engagement with key suppliers.</p> <p><b>New Build</b> <del>Procurement with fixed tender costs for 2019/20 site starts. New framework in procurement to maintain competitiveness.</del> <del>Engagement with SG on cost increase impact on grant applications. Monthly project monitoring to identify early issues relating to materials availability. Consideration of long term mitigation e.g. change of specification to locally sourced materials and components where practicable.</del></p> <p>Monitor on a site basis the availability and adequacy of trades contractor's resources on site – consider increased clerk of works site monitoring to ensure quality of workmanship.</p> <p><b>Operational Supplies</b> Utilisation of Group and 3rd party frameworks to minimise price increase risk. Engagement with key suppliers on stock levels.</p> <p><b><u>Wheatley Care</u></b> Working with SG via membership organisations to understand potential level of risk. Contingency plans to mitigate locally and maintaining a 16-week stock of PPE.</p>		

Code & Title	Description	Inherent risk score	Existing Controls / Monitoring & Check	Residual Risk score	Risk Appetite
DCCRR13 Securing new funding and adverse market changes	Wider economic and/or political conditions could cause deterioration in the funding market, for example another banking crisis or constitutional changes causing investor uncertainty. This could limit our ability to raise borrowing at cost-effective rates or raise the required funds to meet our liquidity Golden Rules, thereby increasing the risk that we do not have enough available cash to meet our commitments or achieve our business plan objectives.		<p>Our strategy is to diversify funding sources and relationships, providing a range of options for future funding in the event of adverse funding market changes.</p> <p>Our liquidity Golden Rules are designed to ensure that we have sufficient cash available for <b>two years 45 months</b> + 25% contingency, and this rule is re-assessed annually by the Group Board. Compliance with these is reported to the Group and WFL Boards quarterly.</p> <p>We do not borrow in currencies other than sterling to reduce exchange rate risks, including in the event of a potential future change in currency, nor do we borrow from non-UK domiciled investors (with the exception of the EIB).</p> <p>The Group's Internal Rate of Return (for appraising and approving projects) will be revised when finance costs increase to ensure new build projects do not become loss-making.</p>		Averse
DCCRR14 Compliance with funders' requirements	Failure to meet/maintain the requirements of funders and investors could have a range of impacts, from default on loan agreements (i.e. covenants) to general loss of confidence. This could adversely impact on our ability to raise new funding to deliver strategic objectives.		<p>Regular meetings with funders and investor representatives to update on financial status of the Group.</p> <p>Financial performance monitored monthly and covenant compliance reviewed quarterly by the Group Board, before being submitted externally to funders.</p> <p>Covenant compliance monitoring tool introduced by Finance.</p> <p>Financial performance is monitored on an ongoing basis through monthly reporting cycle and Group/subsidiary Board review of management accounts.</p> <p>Subsidiary and Group Business Plans are subject to annual updates and review by respective Boards. In addition, ongoing dialogue is maintained with relevant</p>		Averse



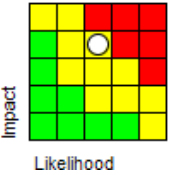
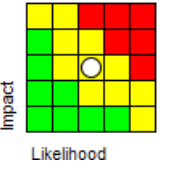
Code & Title	Description	Inherent risk score	Existing Controls / Monitoring & Check	Residual Risk score	Risk Appetite
			credit rating agencies in order to mitigate the risks of unexpected rating changes.		
DCCRR15 Group Credit Rating	<p>The Group's credit rating is downgraded, adversely impacting our ability to raise funds on the capital markets or potentially impacting on the cost of debt to the Group.</p> <p>External factors such as <del>a no-deal Brexit</del> the UK's credit rating could lead to a down grade in the Group's credit rating. This could trigger potential prepayment of our European Investment Bank loans if the rating falls to BBB+ or below.</p>		<p>The Group's business plan is designed to maintain a strong stand alone credit rating, for example excluding build for sale. Our financial Golden Rules include maintaining strong levels of liquidity to mitigate refinance risks.</p> <p>Ongoing dialogue is maintained with relevant credit rating agencies in order to mitigate the risk of unexpected rating changes which are controllable.</p> <p><i>Mitigation drafting used in legal clauses</i> - in the event the rating fell to BBB+, the legal clauses are specific that this is not an event of default (thereby avoiding cross-default).</p> <p><i>Negotiation period</i> – the legal clauses provide for a period to negotiate with EIB on mitigating measures, such as revisions to covenants or posting of increased security/collateral.</p> <p><i>Standby funders to replace EIB if necessary</i> - A strong relationship is maintained with EIB to mitigate future risk from external factors causing a credit rating downgrade. Strong investor/lender relationships are maintained with a number of other organisations at all times in case of unanticipated funding need.</p>		Averse
DCCRR16 Pension contributions	Increases in the required pension contributions (including deficit contributions) for all pension funds may lead to potential cost pressures for Dunedin Canmore.		<p>The Group's Pensions Policy sets out a range of measures to manage pension costs. We have established a Wheatley Group defined contribution scheme which will be the default arrangement for new joiners and auto-enrolment in future for most subsidiaries, <del>except where prior approval of the RAAG Committee is received.</del></p>		Averse

Code & Title	Description	Inherent score risk	Existing Controls / Monitoring & Check	Residual Risk score	Risk Appetite
			We are also consolidating SHAPS and LGPS schemes where possible to reduce the risk of cessation liabilities being triggered.		
DCCRR17 Cyber Security	<p>The Group's approach to <u>Cyber Security</u> is not robust and staff are not actively engaged due to culture or poor staff understanding; or knowledge of the subject, the Group's response to it or their individual role. <b>This is particularly important with increased home working across the Group.</b></p> <p>A lack of compliance with the approach and arrangements made could lead to greater opportunity for cyber-attack, resulting in unplanned system downtime, data loss, reputational damage, customer dissatisfaction and potential legislative or regulatory breach.</p>	<p>Impact</p> <p>Likelihood</p>	<p>IT Cyber Security live tests undertaken and results reported to ET and Group Board.</p> <p>Group IT has an information and Cyber Security approach that covers overall Information security policy for Group and staff engagement and training across 5 key learning themes.</p> <p>Established processes across key risk areas: Information Security Response / Access Controls / Secure Disposal / Group Data Protection Policy /IT Cloud Services Policy / Vendor Security Assessments.</p> <p>Group IT is externally assessed annually on information security and IT General Controls via 3<sup>rd</sup> party auditors.</p> <p>A Bi-Annual cyber security assessment is conducted by NCC across 20 key control areas.</p> <p>An internal Information Security Working Group has been established within technical teams across Group IT.</p>	<p>Impact</p> <p>Likelihood</p>	Minimal
DCCRR18 Post-2021 Housing Policy and Grant availability	<p>There is a risk that without sufficient Scottish Government financial support we may be unable to deliver some of the objectives in our 2021 – 2026 Strategy in relation to energy efficiency.</p>	<p>Impact</p> <p>Likelihood</p>	<p>Wheatley Group staff are meeting with Scottish Government representatives regularly to proactively present the case for housing investment to Ministers and senior officials directly and through our representative bodies SFHA and CIH.</p> <p><b>A Green Investment Plan proposal has been developed and will form the basis of direct discussions with the Scottish Government.</b></p> <p>Financial scenario planning in place to understand potential impact on our investment programme -under a variety of grant scenarios.</p>	<p>Impact</p> <p>Likelihood</p>	Cautious

Code & Title	Description	Inherent risk score	Existing Controls / Monitoring & Check	Residual Risk score	Risk Appetite
DCCRR19 Customer satisfaction	Customers do not feel our homes and services meet their needs and/or the standards they expect, leading to declining customer satisfaction.	 <p>Impact</p> <p>Likelihood</p>	<p>Customer service excellence is a key element of <del>Dunedin Canmore's 2021-26 strategy</del> <del>2015-20 strategy</del>. We use a variety of methods to collect customer feedback, both during the year and annually. This <del>with annual customer satisfaction surveys to</del> information helps us understand customer views and informs our <del>delivery and investment plans</del> <del>detailed action plans to address feedback</del> every year. This will be <del>continue as part of our 2021-26 strategy</del>, augmented by a range of new approaches to improve satisfaction among particular target groups such as young families. <del>The new performance management framework will also include a stronger focus on measuring drivers of customer value in our key services.</del></p> <p>Small housing officer patch sizes of 1:200 allow housing staff to deliver personalised services under the ThinkYes approach.</p> <p><del>Our housing stock investment programme includes provision for addressing customer priorities.</del></p>	 <p>Impact</p> <p>Likelihood</p>	TBC
DCCRR20 Customer satisfaction of Shared Owners	Shared Owners do not feel that Dunedin Canmore's homes and services meet their needs and/or the standards they expect, leading to declining customer satisfaction and reputational damage.	 <p>Impact</p> <p>Likelihood</p>	<p>Customer service excellence is a key element of Dunedin Canmore's 2021-26 strategy. We use a variety of methods to collect customer feedback, both during the year and annually and a Shared Owner Forum is in place. Shared Owner feedback is considered within wider customer feedback to ensure the outcomes reflect the needs and expectations of all customers.</p> <p>Housing Officer has been appointed to lead the management of DC shared owners. Shared Owner Handbook is in place and Housing Officers include management of shared owners within wider neighbourhood walkabout activity.</p> <p><u>Proposed Action:</u></p>	 <p>Impact</p> <p>Likelihood</p>	TBC

Code & Title	Description	Inherent risk score	Existing Controls / Monitoring & Check	Residual Risk score	Risk Appetite
			Separate customer survey approach for shared owners.		
DCCRR20 DCCRR21 Service remobilisation post Covid-19	<p>A lack of clear planning, coherence and communication with staff and customers in our service remobilisation planning as we move through the Scottish Government's Covid recovery phases could lead to:</p> <ul style="list-style-type: none"> <li>• poor or inconsistent service outcomes</li> <li>• customer and staff confusion and frustration, including an increase in complaints</li> <li>• risks to customer and staff health and safety (for example if PPE requirements are not properly understood and delivered)</li> <li>• deterioration in trade union and stakeholder relationships</li> </ul>	<p>Impact</p> <p>Likelihood</p>	<p>Service remobilisation plans must meet strict criteria and be approved by the Exec Team. Governance oversight is provided by all Boards. Services cannot move between different stages of remobilisation without a full review of lessons learned from the previous stage and a further gateway approval from the Exec Team.</p> <p>The following are key components of each service's remobilisation plans and must be approved by the Exec Team at each stage:</p> <ul style="list-style-type: none"> <li>• Health and safety implications/forecast requirements of PPE can be met</li> <li>• Furloughing implications are agreed and understood</li> <li>• Customer views from the previous stage service model have been assessed and any lessons learned understood</li> <li>• Trade union partners have endorsed the proposals for remobilisation</li> </ul>	<p>Impact</p> <p>Likelihood</p>	Minimal
DCCRR24 DCCRR22 Ongoing threat of future waves of Covid-19	<p>The risk of future waves of Covid-19 along with the risk of <del>a second</del> further periods of lockdown; <del>potentially through winter months.</del> (either Scotland wide or by geographical area) may result in previously remobilised services being paused.</p>	<p>Impact</p> <p>Likelihood</p>	<p>Through lessons learnt from previous lockdown and remobilisation, services <del>are now</del> have contingency plans in place <del>planning</del> for future waves.</p> <p><del>In addition, business continuity plans are being revisited to plan for future waves.</del></p>	<p>Impact</p> <p>Likelihood</p>	Minimal

Code & Title	Description	Inherent score risk	Existing Controls / Monitoring & Check	Residual Risk score	Risk Appetite
DCCRR22 DCCRR23 New operating model implementation	The implementation of a new operating model as we emerge from the Covid-19 crisis, including changing staff patterns/places of work, reducing the number of offices and placing greater reliance on technology could be poorly implemented and communicated, leading to staff disengagement and lack of support from our trade union partners.		<p>A clear strategy is in place for <del>A detailed implementation and communications plan will be developed prior to starting any change process.</del> Consultation with all relevant staff, including through our Trade union partners, who are supportive of the new model.</p> <p>Detailed guidance has been provided to all staff on the health &amp; safety aspects of home working. <del>will be consulted in detail and changes will only proceed with their support.</del></p> <p>There will be clear communication of the protocols for accessing new staff hubs and what they should be used for once Scottish Government guidance allows use of non-essential offices once again.</p>		Open
DCCRR24 Covid-19 vaccination roll-out	There is a risk that a lack of clarity over employers' responsibilities in relation to the Covid-19 vaccine, including employment law and data protection implications of requiring staff to notify their employer and / or the vaccine being made mandatory for certain roles, results in reputational damage and / or potential breach of employment law or data protection regulations.		<p>The Employee Relations team continues to consult with employment law advisers to obtain ongoing legal advice.</p> <p>The Group continues to liaise closely with trades unions and staff to develop its approach.</p> <p>Data privacy notices for Care staff have been updated to allow the Group to keep a record of which staff have received the vaccine, and work to updated privacy notices for all Group staff continues.</p> <p>Where Care staff have not received a vaccine, or unable to wear full PPE, the Group's interim approach is to reassign employees to non-customer facing roles, to safeguard both customers and the employee.</p>		Averse

Code & Title	Description	Inherent risk score	Existing Controls / Monitoring & Check	Residual Risk score	Risk Appetite
DCCRR25 Climate change	<p>Climate change poses a number of risks to the Group, including:</p> <p>Regulatory and legislative compliance – that the scale of cost and/or nature of available technology may not allow us to improve the energy efficiency of our properties to required regulatory standards such as EESSH 2</p> <p>Asset resilience – more frequent flooding, seasonal temperature variation or extreme climate events could negatively impact our infrastructure, properties and operations</p> <p>Funding and investment – without a clear plan for how we reduce our carbon and energy use, as part of a wider sustainability strategy, our ability to access institutional investment may become restricted</p> <p>Communication – our organisational commitment to contributing to the climate change/sustainability is not sufficiently publicised and could impact external perceptions of our commitment in this area.</p>		<p>Our strategy includes an objective to reduce emissions from our corporate activities to net zero by 2026.</p> <p>We have detailed asset information and baseline data, an EESSH 2 plan is under development and we are in discussions with the Scottish Government about funding to accelerate investment in our properties through a Wheatley Green Investment Plan.</p> <p>Business continuity plans (both at Group and local level) provide for operational responses to extreme weather events such as flooding and severe winter snow (eg “Beast from the East” type events).</p> <p>We produce an annual ESG report for investors setting out our progress on the environmental agenda, and will produce a sustainability framework for investors to support the raising of sustainability-linked finance in future.</p> <p>In addition to ESG reporting, increased public messaging around our work in relation to climate change.</p>		Cautious

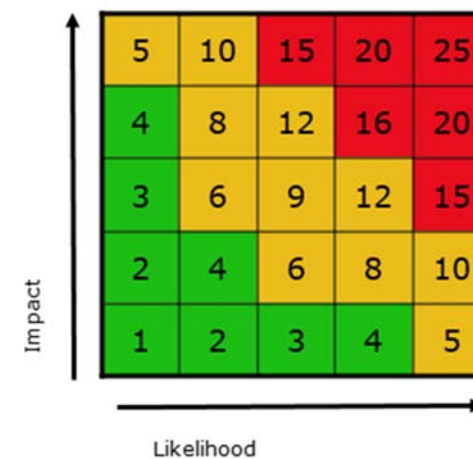
## Appendix 2 - Risk Scoring Definitions

### Impact scoring for strategic risks

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

### Likelihood scoring

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



### Appendix 3 - Risk Appetite Definitions

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