



## DUNEDIN CANMORE HOUSING

### BOARD MEETING

Thursday 12 November 2020 at 17.00  
BY VIDEOCONFERENCE

### AGENDA

1. Apologies for Absence
2. Declarations of Interest
3. Minute of meeting on 20 August 2020 and matters arising
4. Coronavirus (COVID-19): Scotland's Strategic Framework (Presentation)
5. Staff survey during lockdown, summer 2020
6. [redacted]
7. Dunedin Canmore Strategy 2021-26
8. 2021 RSL Rent Setting
9. a) Business and remobilisation update  
b) Building compliance update
10. Delivery Plan 2020/21 and performance update
11. Development programme – proposed additions
  - A) New Build: Rowanbank, Edinburgh
  - B) New Build Project: Nursery East, Penicuik
  - C) New Build: Roslin Phase 1
12. Finance Report
13. Governance update
14. Risk Register
15. Assurance update
16. AOCB

## Report

**To:** Dunedin Canmore Board

**By:** Hazel Young, Managing Director

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

**Subject:** Staff survey during lockdown, summer 2020

**Date:** 12 November 2020

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### 1. Purpose

- 1.1 To update the Board on the results of a survey held in July to assess staff morale during the first four months of lockdown; seek feedback on how they felt they and how customers had been supported; and to collate views and suggestions on how their experiences in the pandemic might influence and shape future ways of working.

### 2. Authorising context

- 2.1 Under the Group Authorise/Manage/Monitor Matrix, the Group Chief Executive and senior management are responsible for managing performance and any specific regulatory requirements.

### 3. Risk appetite and assessment

- 3.1 There would have been a risk in not publishing the survey results when a commitment had been given to staff we would do so and in not taking account of the feedback gained in our future planning.

### 4 Background

- 4.1 The survey was conducted over three weeks on the online platform, Survey Monkey, and was supplemented by telephone interviews and Zoom focus group meetings.
- 4.2 The aim was to collate employee views of their personal experiences of lockdown, our operational and organisational response to the pandemic and to establish staff priorities in the months leading to remobilisation in October. The survey was designed to be qualitative, judging sentiment and the overall emotional reaction to how the Group had looked after the best interests of both them and the people we work for across Scotland. The results were published on the staff intranet, W. E. Connect, in August.
- 4.3 In total, 1071 members of staff completed the online survey online, with 12 submitting responses in writing. All responses were anonymous. There were 58 telephone interviews and six focus group meetings. The focus groups were attended by 46 participants representing all sectors, partners and geographic areas in the Group.

- 4.4 The online survey comprised 11 questions across four subjects:
- people’s personal experience of lockdown;
  - how they felt they had been supported, professionally and personally;
  - their perceptions of how customers viewed Wheatley and the services provided during lockdown;
  - and how the lessons learned, experiences shared and investment made might influence and shape future ways of working.

## 5. Discussion

- 5.1 All answers were reviewed by the Communications Team and summarised under the following key themes ( with further detail included at Appendix 1):

### Home working

- 5.2 The benefits, issues and challenges of this were raised and discussed extensively in the answers to many questions. Many respondents reported adapting quickly and enjoying the flexibility of working at home, spending more time with family and not having to commute. Issues raised included not having adequate or suitable physical space, internal environment and equipment, increased workloads and difficulty separating work from home. Those with children found it particularly challenging juggling home and work. Most people favoured retaining home working going forward as part of a blended, flexible way of working.

### Safety

- 5.3 Not surprisingly, this was a key consideration, particularly for frontline workers and those with vulnerable family members. The vast majority of staff were positive about the the safety measures and guidance provided and the Personal Protective Equipment (“PPE”) secured, made available and utilised. Maintaining safe working practices was raised repeatedly as a key priority and requirement in all future ways of working.

### Customer services and support

- 5.4 It is clear staff are proud of what the Group has done and continues to do in going the extra mile for the people it works for. Question 8 in the online survey enabled staff to outline and discuss the various customer issues they have had to deal with during lockdown.
- 5.5 The home working model was seen to have had a number of benefits in terms of our engagement with customers. Our housing officers, call centre staff and care workers in particular reached out to more customers, some of whom they may have had limited contact with before. As well as phone calls, engagement extended to new methods such as video calls. This helped raise awareness of the range of services our partner organisations offer, and our proactive approach was welcomed by tenants and people we work for.

### Embracing digital

- 5.6 There is a strong sense of people having embraced digital and the online platforms made available. Although there were some I.T. and systems issues in the early days of lockdown, overall, people felt they were ready for the next stage of Wheatley's digital journey. A large number of respondents expressed appreciation of the support received from I.T. colleagues.

### Staff well-being

- 5.7 Whilst many reported they had coped well and had even enjoyed elements of their time in lockdown, others talked about loneliness, isolation and their mental health being affected. This emerges in responses across several questions. Being able to return to some form of face-to-face contact and interaction was rated as being very important to many staff.

### Work-life balance

- 5.8 This was another recurring theme, with many - particularly those working from home - valuing the flexibility and scope it gave them to achieve a better balance. Some respondents talked about how their work and home lives had merged and workloads increased. Supporting staff to delineate work and home life will be an important part of embedding an element of home working in the longer term across parts of the Group.

### Support for staff

- 5.9 The overwhelming view was very positive, with staff appreciating the efforts made to maintain good communications throughout the pandemic, referring to new features on W.E. Connect and initiatives, such as the Daily Uplift good-news report and Family Hub. Others highlighted the excellent support received from the I.T. and Employee Relations teams and the personal support received from their managers and other colleagues. Not unexpectedly, a minority felt more support could have been offered, but over 85% of respondents felt they had been well supported.

### Reward and recognition

- 5.10 A significant number of staff highlighted the importance of recognising and rewarding colleagues for their outstanding efforts during the pandemic.

### Furlough

- 5.11 Although most staff understood why the Group had participated in the UK Government scheme, some expressed disappointment at being selected. Others believed it had led to more pressure being placed on those still working. Some reported they were enjoying the opportunity to be at home and being able, for example, to look after small children.



## Focus group feedback

- 5.12 The Zoom focus groups with staff across the business held at the end of July explored further and in person the key themes identified online and in telephone interviews, including:
- home working and a future blended work model;
  - supporting our customers, and what we've learned;
  - leading and managing in challenging times;
  - and staff support and recognition.
- 5.13 Co-ordinated and run by Communications and Employee Relations staff, these generated lively, honest discussions that underlined how engaged and motivated staff have continued to be during lockdown. A summary report of the feedback is attached at Appendix 2.

## **6. Key issues and conclusions**

- 6.1 The survey of staff has highlighted how important the culture and values of Wheatley have been in enabling the organisation to work effectively during lockdown. Our people have felt well supported, both in terms of managerial/leadership guidance and practical working matters such as IT equipment. Our culture of empowering staff to be leaders at all levels meant that the vast majority adapted well to the enforced change, with mutual support and use of new technologies enthusiastically embraced.
- 6.2 An overarching summary plus short summaries of the themes per question were published on W.E. Connect on Friday, 31 July 2020. Analysis of the views expressed and recommendations put forward by the focus groups has also been posted on the intranet.
- 6.3 The Executive Team and Leadership Group have taken on board the survey feedback as they continue to plan remobilisation and design and implement a new, blended way of working and service model. An example of this "you said, we did" approach is the financial awards and additional holidays announced last month, rewarding and recognising staff who have continued working throughout the pandemic.
- 6.4 The comprehensive qualitative July survey will be followed up later this year by a series of quantitative pulse surveys, emphasising again to staff the importance of their opinions and feedback .

## **7. Value for money implications**

- 7.1 There are no value for money implications.

## **8. Impact on financial projections**

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

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

- 9.1 There are no specific legal, regulatory or charitable implications.

## **10. Partnership implications**

10.1 There are no partnership implications arising from this report.

## **11. Implementation and deployment**

11.1 Feedback has been shared with Executive Team and Managing Directors to use as they plan and implement future services, working models and office environments.

## **12. Equalities impact**

12.1 All staff were able and encouraged to participate through online and or hard copy access to the survey.

## **13. Recommendations**

13.1 The Board is asked to note the report.

Appendix 1 – Staff survey feedback

Appendix 2 – Staff focus group feedback



# Staff Survey

Our experience through lockdown

Summer 2020

## 1. Introduction

The staff survey was conducted through the online platform Survey Monkey and through telephone interviews in June 2020 and ran for three weeks.

The survey aimed to gather staff views on their experiences in lockdown, Wheatley's response to the pandemic and what our priorities should be going forward into the 'new normal'.

Focus groups are being held throughout July to further explore key themes and the results of these will be published in early August.

A total of 1071 members of staff completed the survey online with a further 12 staff handwriting their responses and 58 phone interviews carried out. All responses were anonymous.

The survey consisted of 11 questions designed to gain feedback around four areas which can be summarised as follows:

- ▶ people's personal experience of lockdown;
- ▶ how people felt they were supported professionally and personally;
- ▶ thoughts on customers' perceptions of our support and services during lockdown; and
- ▶ looking to the future: what might be retained as a new way of working.

## 2. Analysis

All answers to each of the 11 questions were reviewed by the Communications Team and key themes identified for each question. You can read the key themes in each question in section 4.

Views are many and varied, reflecting the different personal circumstances people found themselves in during lockdown and the breadth of job roles at Wheatley. Nevertheless it was possible in each question to identify key themes based on the most common responses.

## 3. Most common emerging themes

Looking at all the responses to the questions, both in the survey and the interviews, a number of key themes emerge. These are:

### 1. Homeworking

The benefits and issues with homeworking are discussed extensively in almost every question by staff. Many report adapting and adjusting quickly and enjoying the flexibility of working at home, having no commute and spending more time with

family. Issues reported include not having the right physical space, environment or equipment, increased workloads and difficulty separating work from home. Those with children have found it particularly challenging and their issues with juggling home and work are discussed repeatedly across the questions. There is a sense that for many people retaining some element of homeworking in future would suit them.

### 2. Safety

Safety is a key consideration for many, particularly those working on the frontline or who have vulnerable family members. Staff discuss positively the safety measures put in place by Wheatley, including PPE. Continuing to protect the safety of staff and customers emerges as a key priority for Wheatley staff for the future.

### 3. Support and services for customers

There is a strong sense across the questions of staff feeling pleased and proud of the services and support they have been able to deliver to customers and people we work for during lockdown. In Question 8 staff also discussed some of the customer issues they've had to deal with.

### 4. Embracing digital

There is a strong sense throughout the responses of people having embraced new digital platforms and of being ready for the next stage of our digital journey. Although people experienced some issues with IT and systems, particularly in the early days, staff are very appreciative of the support received from our IT colleagues.

### 5. Staff well-being

While some people do report coping well and enjoying elements of their experience in lockdown, others talk about loneliness, isolation and their mental health being affected. Again this emerges as a theme in response to several of the questions. Getting back to some face-to-face contact and interaction is important for many respondents.

### 6. Work/life balance

Work/life balance is a recurring theme, again with differing views expressed. Many staff, particularly those working from home, report having more flexibility and time, leading to a better work/life balance. Some staff feel their work and home lives have merged, their workloads increased and as a result their work/life balance has been impacted.

### 7. Support for staff

Responses on support available to staff are overwhelmingly positive with staff appreciating W.E. Connect, including the Daily Uplift and Family Hub, and the support from IT and HR. Some respondents report excellent support from their manager and colleagues, while others felt they needed more.

### 8. Reward and recognition

A significant number of staff discuss the importance of recognising and rewarding colleagues for their efforts during the pandemic.

### 9. The furlough scheme

The furlough scheme recurs as an issue with mixed feelings expressed. Many staff understand why Wheatley participated in it but some report disappointment at being selected and others frustration at the increased pressure on teams where staff were furloughed. Some staff report enjoying the opportunity to be at home during lockdown, for example to look after small children, without the challenge of work.

## 4. Themes by question

Here is a review of the key themes emerging for each question.

### Q1 – Describe generally your work/life since lockdown began?

There was a wide range of responses to this question with personal circumstances, job role, family commitments, general outlook and other life factors influencing how people responded.

The most frequently occurring words used to answer this question were:

- ›difficult
- ›stressful
- ›challenging
- ›different
- ›exhausting/tiring/draining.

A small number of respondents said they had enjoyed the experience.

### Key themes

There were 10 key themes emerging from the responses to this question.

#### 1. Lockdown has been a mix of ups and downs

Many people described their experience as being up and down, good days and bad days or a

rollercoaster. Responses appeared to be influenced by what was going on in people's personal lives as much as their working lives.

#### 2. Work and life have been hard to separate

A very common theme among those working from home was a feeling of difficulty in separating work from life. This was particularly prevalent in the first weeks of lockdown although for some it continued.

#### 3. Juggling work with family, particularly children, has been a huge challenge

The challenge of juggling work with children, either from home or on the frontline, was one of the most reoccurring themes.

#### 4. Initially hard but people adjusted/adapted as time went on

Many respondents talked about lockdown as challenging or difficult in the beginning but go on to say they gradually adapted.

#### 5. Feelings of coping and enjoying work and life

Some people however described their experience of lockdown as positive. A range of reasons were given for this including enjoying working from home and the flexibility it gives, the ability to help customers, and the opportunity to do new tasks and learn new skills.

#### 6. Isolation and missing colleagues and interaction

For many the over-riding feeling at the time of the survey was of isolation and missing the interaction of colleagues and the workplace.

#### 7. Long days and increased workloads

Staff from different parts of the business described extra work pressures, increased workloads and longer days.

#### 8. Unsuitability of physical space for work

Some respondents expressed difficulties with the physical aspects of working from home such as lack of space or unsuitable desk/chair or having to operate in a social-distancing environment.

#### 9. Impact on people's mental well-being

While most respondents described the period of lockdown as difficult, challenging or stressful, a small number also talked about it having an impact on their mental health.

### 10. Furlough – mixed reactions

People on furlough described a wide mix of experiences from feeling guilty and worried to enjoying having the time to spend with family.

### Q2 – What has worked well for you during lockdown?

This question asked people to reflect on what had worked well during lockdown. Most respondents were able to cite at least one positive from their experiences, with many highlighting several things which they felt had gone well.

By far the most popular answers were around having more time at home to spend with family or on hobbies such as exercising and gardening. This was particularly so for staff working from home and also for some on furlough. The lack of commute and the flexibility provided by homeworking featured heavily in people's responses.

A significant number reported how effectively IT systems and IT support had worked for them and many talked about embracing new digital platforms such as Skype and Zoom.

Many frontline colleagues felt supporting customers and people we work for had gone well while a number mentioned PPE and other safety measures as having been effective.

There was appreciation among many staff for the support they had received from colleagues, managers and the organisation throughout the difficulties of lockdown. Communications within their team and from the Group was mentioned as part of this support.

A very small minority of respondents said nothing, or not much, had gone well for them throughout lockdown.

Here is a summary of the key themes in this question.

#### 1. More time to do things at home/with family

One of the most recurring themes was staff reporting more time to spend at home and/or with their families. For some this meant being better able to carry out their caring duties and for others it meant more quality time with their children, such as having dinner together as a family. Exercising, doing jobs around the house and gardening also got frequent mentions with some saying they were getting more

fresh air and were eating healthier in lockdown.

#### 2. IT and digital platforms

Another significant theme was colleagues' positive experiences with IT systems, the support received from IT, and embracing, quickly and effectively new digital platforms such as Zoom, Skype, Teams and WhatsApp to communicate with colleagues and customers.

#### 3. Lack of commute

Colleagues who are homeworking repeatedly highlighted the lack of a commute as a major positive. The further they normally commute, the more they find this a benefit with some reporting a big difference to the quality of their life and their productivity levels.

#### 4. Flexibility

Although a number of people report heavy workloads and long days in other questions, for many working from home also brings a flexibility which they like. The sense of having more control over when they work, particularly for those with young families, comes through strongly in response to what has gone well.

#### 5. PPE and safety measures

In responses from frontline staff working in our communities and in our care services, the PPE provision and other safety measures are highlighted as having worked well for them.

#### 6. Supporting customers and people we work for

The time, the level of support and the opportunity to deliver great services to customers and people we work for is a recurring theme among frontline staff who call this out as something that, in very challenging circumstances, has worked well.

#### 7. Support from managers, colleagues and organisation

Staff from all areas mention the support from managers, colleagues and from the organisation as something that has worked well during lockdown. Their comments covered informal support from within their teams as well as from their line manager and the wider support provided by the organisation.

#### 8. Being on furlough

While in Question 1 we saw evidence of a very mixed reaction to being on furlough, in this question many respondents spoke positively about their experience

on furlough, again highlighting having more time with their families or to spend on things they enjoy.

### **Q3. What has not worked as well for you or your team during lockdown?**

This question invited people to talk about what had not worked well. Understandably respondents talked about the most difficult issues and challenges they faced over the period. Interestingly, a significant proportion of staff – around 20% - reported no issues at all, saying they, their team and the organisation responded very well to such an unprecedented situation.

Here are the most common themes.

#### **1. Working from home**

Working from home posed significant challenges for a lot of staff, particularly over childcare.

Looking after children and home schooling was difficult, while some staff also had to care for elderly family members.

Not having a proper workstation at home, sometimes causing back and neck problems, as well as lack of space and privacy was an issue. Some staff had to use – or buy – their own equipment, such as a chair, while others faced increased broadband costs, particularly if another family member is using their Wifi, as well as increased fuel bills at home.

Working from home left many staff feeling isolated, and missing the support of their colleagues.

#### **2. Work-life balance**

Closely connected to issues around working from home were issues around work/life balance. A significant proportion of staff reported being unable to switch off, facing increasing workload and feeling constantly at work.

One staff member summed it up: “It’s all work and hardly any balance.”

This, along with child care issues, led to feelings of anxiety, stress and guilt.

#### **3. Increased workload**

Also closely related to issues around work/life balance, many staff reported an increased workload, and a lack of recognition of the extra pressures they are under.

They reported feeling constantly at work, always asked to do more, with colleagues on furlough meaning extra duties for those still working.

#### **4. Lack of communication / support from managers**

While staff acknowledged the difficult circumstances everyone was facing, there was concern expressed by some over the level of communication, contact and direction from managers.

Some staff reported a lack of contact or regular meetings, which left them feeling isolated, disconnected and undervalued.

It should be noted that in other questions, eg question 4, many staff report being very pleased with the support they received from their managers.

#### **5. Isolation / missing colleagues**

One of the biggest issues staff faced was missing the office environment and the support from colleagues.

While meetings and conversations via Zoom or Skype helped, it wasn’t the same as being able to bounce ideas off each other and resolve difficult issues together.

This led to a sense of disconnect and not feeling part of a team.

#### **6. IT issues**

A significant proportion of staff were very happy with the IT systems they had, as well as support from the IT team.

However, some reported IT issues, with systems crashing, iPads not ideal to carry out their roles, a lack of a proper phone, not having two screens at their workstation, as well as too many platforms and systems which are not compatible.

#### **7. Lack of face to face contact with customers**

Some staff working from home reported missing the lack of face to face contact with customers, both on a personal and an operational level.

Staff are dedicated to their customers and miss being able to support them and provide the service they normally would. Some said that difficult conversations about rent, for example, were more easily resolved face-to-face.



Relevant staff felt the approach to dealing with anti-social behaviour, contacting the complainer but not the perpetrator, didn't work well.

#### **Q4. What has surprised/pleased/disappointed you the most?**

There were a lot of very positive comments to this question, in particular around how well most people felt they had adapted to working from home.

Generally speaking, the most common theme overall was around the fact that staff were surprised, and pleased, at how well they had coped and adapted to working from home during lockdown and how much they enjoyed the new work/life balance.

A significant number also reported being pleased with the support from colleagues and managers and how well everyone was 'pulling together' during difficult times.

There were a lot of comments about how team morale was high and many staff actually felt closer and more connected to their teams and colleagues, even though they were at home. Main disappointments highlighted by respondents were around different work patterns and time off and some expressed disappointment around the furlough scheme.

Here is a summary of the key themes.

##### **1. Surprised - how well people have coped with lockdown and enjoyed the new work/life balance**

The most common theme was staff reporting how surprised (and pleased) they were at how well they had coped with working from home. A significant number said they were also surprised at how they, and their colleagues, had adapted to it – and how quickly.

For many working from home has given them a much better work/life balance and, in turn, they feel less stressed.

A high number said they have enjoyed the flexibility it gives them (particularly around the hours, and working outwith a strict 9-5 regime) and stated how much happier they've felt as a result.

There were a handful of comments around how stressful the situation had been, especially those with young children and other family working at home, however this had perhaps not come as a

surprise so was not reflected strongly.

##### **2. Surprised at how much can be achieved and delivered from home**

Another strong theme coming through was how surprised staff were at how much they were achieving (and delivering) from home and how productive they were without office distractions.

A high number reported feeling more comfortable in their own surroundings and being able to be more flexible. Many staff said they were proud of what they'd achieved and delivered.

##### **3. Surprised at the digital technology, transition to home working and pleased with IT Support**

Another significant theme was surprise at the positive experience of using new technology such as Zoom, Skype and Teams calls to keep in touch and carry out the job.

There were a significant amount of comments praising the support of the IT teams and how fast everyone had received help, especially at the start of lockdown. Everyone seems to have really enjoyed using the new methods of communication, even those that were hesitant at the start.

##### **4. Pleased at the support of colleagues and managers and how everyone has 'pulled together'**

There were a significant number of staff who commented that the support they had received from their managers, and colleagues had been brilliant. A large majority of staff also said they felt relationships with work colleagues had been strengthened through the new methods of communication and they were having more regular, meaningful conversations.

There were many staff who said they'd received a lot of support and understanding from managers and commented that morale was high.

##### **5. Pleased (and surprised) at how much we've been able to do to help customers during this time and their positive response**

A large number of staff reported that they were pleased about services they were able to deliver to customers, and how positive the response had been to this.

There was a real sense of pride coming through from these comments about how pleased staff were



that they could still help people, from home, during such difficult times. Staff said they felt it was very rewarding being able to help people like this.

#### **6. Pleased about how Wheatley have looked out for staff (mental wellbeing etc)**

A large number of staff commented about the way in which Wheatley was supporting them, looking out for them and the particular focus on mental health. Many liked the introduction of the Wheatley Family Hub, however, there were also comments from some that they just didn't have the time to take part, but the idea was great.

#### **7. Pleased about less time spent in traffic/commute**

Colleagues who have been working from home repeatedly highlight the lack of a commute as a major positive. There were a lot of comments around the difference to the work/life balance as a result and indeed their productivity levels.

Many also said they felt their working days felt shorter without that long commute at either end of the day, making them feel much happier.

#### **8. Pleased with communication generally, but disappointment around lack of communication from line managers**

A significant number of staff commented that they are pleased with the communication updates, the level of information they are receiving generally through the intranet and also from MDs and Martin.

However, there were also a number of comments on the lack of communication, and in some cases contact, from line managers.

#### **9. Disappointed around varying working patterns/time off**

A number of staff expressed disappointment around what they say is different working patterns and time off being given to some teams and not others. Also some comments around how working conditions for different people varied because of their different conditions at home.

#### **10. Disappointed – furlough and annual leave – mixed reactions**

A significant number of staff who are working/home-working commented on the issue of furlough, with a lot of mixed feelings. Some felt there was a lack of recognition for those who have continued to work,

for example.

A large number of comments also focus on the issue of annual leave – for those on furlough they are accruing leave and are keeping public holidays while those working are having to use their leave for a day off here and there.

There were some comments, from those on furlough, around the lack of communication while they've been off.

#### **Q5 - What has been your biggest personal challenge or issue?**

Answers to this question were fairly evenly split between work and personal issues, and on many occasions responses included both.

Work issues tended to be around the amount of work and the pressures to deliver, amount of information to process and the stress that can cause.

Personal issues tended to be around coping with lockdown, concerns for their family, family commitments and even dealing with the death of family and friends.

Here is a summary of the key themes.

##### **1. Balancing your time and work/home life**

Far and away the most common challenge is the balancing of a work/ home life especially for those with children. A number of answers expressed guilt at not being there for family members.

Working and living in the same space and managing time to achieve work/life balance was also a challenge. Many of those who work from home said they had taken fewer breaks and were also tempted to go back online later in the evening.

On the whole, management have been praised for their flexibility and support, especially for those who are working and having to home school children.

##### **2. Working from home**

Working from home was a common theme, mainly about adapting to this different way of working and the challenges of finding a suitable space in the home and getting used to a new routine.

##### **3. Loneliness and Isolation**

A fairly common theme is not being able to physically interact with others with the feelings of

loneliness and isolation becoming a challenge. This theme was expressed by colleagues across the business.

#### 4. Mental Health and wellbeing

A significant theme was feelings of stress, low mood and anxiety during lockdown. Comments mention stress and pressure of extra workload and the effects of the whole coronavirus situation. Staff who are furloughed also say that this is a challenge.

#### 5. Communicating with colleagues and customers

A significant number of respondents found their biggest challenge was not having face to face interaction with colleagues and customers. Not being in the office and missing the 'buzz and chatter' of being with colleagues was also a challenge.

On a personal basis a large majority have found it challenging not being able to see family too.

#### 6. Safety of self, family and others

For those who needed to be at work and out and about, their safety and fears of passing the virus on to others was a concern among the respondents.

#### 7. Furlough

There are a number of comments which mention furlough and the concern and worry over the future. There was a smattering of comments that some had enjoyed the time off. Others have faced challenges with colleagues not being around due to furlough.

#### 8. Travelling to work on public transport

For those who were travelling into work this theme was common. Their answers described the anxiety of being on public transport and a fear of catching the virus.

#### 9. Technology

The use of technology and having the right equipment in the early days was a challenge for many, as was the ability to use the equipment and the new digital platforms.

System issues were a common frustration early on but seem to have settled, according to many of the respondents.

Throughout IT colleagues are praised as being extremely helpful.

### Q6 – What would have improved your ability to cope better, personally and professionally?

This question asked people to reflect on what, in hindsight, might have helped them cope better.

A significant number of respondents, almost 25%, said there was nothing they could think of, and many of those commented that they didn't think Wheatley could have done any more than it has done under the circumstances.

By far the most popular answers were around their work set up – including IT and equipment, work space at home, or the workplace, as well as the support and communication with their manager and the rest of the team.

Here is a summary of the keys themes.

#### 1. Working from home set up, equipment and workspace

One of the most recurring themes was staff reporting issues with the space they have to work in at home, or the equipment (or lack of), that they have.

Comments centred around working from whatever space was available at home, often kitchen or dining tables, sometimes bedrooms. It also highlighted that when working from home for an extended period of time, a suitable chair and desk space are desirable.

#### 2. Contact with team and manager

This was also a common theme. This seems to vary widely between teams, with some respondents reporting excellent support from their manager and colleagues, while others felt they needed more. Some teams have embraced the technology with regular Zoom or Skype meetings and WhatsApp groups and where this has been the case, this seems to have had a positive effect.

#### 3. Mental health and wellbeing

A number of staff highlighted the impact on mental health and wellbeing. This includes a feeling of isolation generally, and especially when dealing with a difficult issue, when you would normally share that with a colleague.

It's clear that staff are missing regular contact with colleagues, particularly face to face.

#### 4. Working hours, workload and flexibility

A significant number of staff reported finding the lines blurred between home life and working. They

have found it difficult to switch off and separate the two. Flexibility during the working day/week (or lack of) and working hours was also highlighted a lot.

Those with school age children reported finding it difficult to balance work with home schooling.

A number of staff also raised the issue of workload and the pressure and volume of work.

There were also some specific issues raised around shifts and shift patterns.

### 5. Being on furlough

There were some responses from furloughed staff who felt they would have liked more information about furlough, more regular contact and plans for returning to work.

### Q7 – How would you describe the support made available to you?

The responses to this question were overwhelmingly positive. More than 85% of the responses were positive about the support that was available.

The majority of those who said the support available was good mentioned things like their line managers being there for them when they needed them. They praised the content on W.E. Connect, including the Daily Uplift and Family Hub. IT and HR had been extremely helpful.

A large section of respondents said they knew what support was out there, but they did not need it. Some respondents mentioned they would have liked to benefit from the activities on the Family Hub or the mindfulness course but did not have time. There was praise for the stories and blogs on W.E. Connect.

Here is a summary of the key themes in this question.

#### 1. Support from line managers

One of the biggest recurring themes was the brilliant support staff felt from their managers. A large number of answers mentioned managers being there to listen and that they were understanding of the situation and flexible in their approach. A majority of respondents, said the support from their line manager was the most important support they received. There were a small number of comments which said their line manager could have offered more one-to-one support.

#### 2. Personal Protective Equipment

Lots of answers mentioned the support received through the procurement of personal protective equipment. Respondents said it was readily available, and any requests for missing items had been fulfilled very early on. Many colleagues said that the availability of PPE made them feel their safety was a priority and they, therefore, felt valued by Wheatley Group.

#### 3. Support from colleagues

A significant number of respondents said the support they received from their fellow colleagues was the most important form of support available. Respondents said they could lean on one another, and that the situation had caused them to become stronger as a team.

#### 4. W.E. Connect and internal communications

Respondents were overwhelmingly positive about internal communications, noting that W.E. Connect had helped them feel connected and up-to-date, and the blogs and stories were praised. Many commented that the support available to them was easy to find. A large number of responses specifically praised Martin's weekly email messages.

Some said they would have liked more time to be able to do the activities or read the blogs on W.E. Connect. Frontline staff also pointed out that for them, it was almost impossible to take part in activities during normal working hours. There were some respondents who mentioned the content on the Family Hub was too focused on children. For a few people the constant positive stories on W.E. Connect was a struggle when they themselves were facing a tough time.

#### 5. Not enough time to access support

Many of those who praised the support they were offered commented they did not have the time to use it. Many cited the need to meet their deadlines, pressure from managers and a lack of headspace outwith work as barriers.

#### 6. IT – software and hardware

There was wide praise for the support colleagues received from IT and the support they received with general desk equipment. A large proportion of answers mentioned the IT's quick responses and efficiency in dealing with problems, and many praised them for setting up the home working system so quickly. There were a small number of

respondents who faced difficulty getting their IT issues sorted out, but these were in the minority.

### 7. Furloughed staff

Most of those who identified themselves as being furloughed did say they felt supported by Wheatley with regular calls and emails and reassurance. There were a minority who felt they could have received more support while furloughed.

### 8. Workload/Caring responsibilities

A number of respondents commented their caring responsibilities were not taken into account enough when assessing deadlines and workloads. However, there were respondents who said they had been able to strike a balance. Quite a few respondents struggled with the workload, given the difficult personal circumstances colleagues were in during lockdown.

### 9. Use of new technology

Many respondents, both those working from home and on the frontline, positively mentioned the use of technology to support them. This could be through a WhatsApp group where teams discuss specific cases and share advice, a weekly Zoom catch-up or even a social event like a quiz. The responses were overwhelmingly positive; technology has improved their ability to cope and offered support where needed.

### 10. Senior management

The majority of responses mentioning senior management complimented the visibility of senior management (especially through Martin's messages) and also the fact they felt they could go to senior management with issues. There were also some responses mentioning a lack of support for their teams from senior management.

### 11. HR support

A number of responses mentioned the support they had received from the HR team. Quite a few people had also taken the mindfulness course or accessed Confidential Care and found these both to be really helpful support tools.

### Q8 What do you think customers have felt about our services and support during lockdown?

According to respondents, EatWell and the Emergency Response Fund were particularly well received among customers. Words that recurred include 'overwhelmed', 'grateful', 'positive', 'lifeline',

'amazed' and 'blown away'.

Customers have been especially touched by welfare calls, simply having someone to talk to and knowing they were there, made an enormous difference to their wellbeing – and to how they view the organisation.

Within the overwhelmingly positive responses, a minority of respondents mentioned other customer perceptions and concerns. These included:

- › frustration at reduced services, especially repairs and NETs;
- › unhappiness at paying for services they aren't receiving;
- › anti-social behaviour;
- › lack of clarity on criteria for accessing services in some communications; and
- › mental health of people in care services.

Here is a summary of these key themes.

#### 1. Overwhelmingly positive about our response

Overwhelmingly, staff said they felt customers and people we work for were happy with the service they received and that we had made a real difference through emergency food, welfare checks, care and support services and the response fund.

#### 2. Improved relationships, better engagement

A very positive outcome is that several staff report improved relationships with customers, on a personal and professional basis.

Customers are very appreciative of welfare calls and that personal connection has built trust with staff. Customers are also more aware of services available to them, and are seeing their landlord in a much more positive way. Staff anticipate this will lead to better engagement in the future.

#### 3. Customer concerns and issues

While staff report the vast majority of customers have been very understanding about the necessary reduction in services, some are unhappy. At the time of the survey there was an impatience emerging for services to resume, particularly the repairs, grass-cutting and close-cleaning.

A minority of staff reported some unhappiness from customers at having to pay for services they were not receiving.

Care staff reported feeling concerned about the



impact of lockdown on the mental health and wellbeing of the people they work for. Some customers were finding restrictions difficult, were missing the regular face-to-face support, and were feeling the effects of increased isolation.

### **Q9. As lockdown restrictions ease, what more can Wheatley do to assist you?**

Overall, the most significant themes coming through focused around staff saying they were very happy with the support they had received to-date.

A large majority said they wanted the support and good communication to continue with clear, concise and regular updates. A large number said they couldn't think of anymore that Wheatley could do as they had done so much.

A significant number of people talked about how they wanted to be supported to continue to work from home where possible, with a flexible approach to this. Some talked about working from home full-time and some a blended mix of both. There were comments from several around wanting to get back to normality.

Another theme was around PPE and it being available, alongside information on how the new offices would work in terms of safety measures.

The topic of furlough also featured including bringing staff back as things got busier and support to help people integrate back in.

Here is a summary of the key themes.

#### **1. Communication and support**

One of the most common themes was the fact that staff felt very supported and they wanted this to continue. A high number said there had been excellent communication throughout and they hoped that would also continue, with clear and concise information on things like PPE, working practices as well as the future plans for the Group and the business plan.

#### **2. Working from home where possible, with a flexible approach**

Another strong theme coming through was that staff wanted to be supported to work from home more, even on a blended approach. Many reported they'd like flexibility around this, especially where they had children, or the job didn't require them to be in the office all of the time.

#### **3. PPE and safety measures**

A high number of staff reported they wanted to make sure that PPE was available for returning to more normal work patterns, especially for those going into homes.

Many people talked about the office layouts, and how this would work, and some were against hot desking and sharing equipment.

Some people highlighted not rushing back to offices. They felt guidelines and rules should be clear around distancing and other measures.

#### **4. Review of IT, equipment and desk space**

There were a large number of comments around equipment and how if home-working was going to continue a full review of IT, hardware and desk equipment should be considered.

#### **5. Furlough – supporting people to come back**

A high number of staff commented about the issue of furlough and how they hoped consideration would be given to bringing some back to help ease pressures of annual leave or when services get busier again.

Also a lot of staff felt that people who had been off for a long time would need support to integrate them back into working.

#### **6. Concerns around use of public transport**

The final theme coming through this question was around the issue of public transport. Many people expressed concerns about this and how it would affect their work patterns, for example, with reduced bus and train timetables.

Staff said they hoped this would be taken into consideration when they had to return and also asked that plans for re-starting in the offices could be shared so people could plan.

### **Q10 – What have you and your team learned – and what might be taken forward into the new normal?**

A very large number of respondents in this question highlighted working from home as their biggest learning experience with many suggesting this could be something we take forward in future in some way.

Others pointed to our ability to adapt quickly to our new circumstances as the central learning and how we had been able to use technology effectively,

while many frontline staff called out the new ways we had found to support customers and people we work for.

Other responses on what we should take forward included a focus on safety, team work and recognition and support for our staff.

Here are the key themes for this question.

### 1. Working from home

Working from home was a key theme in response to what had been learned and what should be taken forward. Most people who highlighted working from home said we had learned it could be done, and done effectively and that it brought benefits such as better work/life balance, time saved on commute and increased productivity. However many called for consideration to be given to a more blended or flexible approach as we move forward. Reasons given for this include isolation, missing the interaction of office working and the difficulties of always working around the rest of the household.

### 2. Our ability to adapt and respond quickly

A very common theme among all groups of staff was how we had discovered the extent to which we could, in our teams and as an organisation, adapt well to changing circumstances and respond quickly and flexibly. This sense of adapting and responding quickly was something many respondents felt we should hold on to as we move forward.

### 3. Staying safe with standards and procedures in place

Those who continued to work on the frontline of our care, housing support and environmental services highlighted how they learned about the vital importance of safety including measures such as hand hygiene, social distancing and PPE. Many outlined the need to continue with this as a focus.

### 4. Team work, collaboration, communication and sharing

Many respondents talked about how they had learned they were part of a great team. Sometimes they were referring to their own local team and sometimes to the wider organisation as a team. They talked about pulling or rallying together and highlighted factors such as good communication, sharing best practice and helping each other through. There was a clear sense in these answers that staff wanted to see the strong team work developed through the pandemic continue.

### 5. Our role in supporting customers and people we work for

Some staff chose to describe their work with customers as the thing they've learned about most. This includes being able to deliver services in different ways, offering new services or reaching out to customers we wouldn't normally have much contact with. In some cases it also involves learning from the impact on people of our reduced services. Many of these answers include calls to retain what they've learned in our new work practices.

### 6. Embracing digital and continuing the journey

Our ability to use IT to our advantage and to work with new digital platforms features in many answers, both in response to what we learned and what we should take forward.

### 7. Recognition and support for staff

Supporting, protecting and recognising staff is important for a number of respondents. Some answers ask for support and recognition to continue post-pandemic while others are asking for more recognition for the efforts and hard work of staff.

### 8. Issues staff feel dissatisfied with

A minority of respondents answer the question by highlighting individual issues they are not happy with and asking for these to be addressed going forward. These answers cover issues including uniforms, the furlough scheme, understaffing, leadership visibility and a sense of teams working in silos.

### Q11 – What should be our priorities?

There were some clear themes emerging in the responses to this question on what our priorities should be.

The clearest priority, with a large number of staff mentioning it in their response in some way, was the safety, welfare and wellbeing, both physical and mental, of staff and customers.

Other priorities supported by significant numbers of respondents were:

- › valuing and recognising staff;
- › supporting customers and people we work for;
- › getting core services back up and running;
- › offering flexible working options;
- › continuing our digital journey;
- › re-introducing face-to-face contact; and
- › listening, engaging and learning.

Here is a summary of each theme.

### **1. Health, safety and wellbeing of staff and customers**

This was by far and away the most common answer among staff from across Wheatley. The answers alluded to both the physical safety of people as we return to a new normal and their mental well-being. In many cases the response was short and to the point with staff saying simply 'The safety/welfare of staff and customers/people we work for' or 'staff well-being'. In other answers people elaborated on the kinds of safety measures they thought should be a priority. Many staff who cited other priorities in their answer mentioned health and safety or employees' mental health as also being a top priority.

### **2. Value, recognise and support staff**

A call to recognise and reward staff comes through as a priority. In these answers some respondents acknowledge there is appreciation for staff but ask for consideration to be given to further rewarding groups of staff who have worked through the pandemic. Most answers call for general recognition, reward or appreciation but some also suggest reward and recognition through additional annual leave or a pay rise.

### **3. Support for customers and people we work for**

An equally high number of respondents said the priority should be customers and people we work for, and providing them with the services and support they need. Again many people expressed this with a single word: 'Customers', 'Tenants', 'PWWF'. Many made the point that our customers deserved and needed our support.

### **4. Re-introduction of core services**

Many respondents, keen to see things return to normal, chose here to talk about the reintroduction of our core frontline services as being the top priority. Answers mentioned repairs, letting, anti-social behaviour services and environmental services.

### **5. Offering flexible working options**

As we've seen in other questions home working has been a big talking point for respondents who have outlined a range of benefits and challenges. In this question about what our priority should be, a number of staff highlight the need to retain options to work flexibly, particularly from home. Reasons given for this include supporting people with their work/life balance, helping parents with childcare and other family commitments, and facilitating more

efficient and productive work practices.

### **6. Continue our focus on digital**

For many, one of the priorities was maintaining and growing our digital focus, both for staff and for customers. In part this was linked to facilitating home, remote and flexible working but some of the comments were also focused on customer experience and engagement. Here are some of the views around making our digital journey a priority.

### **7. Bring back more face-to face contact**

A smaller number of staff from different parts of the business call out bringing back face-to-face contact, as a priority. This in part reflects the sense, seen in other questions, that people are finding the isolation and lack of human interaction difficult. For some respondents, however, this is a priority because they believe it is only through face-to-face contact that they'll be able to deliver the right, tailored service and support to tenants and people we work for.

### **8. Listen, learn and respond**

A smaller but nonetheless significant number of respondents answered by asking that Wheatley listens, learns and responds by putting new approaches and practices in place.

**Team Wheatley**  
*caring, connected, creative*

**Staff Survey**  
Working through a pandemic

**Summer 2020**  
*Making homes and lives better*



# Staff Focus Groups

August 2020

## Introduction

Six focus groups took place throughout July following the online staff survey and interviews which gathered staff views on people's experiences in lockdown and Wheatley's response to the crisis.

The focus groups were aimed at exploring further some of the key themes which emerged during the survey and at capturing views from staff on what learning should be incorporated into how we work in future.

The focus group discussions were carried out on Zoom and were hosted by Director of Communications and Marketing Yvonne Flynn and supported by colleagues from HR and the Communications Team.

A total of 46 participants representing all sectors, subsidiaries and geographic areas in the Group took part.

The themes explored were:

- homeworking and a future blended model;
- supporting customers – what we've learned;
- rewarding and recognising staff; and
- leading and managing in a flexible working model.

People who took part including the supporting staff, contributed enthusiastically and seemed to enjoy the experience of getting together with different colleagues to share experiences and views.

## Summary of feedback

- Participants were overwhelmingly positive around Wheatley's response to the coronavirus crisis across all the themes explored.
- Echoing the findings of the survey, participants were enthusiastic about the idea of retaining some flexible and remote working and supported a future blended working model.
- The key challenges to resolve for the future included supporting staff with their physical work space and equipment, retaining the right level of flexibility and structure for those with caring responsibilities and helping people to minimise isolation and protect their wellbeing.

- There was acceptance that the office of the future would be very different and serve different purposes including a place to go to meet and collaborate, and a functional space for printing, storing and accessing files and other tasks.
- Customers were very positive about our services and saw us as more human
- The biggest shift was from face-to-face interaction to engaging with customers by phone and digital channels
- Staff wanted to retain, or explore further, the use of phone and digital channel support as they saw it brought benefits but also stressed the importance of keeping some face-to-face interaction for some situations.
- Teams believed they had worked together well, for example housing and NETs, built stronger relationships and wanted to retain the benefits of improved teamwork.
- While some staff called for greater reward and recognition in the staff survey, when explored in the focus group, participants were hugely appreciative of the existing reward and recognition at Wheatley and described the benefits as 'brilliant' and 'second to none'.
- The importance of a thank you from senior leaders was emphasised with one NETs colleague recounting how he was buzzing for a week after receiving a 'well done' call from Wheatley's Neighbourhood Services Manager.
- Ideas for recognising teams' efforts during lockdown included: a big party, an awards ceremony or events where people could get together to share experiences.
- For leaders one of the big challenges had been balancing spending more time supporting staff while delivering on demanding and heavy workloads and working remotely.
- There was a need to redefine the principals of leadership at Wheatley with opportunities to learn and develop skills for leading in the new normal and to share experiences with other leaders.
- Leaders were apprehensive around managing people returning from furlough and supporting them to integrate back into work and the team.

A summary for each theme is attached below.

## **1. Homeworking and a future blended model**

Two focus groups took place around this theme, with a total of 15 participants from across Group. The aim was to gather experiences and feedback for how elements of homeworking could be carried forward into our new working model and what the key considerations should be.

The following summarises the discussion on this theme.

## **General response to homeworking and challenges**

Most people found working from home a positive experience and said that it had worked well on the whole. This echoed the general sentiment expressed through the survey and the interviews. People said virtual working through tools like Microsoft teams, zoom and digital working in general meant they could work as normal and maintain contact with colleagues.

Some staff like the fact that there are fewer distractions when working from home, and reported being able to concentrate better on pieces of work. Those with children found they had constant interruptions from their dependants. However, there was also an acknowledgement that this is likely to improve once the schools go back.

Lack of daily commute was highlighted as a positive as it allowed staff to use this time to deal with work priorities instead.

Housing officers spoke about the iPad rollout and how this had helped them be less paper-based and allowed some element of remote working before lockdown. They also mentioned arrears performance had improved as those with a wider patch area spent less time travelling and had more time to dedicate to customer calls. They said communication by phone is fine, but that you can't beat face-to-face interaction with customers.

Some people, again confirming the feedback from the survey, faced particular challenges in their home working circumstances. Those highlighted were:

- having a quiet, appropriate place to work within the family home;
- balancing childcare while there is no one else to look after children; and
- feeling cut off from their team and colleagues.

## **Future working model**

A blended 'best of both worlds' model was popular, with a balance to be struck between the flexibility of working from home and retaining the benefits of office working.

There was some discussion that staff should be given the choice to decide whether they want to work from their home or an office, but also an acknowledgement that availability of office space will be determined by government guidance.

A blended model would need to be built around the needs of the organisation and will also depend on the job role and the individual.

People felt a 50/50 split between time at home and the office would be a good balance.

## **Support for those with caring responsibilities**

The group discussed what the organisation needed to consider when it came to supporting staff with caring responsibilities.

People shared some of the difficulties they faced, but also acknowledged many of these problems were caused by lockdown and lack of childcare, rather than homeworking. When schools and nurseries reopen working from home would become easier.

One participant was concerned about working at home with very young children, and the practicalities of being able to focus on work and customers and meet his family's needs.

Other people talked about difficulties of working from home with the family there – for example, having to ask children to be quiet or go away when they are working in a family space like a kitchen.

## **Flexibility around location and hours**

Flexibility was seen as a key consideration in the two groups, both around location and hours worked.

People were appreciative of the support and flexibility Wheatley had already shown, which had allowed them to manage things better. Some members of the focus group had younger children and expressed enthusiasm for homeworking to allow them to manage school and nursery pick-ups and drop-offs better.

There was also some interest in a flexible approach to working hours for staff with caring responsibilities. During lockdown, some participants had agreed non-standard hours with their team, such as working in the morning, taking a break in the afternoon to look after children, and logging in again in the evening. They found this flexibility very helpful.

There was also a suggestion customers might prefer to be able to speak to someone at the end of the working day.

## **Need for structure and boundaries**

People also said they needed structure along with flexibility, and needed to know what hours and where they will be working so they can manage responsibilities such as caring for children or older family members. An ad-hoc, last-minute approach would not suit them.

Others felt flexible working was difficult for the business. People need to be contacted by colleagues and customers during the day, and the organisation needs to be able to respond to emergency situations. Even day-to-day projects could get held up if people are working at different times.

Some concerns were expressed about the divisiveness of flexible working. Prioritising the needs of working parents over those without children could be seen as unfair and generate resentment because all staff need a work/life balance.

In summary, the organisation would need to consider:

- the needs of people with pre-school children;
- balancing the needs of the business with a more flexible working pattern while ensuring other members of the team are not plugging gaps;
- the requirement of some people to have the same working pattern every week because out of school care and nursery hours are usually fixed; and
- The impact on family life – such as the loss of a family space – of more home working

## **Physical work environment**

Concerns were expressed about the lack of suitable workspace at home. Some younger staff still living with their parents had to work on their bed, some were working in family spaces like kitchens, while others were without a suitable space for a desk, computer or office chair.

While many staff 'made it work' during lockdown, it would not be ideal if working from home is to be a long term/permanent arrangement.

Issues highlighted included:

- a lack of devices to work on – some have only an iPad – and patchy wifi
- the financial implications, especially for lower-paid colleagues, of buying a desk and chair, and the cost of heating, lighting, wifi and electricity, especially in winter
- the need for training in Microsoft Teams and similar platforms

## **Mental well-being and isolation**

Mental wellbeing, isolation and the loss of separation between work and home life were also seen as important considerations for the future. Some participants felt pressure to be 'always available' and were tempted to keep working late, checking and responding to emails when they weren't working.

Concerns were also expressed about people who live alone and derive much social wellbeing from coming to work, being in town and being able to see friends at lunchtime.

The point was made that working from home doesn't suit everyone and 'is not what people signed up for'.

The importance of retaining face-to-face contact with colleagues, and one-to-one time with managers, was seen as important in supporting mental wellbeing.

## **Staying connected and supported**

The use of technology was seen as key in staying connected during lockdown.

Some people felt they got enough interaction through Whatsapp, zoom and phone calls. The need to share best practice on using these platforms was highlighted.

Others regarded these platforms as useful but no substitute for the social side, along with support and advice from colleagues, of being in the office.

There was also a suggestion that people working remotely could lose that sense of feeling 'part of Wheatley'.

Networking events would become more important to keep that sense of being connected and of sharing the organisation's culture.

Positives to come out of this have been an increase in joint working by some subsidiaries where their geographical patches sometimes cross, for example Loretto Housing and Cube.

## **Learning and development, and culture**

The group felt working in an office was important for learning and development, particularly for younger staff. Watching and learning from colleagues, as well as support and advice over difficult issues, could be lost without an office environment.

Working from home reduces the opportunities for collaboration and sharing ideas and it was seen as important that our new working model addresses this.

People felt Wheatley had a strong culture, a set of shared values and vision, which has been strengthened by the way people pulled together during lockdown. There was discussion around how new staff would integrate into this culture if they were in the office less.

## **The future of the office**

People discussed what the purpose of an office would be, if a more blended approach was adopted.

Human interaction was seen as a very important part of it, and space for collaboration and networking would need to be incorporated.

Housing officers said they still need to go to an office for paper files, printing letters and so on.

Practical considerations highlighted included the need for social distancing, meaning a reduced capacity in the short term.

Consideration is also needed for those who need specific work equipment identified through a DSE assessment, as they would have less flexibility around where they could work and which desk they could use.

People were enthusiastic about the idea of an office space being more than a place to log on to a computer and work, but as somewhere where people could go to do specific things, meet people, share ideas and work collaboratively.

Participants didn't want to lose the option of coming to the office because it was important to be with people, meet colleagues and build relationships – as well as being a place where necessary equipment is.

One person visualised an office as more of a hub, where people can get together and share ideas, a really good meeting space for customers and staff, and not just a bank of desks.

## **2. Supporting customers, learning and the future**

Two focus groups took place around the theme of Supporting Customers. There were 16 participants from across the Group including representatives from care, NETs, CSC, repairs and GHA, Dunedin Canmore and DGHP.

The aim of the discussion was to gather views on what staff had learned about delivering services in different ways during lockdown and what aspects of the learning could be carried forward.

### **What did customers think about our services?**

Staff reported that the overwhelming majority of customers were blown away by the support we were giving them.

There was also a strong feeling that the support being given to customers by staff has really 'humanised housing'.

Staff reflected on being stopped in the street when they started getting out and about again – people no longer seeing staff as debt collectors, and only at the door because of ASB.

The environmental teams commented that customers were more appreciative of them, coming out to talk to them recently when they're cutting grass and engaging with them more when they've been delivering food parcels and ERF requests.

## **What was different about interactions?**

Representatives from Care and Housing both agreed their interaction with customers changed drastically because of lockdown, going from face-to-face contact to telephone support.

The Housing Officers mentioned the use of new technology with customers such as FaceTime and Whatsapp. This was seen as a big positive and a good way to reach customers during lockdown.

Generally, the group felt there was a lot more positive engagement from customers over the phone – and also through digital methods of contact. Some staff felt they engaged with tenants they usually wouldn't have through welfare calls carried out during lockdown and this allowed them to speak to more customers than average.

There was a general feeling that this increased engagement was perhaps because there was less pressure and less anxiety for some customers (particularly those who are more vulnerable/challenging) than when they're sitting face-to-face having difficult conversations

However staff said there was still a real need to retain flexibility to have face-to-face contact where required. People agreed there were times where you need to see someone to understand and read their body language and gauge their emotional reactions.

Although telephone support has been a good alternative to face-to-face support, a care member of staff mentioned that some of the conversations with those they were supporting had been particularly challenging as lockdown progressed. It was also noted that it was hard to separate work and life because staff were having serious and emotional conversations in their own homes.

NETs staff said one of the things that was different for them was there was an increase in going to the shops for customers, and picking up prescriptions due to the numbers of people self-isolating or shielding. They also delivered food parcels to them and called on vulnerable tenants to check they were OK.



It was also recognised that the housing team relied heavily on the NETs to make face-to-face visits, maintaining contact with customers who weren't engaging. The good working relationships between NETs and housing officers was highlighted as a major success of lockdown.

## **What have you learned that you would keep going forward?**

Regular welfare checks would be something care staff would like to see continue. They would also like new mediums such as Zoom explored. Many of the vulnerable people we work for are feeling anxious about coming back to 'normal' life. Some will continue to shield. It was stressed that these people could end up feeling more marginalised if they aren't reached by new methods of communication going forward.

As housing staff start home visits again, the fact that some customers rely on lip-reading to communicate was highlighted. Mitigations would need to be in place for these customers (visors instead of masks, for example).

For the NETs, they felt their systems and processes were strong before lockdown, and that's why they were able to scale these up successfully. They'd like to continue to keep up the contact with customers as these interactions and ad hoc tasks are important to the people we support. Helping customers had felt really good and staff would love to hang on to that in some way.

For housing staff in DGHP, they have struggled with large patch sizes throughout lockdown. They would like to move to having 200 homes per housing officer so they can continue to give a more personal and dedicated service.

For repairs, there is nothing they would take forward. They have struggled during lockdown and are looking forward to services re-starting again.

It was felt that working from home was both good and bad. If you had small children, it was very stressful, but it also offered many the chance to focus on a task and be more productive. Staff would like to see home working continue, and allowances made for those with children if schools do not go back full time.

Staff said better work/life balance meant they felt more in control which in turn brought a real benefit and value to the customers due to having more time to spend with them.

Many on the group said they felt less stressed, more relaxed, more in control, able to make more decisions – all through working from home. An example - some said at times they might be logging in early and doing emails, and then again later at night, however they didn't mind that as in between through the day, if they had to hang their washing out they could take the time to do that – the work/life balance was much better

DGHP staff said it had been a challenge but the 'think yes' approach had been embraced and everyone is feeling much more empowered in their jobs and can make their own decisions, creating less stress. They wanted to keep that sense of empowerment while also getting the restructure completed.

## **As internal customers, how did you feel you were supported by IT, Comms, HR, CSC during lockdown?**

Generally staff felt completely supported, even lone workers who knew someone was on the end of the phone at all times

The consensus was that there has always been a sense of togetherness; everyone pulled together as one during lockdown. The NETs perhaps felt this the most.

IT staff said it was a learning curve to support internal customers working from home to start with – particularly getting everyone up and running all at once and on different devices (Macs, ipads etc). But there was all-round praise for IT's support during lockdown. They were quick to sort everything at the beginning and have offered great support throughout. The fact we can all access our desktops like we're in the office was highlighted.

There was also positive feedback on HR. With comments about them, 'being just a phone call away,' and 'fantastic as usual'. The group commented that communications has been really good and the 'daily uplift' has been great – it's good to share the experience of the teams and see what others are doing

The housing staff highlighted the joined-up working between NRT and The Hub. With both offering to do weekend and evening calls to relieve housing officers.

For care, the launch of Wheatley Care during lockdown presented its own challenge - creating a new company, and a joined-up culture in the midst of the pandemic. While a challenge, it was seen as a success.

The fact that COVID numbers are so low in Care was suggested as a sign that staff had worked well together to keep everyone safe.

## **What should the ET think about when they plan how to support customers?**

There was a consensus in the group that the ET should continue doing what they're doing. They felt the support had been good and we should keep on the path we're on.

The Emergency Response Fund was singled out as something that should be factored into future plans. A Housing Officer had been able to buy a vulnerable customer a brand new washing machine when they had no money to do so, and they felt the fund was a brilliant asset.

Throughout the discussions there was feedback that the flexible working and the use of different ways of engaging with customers should be retained as well as the sense of working together.

### **3. Reward and Recognition**

There were eight participants from across the Group including representatives from the NETs and DGHP and staff on furlough in this focus group.

#### **Support during lockdown**

There was a strong sense that everyone had pulled together during lockdown, forming good working partnerships and supporting each other.

Peer to peer support was highlighted as being very important – and regular team meetings and catch ups have been key for this. Comments included that some people by their nature / personality are more resilient and others perhaps needed more support.

Staff said their managers had been a great support, with those who needed to, being able to work flexibly to help meet their caring responsibilities for children or elderly relatives. This echoed the majority view in the survey and phone interviews.

Our NETs colleagues also reported excellent support, with their safety being taken care of through the supply of PPE, regular briefings with managers, as well as managers regularly checking in to make sure they were ok.

#### **Current reward and recognition at Wheatley**

Staff were asked to describe what they thought of Wheatley's staff benefits. "Excellent", "fantastic", "second to none", "brilliant", "love it", "amazing" and "even the little things like an eye test are great" were just a flavour of the feedback on the package available.

Staff commented that we can sometimes take it for granted and, since lockdown, they have a renewed appreciation for how well we are looked after when they compare it with friends and the organisations they work for. One person commented that friends are having to take wage cuts so we feel very lucky to have the package that we do.

#### **Recognition for work done in lockdown**

Those on furlough commended those who are 'holding the fort' and one person said they felt a little guilty about being on furlough.

Ideas for recognition included a big party, and awards ceremony or even a prize draw, but many ideas centred around getting people together again to share their experiences.

A common theme was that a simple thank you or personal recognition goes a long way – people remember that. One of the NETs said he received a call from Steven Gray to say thanks for all he was doing. He said he hugely appreciated that call and was buzzing for a week afterwards.

HR reported that staff who were self-isolating really appreciated their welfare calls, particularly in the early weeks. They appreciated the personal contact from their employer during a difficult time.

One attendee commented that one size doesn't fit all, and with so many staff across the organisation what works as recognition for one group doesn't work for everyone.

### **Other comments / issues**

Staff spoke about the Family Hub and the wide range of things available. Staff felt it's a really good initiative and that there is something for everyone, from sports, cooking, baking and book club to family hour and 'space to speak' sessions for housing officers.

One furloughed member of staff did comment that despite feeling very in touch with the organisation and getting regular contact from their manager, they still felt a bit in the dark about when they might get back to work, and is very much looking forward to getting back to it.

## **4. Leadership and managing people**

The focus group on leadership in lockdown brought together seven managers from across the Group including from housing, care, the CSC and business support. The aim was to look at experiences of leaders in lockdown and discuss the key considerations for the organisation as we move into the new normal.

### **Leaders' experiences**

As part of the introductions participants talked about their experiences, with the main themes being:

- The use of technology and the support from IT has been fantastic
- Better connections and relationships with teams are stronger than ever
- We were able to adapt quickly and still delivered a quality service
- More time had to be spent supporting staff
- Challenges included striking a balance between supporting staff (including those on furlough) through difficult times and getting the job done.

## **What was different about managing and leading in lockdown?**

The use of technology, (WhatsApp groups, and Zoom) to manage teams, rather than face-to-face, was discussed as being one of the major shifts. Having regular touchdowns with staff helped keep teams together and motivated. Leaders reported using these platforms for work and for social interactions too.

Most found that interpreting body language over video chat was hard and therefore it was challenging working out how people really were. Looking at body language was important to help you see if there was something not right with somebody.

Majority found you had to spend more time than you would normally managing people on the phone and having one-to-one conversations.

The CSC felt this was particularly important for staff morale.

For those with new staff or for new managers in a new post, it was harder than it would have been normally to build relationships.

## **Managing relationships remotely**

Some found that scheduling regular catch ups (on zoom) was effective and allowed for better diary/time management.

Some found it very challenging managing deadlines and workloads, ensuring work and services were a high standard, while having to spend more time managing and supporting people using new and different channels.

There was discussion around how hard it was to have difficult conversations on the phone/on a screen. It was felt that these conversations would be best face to face and allow this to happen needs to be looked at as we go forward.

The wellbeing of staff and leaders (including dealing with mental and physical wellbeing in a remote working setting and isolation) has been and will continue to be important as we work remotely.

There was a consensus that managers and staff would all need to learn new skills and rules of engagement as we continue to work remotely and flexibly.

Some people had come to expect welfare calls and we now need to establish what our organisation's expectations are of how we interact, engage and deliver services in our new normal.

We should establish Wheatley leadership principles for a virtual workforce, defining/ redefining these for consistency.

The majority of leaders talked about how hard it has been to keep in touch with staff on furlough, that it was time consuming and often there wasn't anything to update them on.

## **Ensuring consistency of leadership and support for staff**

Leaders talked about finding the balance between the demands of the job and of supporting people in new ways.

It was agreed we had been very good as leaders at responding in crisis mode but we now needed to move out of crisis mode and into Priority Management in our new way of working.

Trust was mentioned as a major factor for leading in future – trust in your teams, and to be trusted as leaders and this was seen as key as we move forward.

We should have forums for sharing best practice and experience among leaders at Wheatley.

There was also discussion about learning and development opportunities to support leaders to manage people in our new service model. Many thought the development of both staff and leaders to be able to think and work flexibly, to build trust and self-reliance and to problem solve was important.

### **The furlough challenge**

Most leaders were concerned about supporting and managing furloughed staff both now and when they return to work as well as their wider team.

Furlough staff will have mixed feelings (disappointment about missing out, anxiety, feeling out of the loop etc) about coming back to work and there is concern about a divide in the workforce when they return.

Leaders were encouraged to get involved in helping to create the 'welcome back' sessions which were being developed.

Managers' role will be to help them re-integrate with a welcome back relevant to their teams while remaining mindful of staff who have worked through.



**To:** Dunedin Canmore Board

**By:** Hazel Young, Managing Director

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

**Subject:** Dunedin Canmore Strategy 2021-26

**Date of Meeting:** 12 November 2020

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## **1. Purpose**

1.1. This report:

- provides a summary of the strategy sessions held by the Board in August/September;
- seeks the Board's approval for our draft 2021-26 Strategy, *Your Home, Your Community, Your Future*; and
- updates the Board on the engagement plan for staff, customers and stakeholders in respect of our new strategy

## **2. Authorising context**

2.1. Under the Group Authorising Framework, the Board is responsible for developing and agreeing our strategy within the envelope of overall Group strategic objectives.

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

3.1. We do not have a single risk appetite in respect of our strategy. The risk context facing us has changed in light of Covid-19, with an economic shock and expected resultant increases in unemployment and financial difficulties, particularly among lower income households. Our strategy for 2021-26 reflects this new context.

## **4. Background**

4.1. During August and September, two Board strategy workshops were undertaken to consider any necessary updates to our strategy following our experience of the pandemic. The Group Board agreed the title, updated vision statement and executive summary of the new Group strategy in September and the revised Group Strategy at its meeting in October. A copy of the full Group strategy has been made available via AdminContol.



## 5. Discussion

### (i) *Board strategy discussions*

5.1. A short summary of the feedback from the Board workshops is provided in Appendix 1, with the full feedback sheets available on request. The key themes are set out in more detail below.

- The vision and five strategic themes remain an appropriate and relevant way to structure the strategy
- The vast majority of our draft strategy remained appropriate and, as the Fraser of Allander Institute noted, more timely and relevant than ever in light of the pandemic
- The Covid pandemic has provided an accelerant, which we should embrace, to the objectives and plans already set out in the draft strategy in two respects;
  - to increasing the use of digital methods for engaging with our customers and delivering services which are convenient, reliable and give the customer greater control;
  - while around 70% of our staff are not office-based, our staff operating model should transition to a more hybrid home/office working approach now for staff who were previously office-based, accompanied by wider support for our people to work and lead in a more digital context.
- Affordability for our customers will be a key challenge due to the economic impact of Covid-19, particularly in terms of the labour market; so the proposals to bring forward the limit on rent increases to 2.9% from 2025 to immediately was strongly supported.
- The importance of stakeholder support in delivering some key aspects of the strategy, especially Local Authorities and the Scottish Government in respect of future policy and funding for housing and care.
- The green agenda is increasingly important, and we should seek to work with Scottish Government at Group level to deliver the funding necessary to further retrofit customers' homes to save them money on fuel bills and reduce our carbon footprint.
- Challenge in delivering our development and investment work due to Covid-19 restrictions were discussed, as well as the potential impacts and risks in relation to our supply chains.
- The potential structural changes in the labour market increasing home working and the potential increase in demand for access to open spaces and properties which can be used to support home working across all tenure types

- The asks of the Group Board reflected the view that Wheatley Solutions and the Wheatley Foundation are two key enabling vehicles in the Group that support us in service delivery. In terms of Solutions, the Board were keen to see a continued development of digital service offerings and engagement platforms for customers. The role of the Foundation in supporting customers and the importance of a continued role in facilitating training and employment for our customers was highlighted, especially with the impact on our communities of the furlough scheme due to end.
- There was a strong appetite for us to contribute at a local and national level to the homelessness agenda. This was however within the context of strong feedback that appropriate wraparound support must continue to be provided to a significant number of homeless people using the model of Housing First, and we also have a responsibility to maintain balanced, sustainable communities.

**(ii) Revised Dunedin Canmore strategy**

- 5.2. Appendix 2 contains the revised strategy document in two formats A) a word version where the changes are in **blue text** for ease of reference and B) a revised 'clean' designed version. The updated strategy reflects the Board's agreement that the vast majority remained appropriate. Our strategy supports our ambition to increase the number of new homes we can build, to keep rents affordable and to expand the regeneration outcomes we can deliver.
- 5.3. Our new strategy, ***Your Home, Your Community, Your Future***, maintains all of the ambition originally contained in our 2020-25 draft, but takes account of the impact of Covid and the changed political and economic context. The strategy reflects:
- Accelerating the introduction of a **new blended operating model**, which maintains a focus on achieving a strongly personalised approach
  - Strengthening our commitment to investment in our **digital infrastructure** to enhance our ability to provide services and engage with our customers digitally.
  - In tandem seeking to use our influence to improve digital inclusion for our customers and support all customers to have affordable home broadband connections
  - Setting ambitious proposals for how we can be a key partner at local and national level as part of a Group response in **tackling homelessness**
  - Drawing on our experience of the pandemic to **strengthen our understanding of families** and tailor our service offering accordingly. This includes introducing a specific family satisfaction target
  - Accelerating our planned rent increase assumption reductions **to year 1** of the strategy

### **(iii) Engagement and consultation**

- 5.4. Across Group we are planning to communicate the overall Group strategy and operating model to all Group staff through Zoom sessions between November and February. These sessions will each have a range of staff across Group involved so that ideas can be shared and synergies explored. The Group-wide sessions will be led by the Executive Team with support from the wider leadership team. With c2700 staff across Group, this will mean an intensive programme of engagement to cover the whole workforce.
- 5.5. The DC Managing Director will follow these sessions up with our own staff to ensure the key themes and objectives of the Dunedin Canmore strategy are understood, more detailed questions can be addressed and our staff's ideas developed. The leadership team in Dunedin Canmore will support these discussions.
- 5.6. We will also be arranging virtual governance events on Zoom, to allow Board members (in mixed groups) to discuss the new Group Strategy in more detail. This will allow all Board members to understand the wider Group context more fully.
- 5.7. A public launch of the Group strategy is anticipated around April 2021, before the Scottish elections. Individual discussions will be held with key stakeholders such as local and national government partners around this time. However, given the context of likely continuing Covid restrictions, it is not anticipated that we will hold any large meetings or media events with stakeholders.
- 5.8. Our communication with customers will include setting out the key highlights in our online and social media forums, as well as our written publications and communications such as Connect (our staff intranet). Following the staff engagement sessions, our teams will be well briefed on the key elements of our strategy and will be able to discuss these with customers as part of their ongoing engagement.

## **6. Key issues and conclusions**

- 6.1. The draft 2021-26 strategy reflects the outcome of engagement and discussion with the Board. There was a strong degree of consensus that the majority of the previous draft strategy remained appropriate, with amendments in certain key areas to reflect the impact of the pandemic and changed economic context.
- 6.2. We propose to accelerate progress towards some of the objectives, such as our working model for staff, and expand our ambitions in other areas such as energy efficiency and broadband in our customers' homes. We propose to reflect a strengthened role in addressing the impacts of the pandemic on financial hardship in our communities, and set out more concrete targets for our role in addressing homelessness.
- 6.3. Given the uncertainty which remains regarding the impact of the pandemic on our future development and investment activity, the strategy targets in these areas will be reviewed in conjunction with the updated business plan at the next meeting.

## **7. Value for money implications**

7.1. There are no specific value for money implications associated with this report.

## **8. Impact on financial projections**

8.1. Our business plan projections continue to be updated to ensure they align with the objectives set out in our strategy.

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

9.1. We will continue to keep the Scottish Housing Regulator informed of any changes to our strategy. Our strategy has been developed taking into account and reflecting the views, need and priorities of our tenants in line with the requirements of Regulatory Standard of Governance (2).

## **10. Implementation and deployment**

10.1. A Group performance management framework is being developed and will be presented to the March Board for information. This will be accompanied by a delivery plan for 2021/22, being the first year of the new strategy period. These documents will set out the key performance measures and strategic projects which will be reported to the Board on a quarterly basis to enable progress against our strategy to be monitored.

## **11. Partnership implications**

11.1 None

## **12. Equalities impact**

12.1. Our existing strategy recognised the importance of equality, with specific targets in areas such as gender balance in different parts of our workforce. We will review the issue of equalities in the strategy refresh, to ensure all aspects, including our approach to Black and Minority Ethnic staff and customers, continue to reflect the approach of a leading employer.

## **13. Recommendations**

13.1 The Board is asked to:

- 1) Note the feedback from the Board strategy workshops;
- 2) Agree, subject to any comments, the updated Dunedin Canmore Strategy: *Your Home, Your Community, Your Future*; and
- 3) Note and provide any comment on the proposed approach to staff, customer and stakeholder engagement

## Appendix 1 – Summary of feedback from Board strategy sessions

	Challenges/barriers or opportunities/enablers	Vision, brand, flag and message	Strengthening/adjusting existing strategic priorities	Asks of Group
<b>Combined feedback from both sessions</b>	<ul style="list-style-type: none"> <li>▪ Opportunity to expand our digital engagement, including potentially engaging different segments of tenants through this channel</li> <li>▪ Challenge sustaining the current enhanced level of community</li> <li>▪ Affordability will become a bigger challenge, particularly as employment becomes less stable</li> <li>▪ Opportunity to focus on how our development enhances access to open spaces and outdoor facilities</li> <li>▪ Opportunity to reflect staff's feedback and accelerate the new operating model</li> </ul>	<ul style="list-style-type: none"> <li>▪ Agree with proposed areas to strengthen vision</li> <li>▪ Agree title needs refined to reflect current context</li> <li>▪ Feel flexibility and togetherness need to be strong themes</li> </ul>	<ul style="list-style-type: none"> <li>▪ We should accelerate digital engagement</li> <li>▪ Agree we should enhance focus on homelessness, but needs to be in a sustainable way</li> <li>▪ Agree we should accelerate review of office space at New Mart Road, potentially looking at ability to repurpose</li> <li>▪ Agree we accelerate new operating model – but need to take into account how we support staff make this adjustment</li> </ul>	<ul style="list-style-type: none"> <li>▪ Commitment to employability support for tenants, as well as our own continued focus on apprentices and graduates</li> <li>▪ Development of digital products to support acceleration of digital -crucially in a way that works for customers</li> </ul>



## Your Home, Your Community, Your Future



# 2021-2026



Dunedin Canmore part of Wheatley Group  
**Our five-year strategy**



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## OUR VISION FOR 2021 TO 2026

Dunedin Canmore, part of Wheatley Group, is rooted in its local communities and committed to delivering outstanding, customer-focused services.

**Your Home, Your Community, Your Future**, sets out how we will take our services to the next level on this, the next stage of our journey, from 2021 to 2026.

An ambitious, new-build programme has seen us work closely with our key partners in Edinburgh, East Lothian and Midlothian and the Scottish Government, to bring forward hundreds of much-needed new affordable homes. Over the lifetime of this strategy we will build hundreds more homes while continuing to invest in the fabric of our existing homes.

But our mission is, and always will be, focused on much more than just bricks and mortar. **“Better homes, better lives”**, is what guides us now, and as we look to the next five years.

Having the keys to one of our homes will continue to lead to a new world of opportunity. We will remain committed to helping people break down the barriers, too often created by disadvantage and poverty. That will include offering people in our homes real opportunities – such as jobs and training – to improve their lives and have more control over what happens in their area. We will also work with our partners and tenants, to create safe, peaceful and connected communities.

Our customers will be at the heart of our decision making and we will offer people more choice in how they engage with us as well as how they access our services.

We will deliver our vision for our communities against a backdrop of significant external challenges, not least of all the impact of Welfare Reform, digital exclusion, rising levels of poverty, continuing public spending cuts and the continuing gap between housing need and supply. [We also recognise the challenges our customers are facing in this Covid-19 era and we believe we are ideally placed, working alongside our partners, to support them and play a strong role in a fair and socially just economic recovery.](#)

By 2026, we know that the expectations of our customers and our staff will be very different. We will evolve how we work, listening and responding so that Dunedin Canmore remains in the best possible shape to deliver on its ambitions. Key to this is understanding the needs of customers across our different areas and customer groups so that we can provide a more tailored and responsive service for different customer needs. We have communities in five local authority areas (Edinburgh, East Lothian, West Lothian, Midlothian and Fife) varying from city centre locations to more rural environments. We will also update the information we have on the condition of our housing stock which ranges from pre-1919 tenement flats to new build houses, so that we can ensure our asset management approach is reflective of our diverse housing stock.

At the heart of our strategy for 2021 to 2026 are five strategic themes:



- Delivering exceptional customer experience
- Making the most of our homes and assets
- Changing lives and communities
- Developing our shared capability
- Enabling our ambitions.

## OUR VISION – DUNEDIN CANMORE IN 2026

Our vision is to enable our customers to reach their potential for a brighter future for themselves and their families. Our strategy for making this real will deliver an unprecedented shift in the balance of power and control towards our customers, empowering them to make their own choices about the services they want, ensuring they are properly equipped to do things for themselves and involving them in the design of products and services from start to finish.

We will deliver this vision through five strategic themes, under which we have defined 16 key outcomes. These are summarised below.

**Our purpose:** Making Homes and Lives Better

**Our vision:** Customers have increased control over their services, their communities and their lives, with new opportunities for building skills and resilience.

We will work ethically and sustainably, ensuring our homes are affordable for our customers, [digitally enabled and low or net-zero carbon](#). We will share our expertise and work with others to improve the fabric of our customers' lives while creating great communities.

### Strategic themes:

- Delivering exceptional customer experience
- Making the most of our homes and assets
- Changing lives and communities
- Developing our shared capability
- Enabling our ambitions

### Strategic outcomes:

- Progressing from excellent to outstanding
- Enabling customers to lead
- Developing a customer led repairs service
- Increasing the supply of new homes
- Investing in existing homes and environments
- Setting the benchmark for sustainability and reducing carbon footprint
- Building community voice, engagement and resilience
- Developing peaceful and connected neighbourhoods
- Supporting economic resilience in our communities
- W.E. Think – creating our “Think Yes Together” culture
- W.E. Create – driving innovation
- W.E. Work – strengthening the skills and agility of our staff
- Raising the funding to support our ambitions
- Maintaining a strong credit rating and managing financial risks
- Evolving digital platforms to support our activities
- Influencing locally and nationally to benefit our communities

These themes and outcomes align the strategic priorities across our Group. The particular priorities of Dunedin Canmore's strategy for 2021-26 are detailed in the following sections of this document under each strategic theme.

We have reviewed and updated our values for this new strategy and these are set out below.

Performance indicators will be measured and monitored on a regular basis. These are detailed below each of the relevant themes within this document. The impact measures will quantify our societal and economic impact and provide evidence of statements made in the strategy. These will generally require periodic evaluation studies to assess the results. Our impact measures relate to the following key areas:

- **Strengthening the Economy** – this will include tracking the significant impact this strategy will make to the Scottish GDP. It is projected by Dunedin Canmore that the operating and capital spend over the 2021-26 period is estimated to support up to 530 jobs, training places and apprenticeships annually and have a total impact up to £140m on GDP.
- **Reducing Poverty and Improving Wellbeing** – this will include measuring how we are reducing the cost of running a home and tracking the positive impact of our support services are making to both customers' financial circumstances and overall wellbeing and resilience.
- **Improving our Environment and Mitigating Climate Change** – this will include reducing our corporate carbon footprint [to net zero](#) reducing the CO2 emissions in our Wheatley homes and raising the environmental standard of our New Build homes making them more energy efficient and cheaper to run.
- **Strengthening our communities** – this will include increasing customers' social capital, expanding our engagement methods and measuring the positive impact this is making to our customers and our communities. We will also track how our increased community cohesion is helping to make our neighbourhoods more 'peaceful'.

#### **Our values:**

- Excellence – we raise the bar ...in everything we do
- Community – people direct what we do ...and together we build strong communities
- Ambition – we push the boundaries in new ways ...so everyone can fulfil their potential
- Trust – we inspire customers and staff ...to shape the future.

## 1. DELIVERING EXCEPTIONAL CUSTOMER EXPERIENCE

Excellence is embedded in Dunedin Canmore's culture and we want to build on this foundation of excellence to deliver even more outstanding services.

Our vision is that services will be easy to access and feel seamless for our customers. We'll have a renewed focus on their overall 'experience' with us, seeking to improve our existing high levels of customer satisfaction.

Following our past success in achieving top quartile performance, we will work with our customers to define what 'outstanding' service means to them now and what it will mean in future. Understanding what creates value for our customers will help us improve services and track the impact of changes we make for individuals and communities.

We will prioritise services which mean most to customers and engage with customer groups who tell us they are less satisfied so we better understand their needs.

We want to offer quick resolutions to issues which affect how satisfied people feel with our services. That's why we'll build engagement channels into the development of services so that we capture and respond to customer feedback.

Analysis shows that families tend to be less satisfied as they struggle to deal with competing demands on their time and money so we will develop a Whole Family Approach to support them through every stage of life.

Our new Whole Family Approach is focused on improving outcomes for Dunedin Canmore's families. Children and young people will become part of decision-making in our neighbourhoods, such as assessing our environments and reflecting on how safe and child-friendly they are. In our homes, we'll look to develop more child-friendly features such as better storage for family equipment such as bicycles. New-build homes will be designed to suit modern family living. As children grow we will support families with employment and training opportunities through the Wheatley Foundation. Young adult children in our homes will be offered a housing options consultation as they consider setting up their own home.

We will drive digital transformation to deliver innovative solutions to issues facing Dunedin Canmore and our customers, building thriving customer communities online as well as in the real world.

Our digital-based services, such as GoMobile and MyHousing, will continue to help us strengthen our customer insight, ensuring we can meet the different needs of customers. We will work with partners locally and nationally to anticipate the profile and demography of our future customers as well as the issues they will face in 2026 and beyond.

We will re-design the way we engage with customers, [taking into account the lessons we learned whilst working through the Covid-19 pandemic](#). Enabling them to have more choices and control to make changes that are important to them. Co-designing the

transformation of our services with our customers will ensure no one is left behind. This will build on the work we already do with our Customer Panel but will extend the range of customers who can become involved in co-designing services and extend the methods of co-design to appeal to this wider range of customers. Services will be tailored to meet the specific needs of customer groups, whether they are delivered digitally or face to face. We will encourage a diverse range of customers to talk about their experiences and the issues that matter to them and will encourage our customers to challenge our performance and outcomes.

Our co-design process will focus on the key customer journeys of repairs, allocations, complaints and anti-social behaviour as customers have told us these are the most important areas of service for them.

We will demonstrate Dunedin Canmore's progress towards the outcomes under **delivering exceptional customer experience** through the following key performance indicators.

**Our key performance indicators:**

- Overall customer satisfaction is above 90%
- Implement "Rate it" score from book it, track it, rate it repairs approach and aim to improve performance by 10%
- Tenant satisfaction with value for money maintained at 85%
- Satisfaction with complaint handling increased by 10%
- Overall satisfaction amongst households with children improved to 90%
- 90% of customers feel they can participate in the landlords' decision-making process
- 95% of customers actively engaged in shaping services feel they participate in decision making
- Satisfaction with the process of getting my new home is improved by 10%

## 2. MAKING THE MOST OF OUR HOMES AND ASSETS

Our primary purpose of changing lives through providing quality homes remains unchanged. Building on the unparalleled success of the last five years we have set ourselves another challenging target. We will deliver a minimum of 960 new homes between 2021 and 2026; with the potential for a further 400 subject to agreement from the Group's lenders to support an increased level of private finance and the availability of government grant funding.

Improving our existing customers' homes remains a key strategic priority. We will use our financial strengths to invest a further £29.5m over the next five years in improving, modernising and maintaining homes, in addition to £23m on repairs. This will allow us to reduce the levels of emergency, reactive and maintenance repairs which create inconvenience to our customers as well as being poor value for money.

The safety and security of customers will continue to be of paramount importance.

Our new engagement [framework, "Stronger Voices, Stronger Communities"](#) will place the customer at the heart of how we plan and design our improvement programme and new-build developments. We will maximise the use of technology to engage a diverse range of customers across our geographical footprint in both the investment planning process and the development of our new homes. We will help customers to both design and visualise their new kitchen or bathroom. When pre-allocating our new homes customers will be able to decide on kitchen preferences and finishes to interior décor.

We will harness technology to make home life more convenient for our customers and to support people to live independently for as long as possible. This can range from installing aids or adaptations for older or disabled people to improving digital access for all our customers.

[Highly agile working patterns and methods will be more suited to touch-down points rather than assigned desk space, enabling us to repurpose our workplace estate into more creative hubs.](#)

We will ensure our people are equipped with the skills and confidence they need to successfully make this transition and will develop ways of working so that no staff member feels isolated or unsupported due to more flexible working patterns.

A warm, safe and energy efficient home in the right location is a life changing experience for a household that can transform health and well-being, educational attainment and life opportunities. Over the next five years our ambition is to make a giant leap forward on our journey towards our long term aims of becoming carbon neutral and eliminating fuel poverty. We will build on the success of our Energy 2020 programme which reflects our commitment to addressing fuel poverty and achieving the Scottish Governments EESSH standard. This includes installation of efficient heating systems, enhanced insulation and LED common lighting.

The wider social and economic benefits from increased house building activity are well documented and the continuing scale of our programme will deliver significant benefits in

employment, training and apprenticeship opportunities for our customers and communities.

Our Wheatley 24 homes will be highly adaptable and can easily change as the needs of the household evolves. This means homes will support people at all stages of life creating truly 'lifetime homes'.

In addition to the added value this brings to our customers, it will deliver significant business benefits, including reducing tenancy turnover and future-proofing our homes against changing demographics. We will work with innovative development partners to ensure our house types evolve, and that they are sustainable, connected and intelligent homes for the future. They will be built as efficiently as possible with the most limited impact on the environment.

Our new engagement model will encourage customers to help shape initial house designs and offer opportunities to stay connected throughout the project.

This approach will place the customer at the heart of how we plan and design our new-build developments. We will adopt the same approach and principles for major improvement programmes.

Tackling fuel poverty, improving energy-efficiency and mitigating increases in energy costs for our customer base continues to be key. We will prioritise solutions for electrically heated homes that enhance control and cost savings for customers, and draw on external research to solve long-standing challenges for improving energy efficiency in non-standard construction types.

We will demonstrate Dunedin Canmore's progress towards the outcomes under **making the most of our homes and assets** through the following key performance indicators.

**Our key performance indicators:**

- Develop up to 1360 new homes across all tenures
- Invest £186.2m of new public and private finance in new build housing
- 95% of customers satisfied with their new-build home
- Invest £29.5m in improving, modernising and maintaining homes
- Achieve a 60:40 ratio of planned to reactive repairs
- Reduce the volume of emergency repairs by 10%
- Maintain existing tenant satisfaction with the quality of their home at over 90%.

### 3. CHANGING LIVES AND COMMUNITIES

By 2026, we want our customers and our communities to be more resilient. Many of our customers and communities face multiple challenges that have been exacerbated by the Covid-19 pandemic, such as financial hardship, working in sectors disproportionately economically impacted by the pandemic and poor mental health.

Through the Wheatley Foundation, our Care services and Wheatley 360, we provide a portfolio of wrap-around services and opportunities which help change Dunedin Canmore tenants and their families' lives and encourage individuals not just to harbour aspirations but also to realise them. The Wheatley Works programme will continue to grow, helping customers into jobs, training or apprenticeships and our Wheatley bursaries programme will support customers to attend higher education.

The pandemic has further heightened the national policy focus on homelessness. Through our new **Strategic Homelessness Framework**, we will take a leading role in the national agenda around Rapid Rehousing and Housing First for those who have been homeless, supporting the Scottish Government and local authorities in their plans.

We will increase the amount of our homes that go to those who are already homeless. We will ensure that we do this in a way which builds the strength and resilience of the new households and the surrounding community. Our work with people who have lived experience of homelessness to map their customer journeys will be used to direct our services in the way which works best for this customer group and the wraparound services they need. The insight this provides will help us lead the way in strengthening the pathways for homeless people to ensure they can access the support they need easily and at the time they need it.

We will support our older tenants to be as active and independent as possible. We will review the Livingwell model which is in place in the West of Wheatley Group with the intention of developing an enabling approach in Dunedin Canmore to allow older people to use their skills to support others. Our existing Group services including Care and Wheatley 360 will be maximised to deliver support to older people and also tailored for other households who need this type of support.

Over the last five years we worked with our customers and communities to ensure our neighbourhoods are peaceful and places customers are proud to live. Using both online and offline platforms and approaches we will support local engagement and encourage customers to work together to design local solutions in response to local priorities building resilience, skills and confidence so people can make things happen for themselves. Our Community Improvement Partnership approach will take communities from being merely safe to ones which are improving, peaceful and with high levels of satisfaction. This will be based on building a confidence cycle with communities which will support communities to become more resilient through increased confidence to report crimes and other issues. In turn, this will help Dunedin Canmore and our partners to make customers feel safe in their



neighbourhood, and communities stronger and more peaceful. A key focus of this work will be in our city centre environments where we know there are more issues around safety and fear of crime/anti-social behaviour. This will be supplemented by our high quality environmental services and our strong focus on best quality fire safety provisions which will help to reduce the incidence of fires.

Building on our Locality Planning approach, we will take a lead role in influencing other organisations and agencies in the interests of our customers. This will involve establishing common objectives, agreed and co-ordinated approaches, shared data and common indicators of success.

Loneliness is a real issue for many people in our communities. Our aim will be to put the 'Neighbour' back into our neighbourhoods, creating a modern version of 'Neighbourliness' as a hallmark of our communities by 2026. We will seek to co-create opportunities with a focus on supporting families, young people and overcoming isolation across the generations. Digital neighbourhoods will provide a virtual forum where our customers can connect to further support each other and co-create local solutions to improve their local community. Our forum will provide an easy location for people to advertise community events and help increase the use of key community spaces.

We will work with communities to co-create a 'Place Measure' that reflects the criteria our customers identify as the hallmarks of a successful and resilient community. We have listened to our customers and we recognise the importance of connectivity for communities, and work to influence the improvement of transport infrastructure and services for our communities. We will use Voice of the Customer real-time digital feedback to track the impact and progress of all our new developments, when we carry out major investment work, and for Wheatley Foundation activities.

Involving customers in co-designing with us will ensure our services are tailored to meet the needs of particular groups, whether they are delivered digitally or face to face. Designing our digital services to ensure they feel personal will be crucial for ensuring our customers continue to feel we care about them and they have a strong connection with us even though engagement is through digital channels.

Extending our Outcomes Star approach from care into housing will help shift the balance of power and control to the customer and ensures the service they experience is personalised based on what is most important to them.

Our new engagement models will include an innovative community led development approach, involving our customers and wider communities in decision making at all the key stages of our work, whether it be new-build, in existing housing or around service development. As we move through key project milestones we will provide regular opportunities for communities and customers to re-engage, stimulating deeper and richer connection with the communities that we are investing.

Tenant Control of Expenditure – we will be open and transparent about how we are spending customers' money at both an individual and a community level, providing relevant

performance information for customers to hold us accountable, and enabling customers to engage more meaningfully in decision making around repairs.

Our refined 'Community Benefit Model' will involve engaging our customers and communities in identifying and prioritising the type of community benefits they most want to see derived from our investment in existing homes and new-build housing projects. We will continue to use our procurement frameworks to drive wider community benefits with our suppliers in order to expand the 'Wheatley Benefit for Customers' providing them with a growing range of opportunities through the MySavings rewards gateway to save money and reduce the cost of running their home.

We will demonstrate Dunedin Canmore's progress towards the outcomes under **changing lives and communities** through the following key performance indicators.

**Our key performance indicators:**

- Meet the agreed contributions to accommodation for homeless households in each local authority we operate in
- Over 70% of our customers live in neighbourhoods categorised as peaceful
- Achieve 85% satisfaction with Wheatley Environmental Services
- Reduce the number of accidental dwelling fires by 10%
- 100% of applicable properties have a fire risk assessment
- 170 jobs, training and apprenticeships delivered
- 20 customers supported by Wheatley bursaries to attend higher education and university
- Over 420 vulnerable children benefit from targeted Foundation programmes
- 60% of tenants with online accounts are using the MySavings rewards gateway.

#### 4. DEVELOPING OUR SHARED CAPABILITY

During 2020 we made significant progress in reshaping our operating model as we moved to deliver services using a blended approach of face to face and virtual engagement with our customers. Our staff have risen to this challenge remarkably and during the life of this strategy, we will continue to invest in our people to ensure they have the exceptional skills, attitude, engagement and influence to excel in this new, increasingly virtual, working environment.

Our unique Think Yes culture inspires staff to develop innovative solutions and build insightful, trusting relationships with customers and communities. By 2026 our culture will have evolved still further under our W.E. Think approach so that our customers will increasingly be 'thinking yes' for themselves. As a result of our 'Think Yes Together' culture, we will transform our culture and our thinking in order to create value for customers in different ways as they increasingly self-serve and build self-reliance.

The success of our transition towards self-directed services will require significant skill and capacity building for both staff and customers: our shared capability. As our service offerings change, the skill sets required to deliver them will also change. Investing in our people to ensure they have the exceptional skills, attitude, engagement and influence to deliver our strategic ambition will therefore be fundamental to our success. At the same time, building the capacity of our customers and communities over the next five years will be equally important in bringing about the new empowering relationship we are seeking to establish with them. We will create measures with both staff and customers on 'distance travelled', linked to our outcomes-based approach and showing the impact our staff make for their customers.

W.E. Create will drive innovation across all aspects of our business and in our communities. Dunedin Canmore tenants and communities will benefit from the creation of a Community Academy, taking the Academy on the road and into the heart of our communities with both virtual and physical spaces for innovation and learning. Creating environments and opportunities for our staff and customers to learn together will re-enforce our Think Yes Together culture. By 2026, our Community Academy will:

- embed customer driven learning, ensuring learning is designed with customer involvement
- focus on building individual capacity to help customers prepare for the world of work
- bring access to Wheatley Scholarships and apprenticeships to our customers' doorstep
- provide opportunities for customers to come into our business and get work experience through a Wheatley Customer Work Experience programme.

W.E. Work will deliver the transformational changes to our roles and operating model required to ensure this Strategy is delivered. For example, by 2026 our customer-facing

roles will have evolved to include developing relationships of trust online, building the capacity of customers to do things for themselves, helping communities have a stronger voice, linking people with their neighbours, helping them being involved in activities and engaging with influence.

We anticipate the workforce of 2026 will be significantly different from the workforce of today; fully digital and increasingly looking for more flexible career models, work arrangements, reward programmes and career development opportunities. Up to 75% of our workforce will no longer work a traditional Monday to Friday pattern by 2026. Our aim is to deliver a gradual and smooth transition towards a new workforce model that is more agile in responding efficiently to changes in customer requirements. We will:

- explore opportunities for co-designing modern employment terms and conditions and working practices that appeal to our evolving workforce and ensure maximum flexibility to meet changing needs
- re-design our work roles, rationalising and professionalising the number of different roles to reflect the creativity and agility of our staff to deliver our vision
- introduce a new career marketplace platform, putting staff in control of managing their own career and encouraging leaders to share talent for the benefit of the business
- value staff who are highly skilled in building and managing relationships and have the capacity to lead creative outcomes.

In addition, we will work to improve the [diversity of our workforce](#).

Our Future 250 programme in Wheatley Group will provide a sought-after route for young people to develop their talent, attracting an external talent pipeline for our evolving business requirements. Each year, a cohort will be identified and provided with structured opportunities to move around the business to build their skills and experience portfolio, honing their talents and demonstrating their potential. At Dunedin Canmore we will encourage young people in our communities to engage with this programme and we will provide opportunities for those on the programme.

We will demonstrate our progress towards the outcomes under **developing our shared capability** through the following key performance indicators.

**Our key performance indicators:**

- Over 90% of staff say they feel appreciated for the work they do
- Staff absence is maintained at 3%
- Staff turnover remains at less than 7%
- Over 80% of customer's self-report positive distance travelled towards 'self-reliance'
- 40% of promoted posts filled with internal candidates.

In addition to the above Dunedin Canmore specific KPIs, Dunedin Canmore will also contribute to and monitor against the following Group-wide KPIs:

- 50 graduates provided with opportunities to work and gain experience in our sectors
- 250 young people provided with structured opportunities to build their skills within the Group

- Our workforce demographic makeup more closely resembles that of the communities in which we operate

## **5. ENABLING OUR AMBITIONS**

The funding platforms we put in place provide a strong basis to raise the funding to support our ambitions. However, new facilities will be required in the latter years of the strategy period and we will look to bond, bank and other potential sources to identify the most advantageous options. Access to Scottish Government grant, which was such a vital element of the new-build programme we delivered from 2015-20, will continue to be key to our ambitions.

Our continuing focus on social rented housing, supported by Scottish Government subsidy, will help in our objective to maintain a strong credit rating and manage financial risks. We will test our business plan against a set of financial golden rules and ensure we have mitigating actions ready to address a wide range of adverse scenarios and stresses.

By 2026 Dunedin Canmore's customers and staff will become the most digitally enabled in Scotland. Our evolving digital platforms will help to support our activities and provide a rich portal for customers to draw down services, save money on fuel bills, interact with their community and tap into a host of other benefits. Importantly, the transition that our customers and staff make to self-managed services must be both successful and sustainable as well as being based on offerings that fundamentally improve services beyond that which is possible in an off-line environment. To achieve this, we will optimise digital channels for customers to drive positive engagement and give them finger-tip access to the data they need to make informed decisions.

Technology and digital innovation will also augment the work that is done by people in the organisation. Creating a single source of trusted, secure information for all core front line staff will ensure our decision-making is informed in real time and that our decisions strategically, tactically and operationally are intelligence led.

To support our ambitions and ensure that our investments are properly focused on those areas that will realise both customer and business value, we will continue to mature our model for assessing digital investment to consider strategic fit, complexity, risk, people and quality measures as well as financial considerations. We will explore opportunities to measure the progress in our digital maturity against others in our sector and beyond.

Our success over the last five years has ensured Wheatley has been accepted and recognised as a force for good in Scotland. Building on these strong foundations, we are well positioned to confidently and deliberately take a leading role on the UK and international stage influencing locally and nationally to benefit our communities in Dunedin Canmore.

Over the next five years Wheatley Group will also adopt an international dimension to our search for best practice. Identifying and exploring different ways of working and solutions developed across a broader range of contexts will stimulate and inform our thinking. This will enhance our international profile and reputation through showcasing our own role-model approaches across the world.

Dunedin Canmore staff will increasingly be recognised as thought leaders and practice experts in their particular discipline. Staff will increasingly liaise with, inform and influence strategic decision makers in Scotland through membership of committees and advisory groups.

As part of our evolving business intelligence approach we will map and maintain strategic profiles across our existing and potential future footprint. This will ensure we systematically identify new opportunities for growth and partnership working to maximum effect.

We will demonstrate Dunedin Canmore's progress towards the outcomes under **enabling our ambitions** through the following key performance indicators.

**Our key performance indicators:**

- Limit rent increases to **2.9% throughout the life of the strategy**
- Maintain gross rent arrears below 4%
- Average days to let a home maintained at less than 14 days
- Over 50% of customers actively using their online account to transact with Dunedin Canmore.

In addition to the above Dunedin Canmore specific KPIs, Dunedin Canmore will also contribute to and monitor against the following Group-wide KPI:

- Maintain a strong investment credit rating of A+ stable.

## Report

**To:** Dunedin Canmore Board

**By:** Steven Henderson, Group Director of Finance

**Approved by:** Martin Armstrong, Group Chief Executive

**Subject:** 2021 rent setting

**Date of Meeting:** 12 November 2020

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### 1. Purpose

1.1 This report seeks approval for the proposed approach to the 2021 rent increase and explains how we intend to consult tenants on the proposals.

### 2. Authorising context

2.1 Under the Group Authorising Framework, the Group Board is responsible for the Group rent setting framework. As part of this, the Group Board is responsible for agreeing rent increase parameters within which each Registered Social Landlord ("RSL") Board has the authority to agree an increase.

2.2 The Group Board agreed that a base increase of 1.7% should be the basis of consultation with each RSL's tenants, but with some element of variation taking into account individual RSLs circumstances.

2.3 The Group Board also agreed that a second option should be discussed with tenants, with tenants asked whether they would be prepared to pay higher levels in return for additional local investment.

### 3. Risk appetite and assessment

3.1 Our risk appetite in relation to business planning assumptions such as rent increases is open. This is defined as "*willing to choose the one that is most likely to result in successful delivery while also providing an acceptable level of reward*".

3.2 In relation to the statutory requirement in consulting and engaging tenants on any rent increase, our risk appetite is averse, that is "*avoidance of risk and uncertainty is a key organisational objective*".

3.3 The decision on rent increases involves striking a balance between the need to ensure financial viability whilst continuing to deliver services our customers tell us they want, and keeping rents affordable. We are also required under statute to take into account the views of customers before making final decisions on rent levels.

### 4. Background

4.1 Keeping rents affordable for our tenants remains one of our key objectives. The Dunedin Canmore Board agreed at our July meeting to revise our financial projections to assume lower future rent increases.



- 4.2 It was agreed that the base assumptions should be revised downwards from 3.5% each year to 1.9% in April 2021, 2.4% in April 2022 and 2.9% from April 2023 onwards. The base assumptions would thereafter be reviewed annually during the rent setting process relative to our rent setting criteria with a continued focus on them remaining affordable. These revised assumptions were reflected in the updated financial projections presented to the Board in August.
- 4.3 This was reaffirmed at the Board strategy workshops, where the Board agreed to accelerate the 2.9% long term rent increase assumption (down from the previous 3.5%) from year 5 to throughout the life of the strategy as a strategic commitment.
- 4.4 Subsequent to this, and taking into account the continuing economic impacts of the pandemic, the Wheatley Group Board agreed that the general level of RSL rent increases for April 2021 should be reduced further, from 1.9% down to 1.7%.
- 4.5 As part of our commitment to ex-Barony tenants who voted to transfer to Dunedin Canmore in the stock transfer ballot, their rent increase would remain at 2% for three years.

## 5. Discussion

- 5.1 Our annual rent setting exercise takes into account the four key areas in our Group rent setting framework:
- Affordability;
  - Comparability;
  - Consultation with tenants and service users;
  - Financial viability
- 5.3 On the basis of these criteria, the following rent increases are proposed:
1. A general minimum increase of 1.7%
  2. A lower increase of 1% for our properties outwith Edinburgh

These proposals have been developed based on consideration of the four areas in our rent setting framework as follows.

- 5.3 Our average rents, and those of other Group RSLs, for 2019/20 are shown in table 1 below.

*Table 1: Group RSL average rents – March 2020 ARC return*

RSL	1 Apt Ave Rent	2 Apt Ave Rent	3 Apt Ave Rent	4 Apt Ave Rent	5 Apt Ave Rent
Dunedin Canmore	£78.75	£84.87	£98.73	£111.87	£115.66
Cube	£70.17	£82.47	£97.58	£105.66	£120.01
WLHP		£83.97	£89.82	£97.89	£105.57
Loretto		£75.68	£87.81	£94.47	£114.19
GHA	£65.04	£79.21	£86.63	£101.67	£110.57
DGHP		£75.49	£82.32	£88.65	£96.54

- 5.4 The table above shows that Dunedin Canmore's rents are higher than other RSLs in Group, reflecting the higher rent profile of the Edinburgh market. At the same time, customer satisfaction with value for money is the highest across Group RSLs with the exception of WLHP and DGHP. However, the customer satisfaction survey from last year also shows that value for money satisfaction in the areas outwith Edinburgh is lower by 4-7% depending on the area.

- 5.5 Based on the maximum increase of 1.7%, the average increases per week for different property sizes would be as shown in table 2 below.

Table 2: average rent increases per week based on 1.7%

	1 Apt	2 Apt	3 Apt	4 Apt	5 Apt
Per Week increase	£1.33	£1.44	£1.68	£1.90	£1.97

- 5.6 We engage directly with tenants each year through our independently conducted tenant satisfaction surveys. In the most recent survey in 2019, the percentage of tenants that felt that our rents represent good value for money had increased from 85% to 88%.

### Affordability

- 5.7 In considering affordability we have assessed our rents using the Scottish Federation of Housing Associations (“SFHA”) Rent Affordability Tool. The percentage of net minimum wage income spent by different household compositions, and percentage of moderate income spent on rent in different property sizes on average is shown below.

Table 3: Affordability analysis

House Size	Rent	% of minimum wage spend on rent						
		Single Person	Couple (1xPT, 1xFT)	Single Pensioner	Pensioner Couple	Single Parent +1 Child	Small Family (2 Children)	Large Family (3 Children)
Bedsit	£ 90.34	32.5%	21.7%	29.6%	21.7%			
1 Bedroom	£ 92.55	33.3%	22.2%	30.3%	22.2%			
2 Bedroom	£ 102.60					28.4%	17.6%	
3 Bedroom	£ 110.75						19.0%	16.6%
4+ Bedroom	£ 117.58						20.1%	17.6%

House Size	Rent	% of moderate income spend on rent						
		Single Person	Couple (1xPT, 1xFT)	Single Pensioner	Pensioner Couple	Single Parent +1 Child	Small Family (2 Children)	Large Family (3 Children)
Bedsit	£ 90.34	29.6%	19.7%	26.9%	19.7%			
1 Bedroom	£ 92.55	30.3%	20.2%	27.5%	20.2%			
2 Bedroom	£ 102.60					25.8%	16.0%	
3 Bedroom	£ 110.75						17.3%	15.1%
4+ Bedroom	£ 117.58						18.3%	16.0%

- 5.8 Studies from various sources provide insight into what might be considered an “affordable” rent, although there is no clear consensus or agreed definition of the term. Shelter (2015) cited in the recent Scottish Government literature review of rent affordability have quoted a figure of 35% of net household income<sup>1</sup> as an affordability threshold.

<sup>1</sup> <https://www.gov.scot/publications/rent-affordability-affordable-housing-sector-literature-review/pages/4/>

A UK Affordable Housing Commission report from 2019 noted that if rent is higher than 40% of net income<sup>2</sup>, then more significant affordability issues may arise. The SFHA does not advise on a particular level but their affordability tool used for the tables above shows amber for any level over 30%. It can be seen from the tables that only a few of our rent levels show as amber (over 30%) using the minimum wage criterion, and only one using the moderate income criterion. None of our average rent levels are over the 35% level.

### **Comparability**

5.9 Comparability is an important principle in rent setting as it affects both satisfaction and demand for our properties. We know from previous rent consultations that our customers compare our rents to other landlords in their area. The Scottish Housing Regulator also encourages tenants to look at these comparisons and provides a tool on their website to help tenants to do this. In local authority areas where we are higher in comparison to other landlords this can affect overall satisfaction and views on value for money.

5.10 Our Group rent setting framework includes comparability with other landlords as a factor that we should consider, partly based on the SFHA guidance on rent setting, which says;

*When the Scottish Housing Regulator has commented on individual RSL rents, comparability is usually highlighted. Above average rents are a business risk if they are likely to deter people from becoming tenants. Many associations will compare themselves against other associations in the local area, and indeed against local authority and private sector rents in the area. Tenants and tenant organisations may themselves be aware of how their landlord compares with others in the area, and would generally expect rents to be comparable.*

5.11 The rent consultation carried out towards the end of 2019 has highlighted differences in perceptions of value for money across different areas of Dunedin Canmore, as illustrated in the table below. Tenants living in the areas outwith Edinburgh were between 3 and 4% less satisfied than the overall average for Dunedin Canmore.

*Table 4 Value for money perceptions from 2019/20 customer satisfaction survey*

	Overall	City Centre/Leith	East Lothian/Midlothian	Edinburgh South	West Edinburgh/West Lothian/Fife
<b>Satisfaction with value for money</b>	<b>88%</b>	<b>87%</b>	<b>83%</b>	<b>90%</b>	<b>84%</b>

5.12 In addition we have experienced problems with demand for our properties in East Lothian as our rents are higher than other housing providers as shown in table 7 below. Our properties are let through nominations from the Council, and the Council experienced negative feedback and refusals when contacting their applicants in relation to the level of our rents. As a result, 68% of our lets in East Lothian have been let to homeless applicants against a nomination arrangement of 50% for homeless applicants and 50% for waiting list applicants.

<sup>2</sup>

- 5.13 As all landlords are currently at the same stage as us in their rent setting process we do not know formally what rent increase they will be setting for next year. Informal discussion with senior officers in other organisations has given us some insight however. In Edinburgh the Council are likely to maintain the 2% increase they agreed with their tenants last year. Link Housing Association are consulting on 2.25% and 2.5%, while Port of Leith Housing Association are discussing bringing their increase under the 2% in their business plan. Castlerock Edinvar are considering RPI, but this is still under discussion. In Fife, Kingdom are looking at possibly 1.5% and 1.9% for consultation. In West Lothian, Almond Housing Association are considering a below inflation or possibly zero increase. In East Lothian, East Lothian Housing Association are also discussing inflation only increase or the possibility of a rent freeze.
- 5.14 Dunedin Canmore's rents reflect the higher rent profile of the Edinburgh market, and are around the average for social landlords in the city – but around £11 per week lower than the Council who are the largest social housing provider.

*Table 5: Dunedin Canmore rents + service charges compared to other large Edinburgh Social Landlords (March 19 – Source ARC 2018-19)*

City of Edinburgh					
Landlord Name	1 Apt Average weekly rent	2 Apt Average weekly rent	3 Apt Average weekly rent	4 Apt Average weekly rent	5+ Apt Average weekly rent
City of Edinburgh Council	£66.98	£94.57	£103.14	£121.30	£120.39
Port of Leith Housing Association Ltd	£71.70	£88.63	£99.92	£111.51	£120.57
Manor Estates Housing Association Ltd		£104.65	£93.11	£94.99	£116.76
<b>Dunedin Canmore Housing Limited</b>	£64.18	£79.21	£92.26	£104.57	£108.29
Castle Rock Edinvar Housing Association Ltd	£69.19	£80.37	£92.16	£103.47	£109.14
Home in Scotland Ltd	£61.65	£76.88	£90.49	£96.64	£102.02
Link Group Ltd	£65.39	£77.46	£88.43	£96.86	£105.63
Hillcrest Homes (Scotland) Limited	£34.47	£73.10	£86.43	£94.28	£102.68
Prospect Community Housing		£77.84	£84.96	£97.75	£112.22
Muirhouse Housing Association Ltd		£71.13	£83.80	£94.43	£107.75
West Granton Housing Co-operative Ltd		£69.63	£79.87	£90.27	£109.96
Median Rent	£65.39	£77.84	£90.49	£96.86	£109.14
Average Rent	£61.94	£81.22	£90.42	£100.55	£110.49
Dunedin Canmore +/- Variance against Average	4%	-2%	2%	4%	-2%

- 5.15 In Dunedin Canmore's other local authority areas, our rents are higher than most other landlords, as shown in the tables below.

*Table 6: Dunedin Canmore and WLHP rents in West Lothian*

West Lothian					
Landlord Name	1 Apt Average weekly rent	2 Apt Average weekly rent	3 Apt Average weekly rent	4 Apt Average weekly rent	5+ Apt Average weekly rent
Castle Rock Edinvar Housing Association Ltd	£69.19	£80.37	£92.16	£103.47	£109.14
<b>Dunedin Canmore Housing Association</b>	£87.24	£80.56	£92.01	£105.30	
<b>West Lothian Housing Partnership</b>		£78.61	£84.05	£91.64	£98.84
Almond Housing Association Ltd	£54.53	£71.80	£80.45	£89.13	£101.17
Weslo Housing Management	£58.82	£71.26	£76.96	£83.93	£96.98
West Lothian Council	£62.44	£67.26	£71.26	£75.68	£80.90
Median Rent	£62.44	£75.21	£82.25	£90.39	£98.84
Average Rent	£66.44	£74.98	£82.82	£91.53	£97.41
Dunedin Canmore +/- Variance against Average	4%	7%	11%	13%	\
WLHP +/- Variance against Average	\	5%	1%	0%	1%

- 5.16 A similar picture emerges when Dunedin Canmore's rents are compared with other landlords operating in the other Lothian areas and Fife (tables 7 to 9 below).

*Table 7: Dunedin Canmore rents in East Lothian*

East Lothian					
Landlord Name	1 Apt Average weekly rent	2 Apt Average weekly rent	3 Apt Average weekly rent	4 Apt Average weekly rent	5+ Apt Average weekly rent
<b>Dunedin Canmore</b>		£81.92	£94.77	£108.65	
East Lothian Housing Association Ltd		£82.85	£93.31	£102.72	£114.25
Castle Rock Edinvar Housing Association Ltd	£69.19	£80.37	£92.16	£103.47	£109.14
Homes for Life Housing Partnership		£76.77	£87.44	£93.24	
East Lothian Council	£56.82	£65.94	£64.43	£67.44	£68.72
Median Rent		£80.37	£92.16	£102.72	£109.14
Average Rent		£77.57	£86.42	£95.10	£97.37
Dunedin Canmore +/- Variance against Average	\	6%	10%	14%	

*Table 8: Dunedin Canmore rents in Fife*

Fife					
Landlord Name	1 Apt Average weekly rent	2 Apt Average weekly rent	3 Apt Average weekly rent	4 Apt Average weekly rent	5+ Apt Average weekly rent
<b>Dunedin Canmore</b>		£79.65	£90.77	£109.26	
Home in Scotland	£61.65	£76.88	£90.49	£96.64	£102.02
Fife Housing Association Ltd	£56.59	£70.59	£83.35	£95.55	£108.35
Ore Valley Housing Association Ltd		£69.77	£81.52	£89.10	£96.29
Kingdom Housing Association Ltd	£61.68	£72.70	£79.78	£91.79	£95.37
Glen Housing Association Ltd		£65.61	£78.34	£85.42	£93.99
Fife Council	£67.14	£69.89	£73.28	£75.68	£79.78
Median Rent	£61.67	£70.59	£81.52	£91.79	£95.83
Average Rent	£61.77	£72.16	£82.50	£91.92	£95.97
Dunedin Canmore +/- Variance against Average	\	10%	10%	19%	\

*Table 9: Dunedin Canmore rents in Midlothian*

Midlothian					
Landlord Name	1 Apt Average weekly rent	2 Apt Average weekly rent	3 Apt Average weekly rent	4 Apt Average weekly rent	5+ Apt Average weekly rent
<b>Dunedin Canmore</b>		£81.20	£93.74	£101.43	
Castle Rock Edinvar Housing Association Ltd	£69.19	£80.37	£92.16	£103.47	£109.14
Melville Housing Association Ltd		£73.96	£81.23	£85.19	£93.95
Midlothian Council	£72.25	£65.83	£71.94	£79.64	£84.29
Median Rent	\	£77.17	£86.70	£93.31	£93.95
Average Rent		£75.71	£85.15	£92.61	£95.33
DC +/- Variance against Average		7%	10%	10%	

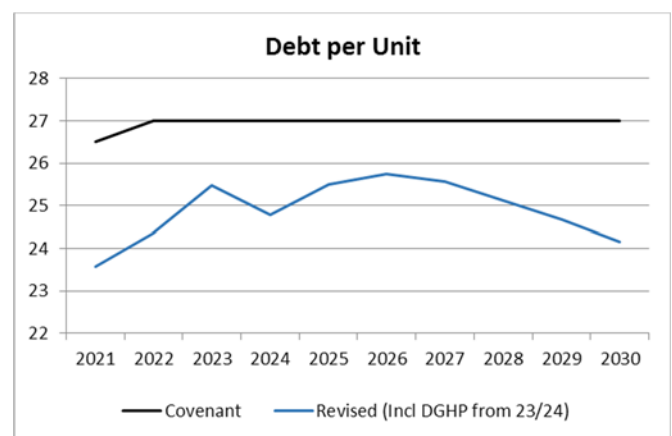
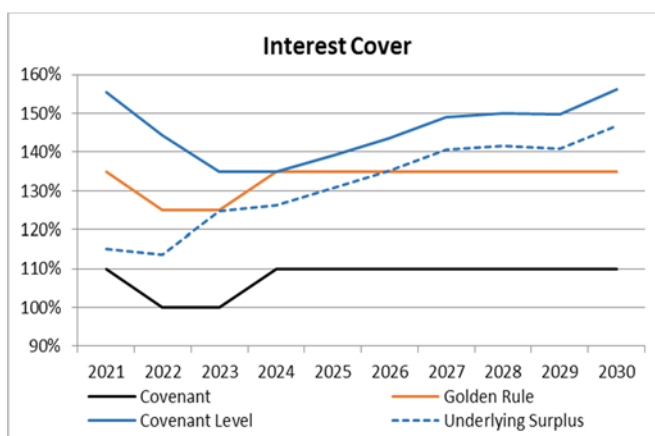
- 5.17 Based on the position above, it is proposed to apply a lower increase to Dunedin Canmore rents outside the City of Edinburgh, namely 1% only. Our customers in areas outside Edinburgh have highlighted to us in previous rent consultations that they do not think their rents should be set in relation to the Edinburgh market and the comparability information demonstrates that we are higher than other landlords in those areas. The new differential approach proposed in this paper takes this feedback on board.

## Consultation process

- 5.18 This year's consultation will be necessarily more restricted as we work under government restrictions on gatherings. We will not be able to conduct the in-person focus groups that we have held in recent years. Zoom and other on-line platforms are limited in how effectively they allow large groups of tenants to constructively input, for example in group discussions.
- 5.19 We will therefore operate a 'standard' formal written consultation with all tenants from November through to January. As in previous years we will offer an additional option of a higher rent increase if tenants wish to pay more for higher levels of investment. It is proposed that to simplify the process this year in that we will reduce the number of options from 3 to 2. Communication will be on the basis of a consultation booklet, in largely the form used in previous years. A draft of the booklets are attached at Appendix 1.

## Financial viability

- 5.20 Dunedin Canmore forms part of a borrowing group with other Wheatley RSLs. This means as a Group that we assess the key financial indicators of the RSLs aggregated together.
- 5.21 There is a separate paper on the agenda which sets out how we propose to accelerate the implementation of our new operating model. Across the Wheatley Group, this will deliver efficiencies in relation to overhead, property and administration costs (eg through Wheatley Solutions), which will be shared across all RSLs in the Group. Bringing forward these plans, along with the continuing low interest rates we are able to secure as a Group, has enabled us to reduce the previous business plan rent assumption from 3.5%, showing how the combined financial strength of the Group can help deliver benefit for tenants.
- 5.22 There are two key financial indicators for our RSL borrowing group – debt per unit, which relates to our borrowing capacity, and interest cover, which measures whether our operating surplus covers our interest costs. These are both covenant measures in our loan agreements. Taking the rent proposals in this paper into account, the projected profile on these measures for the RSL borrowing group is shown below.



- 5.23 The charts show that minimum headroom is maintained in line with our financial Golden Rules of 25% to the interest cover covenant and £50m to the debt per unit limit. The dashed line on the interest cover chart shows the position were all capitalised spend on fixed asset additions (other than off-the-shelf acquisitions of homes) to be included. This is the key measure of underlying break-even, and shows we continue to improve over the life of the new strategy.



## **6. Key issues and conclusions**

- 6.1 The proposed rent increases would be the lowest we have applied since the rent harmonisation exercise ten years ago and reaffirm our strategic priority to utilise financial efficiencies to minimise rental uplifts for tenants. They also reflect our increasingly refined approach to assessing affordability and comparability and, where there is a case for doing so, introducing an element of variation.
- 6.2 In line with our usual practice, general service charges will be increased in line with rents, except where different pricing adjustments are required based on specific service cost changes. Entering into 2021/22 will see our customers further benefitting from our procurement and negotiation activities with three key suppliers to our Service Charge planned maintenance and energy supply programmes. This has enabled prices to be held for our customers so there will be no uplift in relation to lifts, laundry or heating/lighting rates. Our robust procurement activities have secured an ongoing high quality service delivery from both from our Lift Service & Maintenance and Laundry Equipment Servicing contractors. In addition, our Gas and Electric suppliers continue to provide highly competitive rates at secure prices for our customers.
- 6.3 Shared owners occupancy charges will also be uplifted in line with the approach taken for rents – that is 1.7% for properties within Edinburgh and 1% for properties outwith Edinburgh.

## **7. Value for money implications**

- 7.1. The proposals aim to maximise value for money by further reducing our baseline rent increase as well as responding to properties where satisfaction with value for money is lower.

## **8. Impact on financial projections**

- 8.1. As set out above.

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

- 9.1. It is a legal requirement under the Housing (Scotland) Act to consult with tenants on any increases to rents or service charges.

## **10. Implementation and deployment**

- 10.1. As noted above.

## **11. Partnership implications**

- 11.1 As noted above.

## **12. Equalities impact**

- 12.1. None noted.

## **13. Recommendations**

- 13.1 The Board is asked to:
- 1) Agree that we consult tenants in our areas outwith Edinburgh on a base rent and service charge increase of 1%, with the option given for 1.5%
  - 2) Agree to consult our tenants within Edinburgh on a general rent and service charge increase of 1.7%, with the option given for 2.2%



## **List of Appendices**

Appendix 1 – Draft consultation booklets

# Investing in your community

Have your say on options for next year

Consultation on rent levels 2021/22



Have  
your  
say

# Listening to you, and responding

This year has been a difficult and challenging time for everyone. At Dunedin Canmore, we have been determined to support our communities in every way we can.

When the coronavirus crisis struck in March this year, we responded instantly. We invested significantly in new services to help people in need and in new ways of working that enabled our staff to be there to support tenants and their families 24/7.

Here are just some of the measures we put in place.

- ▶ We equipped our housing officers and customer service advisors to work from home, in line with government guidance, enabling them to help tenants every day by phone, text and online.
- ▶ Staff have made over 4900 calls offering help and advice to Dunedin Canmore customers since lockdown began
- ▶ EatWell has provided 3439 emergency food packages to people in need since the start of the pandemic. A supermarket voucher system, put in place a few months ago, has led to 204 vulnerable households receiving £7,190.00 worth of food to date.
- ▶ Our expert welfare benefits advisers have been helping customers with Universal Credit claims and making sure they are getting all the benefits they are entitled to

- ▶ Our neighbourhood environmental staff have remained out and about in our communities through the pandemic carrying out fire patrols and removing bulk rubbish
- ▶ An emergency response fund was launched in March offering practical help to 165 customers in need, supplying everything from mobile phone top-ups to microwaves
- ▶ We've helped thousands of customers with prepayment meters to access fuel vouchers.

Of course government guidelines, and the need to put the safety of tenants and our staff first, meant we could only deliver a restricted range of our normal services. We have since been re-introducing our services, in phases, in line with restrictions and as it is safe to do so.

Despite all the challenges we've faced, we were able in 2019/20 to complete upgrades to kitchens, bathrooms and heating systems, and to improve neighbourhoods.

Thanks to all of you who have given us feedback on the services in your community both before and during the pandemic.



We understand from your feedback that you want us to keep investing in homes and neighbourhoods. Many tenants have also told us the repairs service is the most important service for them and we're introducing more improvements to our repairs in the year ahead.

It's by listening to you and understanding what's important, that we're able to invest in your priorities and make sure our services are right for you, whatever life throws our way. Over the next year we'll be introducing new ways for you to engage with us and help shape further the future of services.

We know the pandemic and the challenges it has brought will be with us for some time. We remain committed to supporting our tenants and communities, now and through the uncertainties of the future. This booklet looks at how we can continue providing the services people need while investing in homes and neighbourhoods.

## Proposals for next year's rents

We set out two options for next year's rent levels, explaining how each option would affect the improvements we could carry out in your area as well as the wider services and support to tenants.

## Have your say

Please take time to look at the options on page 8 and have your say on rent levels for 2021/22. You can find out how to give your views on page 11.

## What's inside?

- 4 What tenants tell us
- 5 How your rent was spent last year
- 7 Challenges for the year ahead
- 8 Your choices, have your say
- 9 Supporting you in difficult times
- 11 How to make your voice heard
- 11 What happens next?

# What tenants tell us

At Dunedin Canmore we want to deliver what tenants tell us is important to them. We engage with tenants in lots of ways including through focus groups, local community events, customer panels, surveys, social media and conversations with housing officers.

More recently we have also been engaging with people online, through social media and apps. Through the pandemic we learned this suits many people and we are looking to expand this further in the next year.

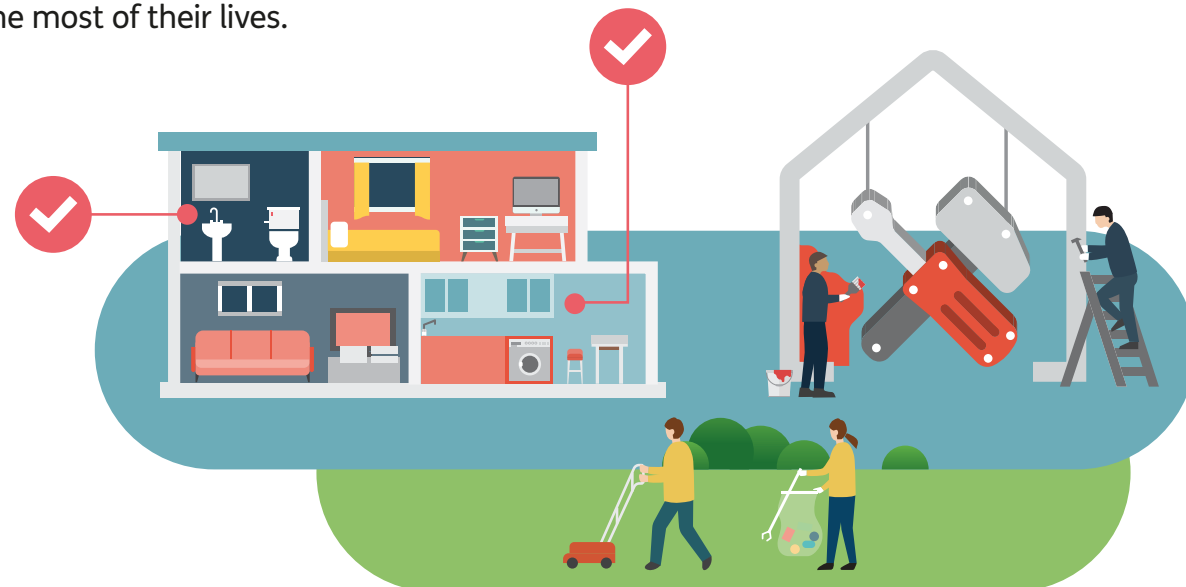
However you engage with us, we listen to all the feedback and use it to shape what we do and the services we deliver.

Many tenants who faced hardship or isolation during lockdown this year have told us that the support we provided was a lifeline for them and we want to make sure we keep supporting people so they have opportunities to make the most of their lives.

Tenants have also consistently told us that:

- Dunedin Canmore should continue with improvements to homes like new kitchens and bathrooms
- we should look at more investment inside homes
- helping communities stay safe is important
- we should continue to work on keeping neighbourhoods clean and tidy
- repairs is the most important service.

We want to keep delivering the improvements you tell us you want.



# How your rent was spent last year

We invested significantly in services to support tenants and families, particularly those facing hardship, those who moved on to Universal Credit and people who were alone and self-isolating.

## Supporting our customers

Tenants tell us they value the range of wraparound services and support we provide. This is particularly true while the challenges of coronavirus and Universal Credit continue to affect our communities. Our services helped tenants:

- with welfare benefits, including those moving on to Universal Credit,
- put food on the table
- get furniture for their home
- find jobs and training opportunities.

Last year you helped us deliver a huge range of improvements to homes, neighbourhoods and services. This was in line with what we set out in our five-year plan Investing in our Futures, which was shaped by tenants' views. Here are some of the things delivered last year.

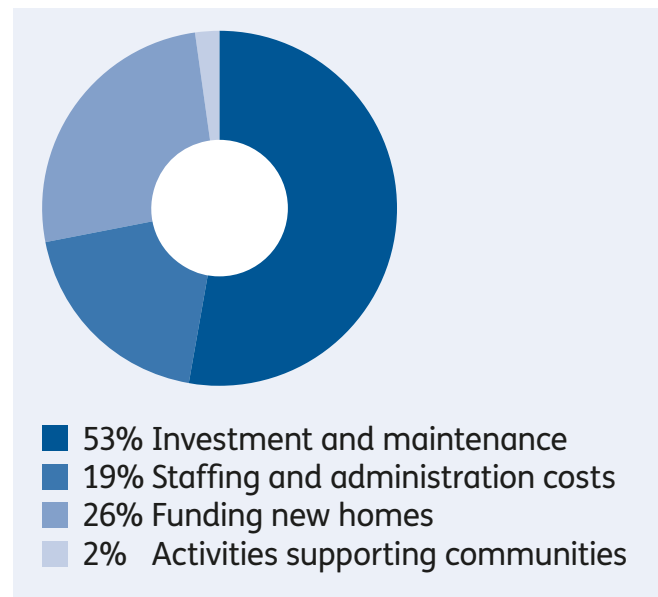
## Improvements to homes

Tenants told us how much they want to see continued investment in homes and communities. We invested £6.4m in our tenants' homes and communities including new windows and doors, new kitchens, flooring and energy efficient lighting, new bathrooms and new smoke detectors.

## New homes

Tenants told us they wanted to see more affordable homes for rent. Dunedin Canmore built 162 new affordable homes over the year, 84 of which were for social rent and 78 for mid-market rent.

**Breakdown of how each pound was spent**

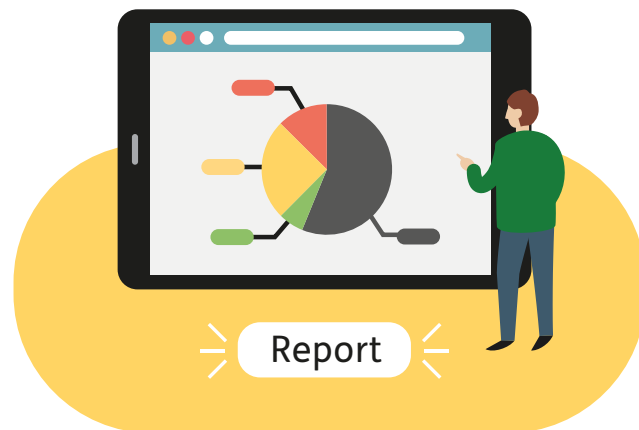


**Improving neighbourhoods**

Tenants also let us know they wanted us to continue to do more to keep neighbourhoods safe, clean and tidy. Wheatley’s Community Improvement Partnership continued to work with Dunedin Canmore communities to tackle anti-social behaviour, crime and fire safety.

**Repairs service**

We continued our work to improve our repairs and maintenance service. We were delighted that tenant satisfaction with the service reached 96%. We also completed 97% of repairs right first time. We had to introduce a restricted repairs service while we prioritised the safety of our staff and customers during the pandemic. We’re committed to introducing a full repairs service as soon as it’s safe to do so.



# Challenges for the year ahead

The pandemic has had a significant impact on our business, tenants and communities. Like all social landlords we have had to adapt the way we delivered services to take account of the restrictions in place. Our priority has always been the health, safety and wellbeing of tenants and our staff.

We are working hard to return services, such as repairs, investment in homes and new build to full capacity but this will remain a challenge as restrictions remain in place.

The pandemic has had an unprecedented impact on the economy and we know a challenge will be how we support tenants and communities adversely impacted. We will be increasing the level of support available to all tenants and communities that so many tenants have told us during the pandemic they value highly.

We have continued to work hard to reduce costs in recent years with our management costs now lower than the Scottish and UK averages. We have used these savings to allow us to keep the proposed rate of increase as low as possible and this year it is proposed as 1.7%.

**How we compare with others**

**Lower than average rents**

Average rents at Dunedin Canmore are 1% lower than the average for social landlords in Edinburgh. Our average rent is almost £9 lower than the City of Edinburgh Council’s average rent.



**Lower operating costs**

Our operating costs per home are below the Scottish median.

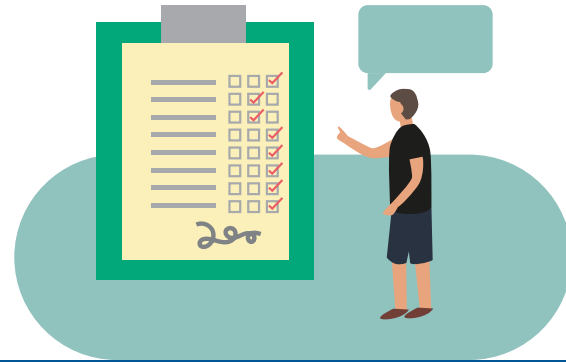
**Customer satisfaction**

Customer satisfaction with Dunedin Canmore stands at 87%.





# Your choices, have your say



Here we set out a number of options for your proposed rent levels together with what these options would mean for services and improvements.

## 1. Increase rents by 1.7%

Increasing rents by 1.7% would mean we could keep delivering all the services we provide to you and your family, carry out all investment work already planned for homes, keep communities clean and safe and provide a range of support for tenants who need it. We would also continue to offer 24/7 customer service and carry out further improvements around fire safety which will be required by law.

## 2. Increase rents by 2.2%

Increasing rents by 2.2% would mean we could keep delivering services and all the investment work already planned. In addition, we would also be able to carry out further improvements to homes and neighbourhoods. These improvements would be based on what tenants tell us are priorities. They could include: new doors, new floorboards and skirtings, better lighting or paving round homes, upgrades to backcourts and bin stores or anything else tenants thought was a priority.

## Giving your views

In the attached survey, you can tell us which option you support and what your priorities for investment would be. The survey also gives you an option to let us know if you don't agree with any of the options. Our Board would take account of this, together with the need to continue delivering services and improvements, before making a final decision on rent levels.

If option 2 went ahead, we would gather tenants' views on their priorities for additional investment. Our Board will listen to that feedback before deciding how the funding is spent.

# £97.04

DC average weekly rent

# Supporting you in difficult times

Keeping on top of bills and running a home can be difficult at the best of times.

We understand many people are facing challenges as we continue to live with the impacts of coronavirus. Please be assured we are here to help all tenants save money and support them to keep on top of their rent and other household costs.

Remember **TALK TO US**. The sooner you get in touch, the quicker we can help.

Check out the many ways we can help tenants save money.

## MySavings

Tenants who sign up for an online account can enjoy savings of up to 10% on everyday shopping bills. Register for MySavings and get money off everything from food and clothes to cinema tickets, gym membership and takeaways.

## Fuel advisors

Worried about rising gas and electricity prices? Don't stress. Our fuel advice service helps tenants get on to the lowest tariffs, arrange low-cost repayments and, in some cases, get debts written off. Last year tenants across Wheatley Group saved more than £500,000 on their energy bills.

## Home Comforts

Buying furniture can be expensive. Our Home Comforts scheme helps make a house feel like a home - without spending a penny. In 2019/20, we recycled 780 pieces of unwanted furniture and passed them to tenants across Wheatley Group who needed extra help.

## EatWell

Struggling to put food on the table? Eat Well supports tenants who face real hardship and who may be forced to turn to food banks. More than 1000 tenants across Wheatley Group got support from Eat Well last year.

## Welfare advice

Our welfare benefits advice team have helped tenants across Wheatley Group claim more than £8.6m last year in benefits and tax credits they were due. We can help you too.

## Universal Credit advice

We help tenants make a Universal Credit claim and offer support until the money comes in. We also help tenants get online, set up an email address, manage money and open a bank account.

## Budget planner

Do you know how much it costs to run your home? How much is left over after paying rent? Our household budget planner can help.

### Work and training

Want to apply for work, but struggle to fill in online forms or write a CV? We can help you get ready for work. We also have great training and job opportunities for people of all ages. In 2019/20, Wheatley Group created 788 jobs, apprenticeships and training opportunities.



# How to make your voice heard



You can have a say on rent levels for next year by completing the attached survey by 10 January 2021. But that's not the only way to make your voice heard.

#### You can also:

- Have a chat with your housing officer with your feedback
- Email us at [talk@dunedincanmore.org.uk](mailto:talk@dunedincanmore.org.uk) or
- Call us on **0800 561 0088**.

#### What happens next?

We will collect all the views from the survey, the community events and the other conversations with tenants.

The Dunedin Canmore Board will consider all the feedback before making a final decision on rent levels for 2021/22.

We will let you know the results of the consultation and the final decisions made about spending priorities and rent levels on our website [www.dunedincanmore.org.uk](http://www.dunedincanmore.org.uk). We'll also report on the progress of the work carried out through the year.

**We will let you know what your new rent for 2021/22 will be by letter. Your new rent will be due from April 2021 onwards.**

Wheatley Group, Wheatley House,  
25 Cochrane Street, Glasgow, G1 1HL  
[www.wheatley-group.com](http://www.wheatley-group.com)





# Investing in your community

Have your say on options for next year

Consultation on rent levels 2021/22



Have  
your  
say

# Listening to you, and responding

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We understand from your feedback that you want us to keep investing in homes and neighbourhoods. Many tenants have also told us the repairs service is the most important service for them and we're introducing more improvements to our repairs in the year ahead.

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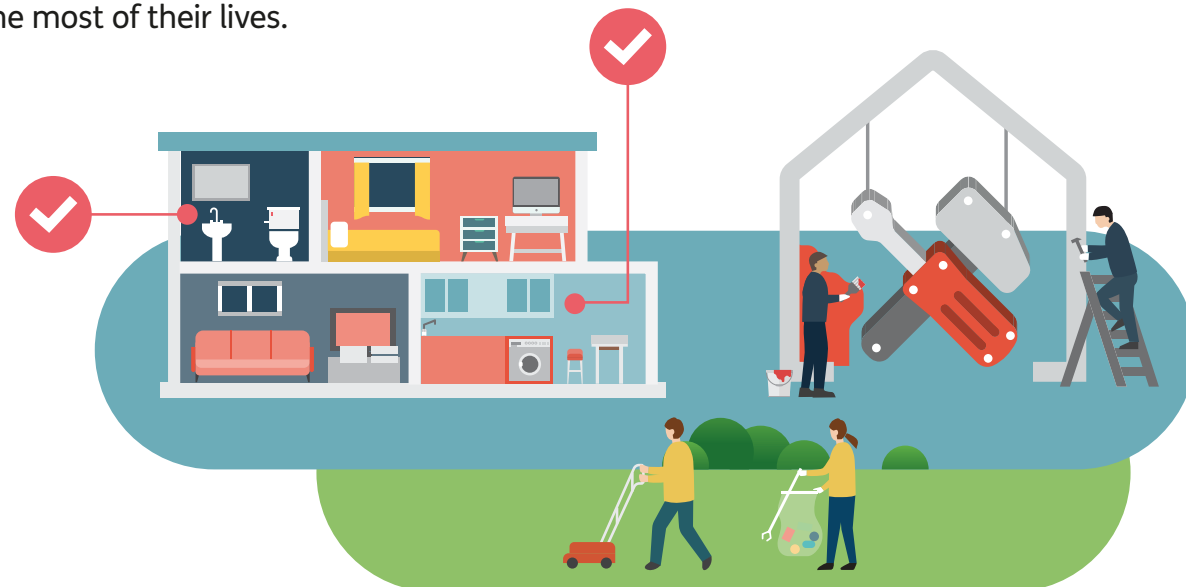
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Tenants tell us they value the range of wraparound services and support we provide. This is particularly true while the challenges of coronavirus and Universal Credit continue to affect our communities. Our services helped tenants:

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- put food on the table
- get furniture for their home
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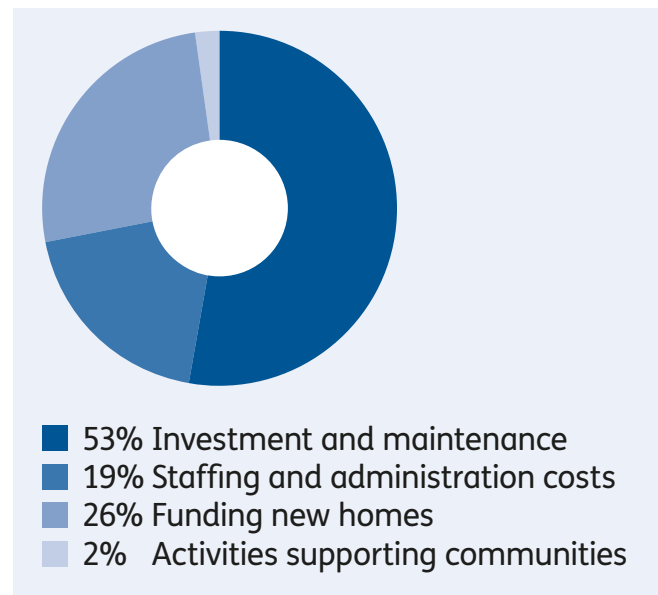
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Tenants told us they wanted to see more affordable homes for rent. Dunedin Canmore built 162 new affordable homes over the year, 84 of which were for social rent and 78 for mid-market rent.

# Challenges for the year ahead

## Breakdown of how each pound was spent

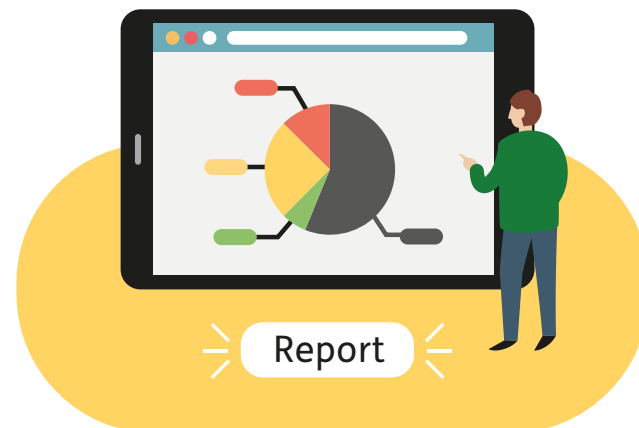


## Improving neighbourhoods

Tenants also let us know they wanted us to continue to do more to keep neighbourhoods safe, clean and tidy. Wheatley’s Community Improvement Partnership continued to work with Dunedin Canmore communities to tackle anti-social behaviour, crime and fire safety.

## Repairs service

We continued our work to improve our repairs and maintenance service. We were delighted that tenant satisfaction with the service reached 96.02% We also kept completed 96.82% of repairs right first time. We had to introduce a restricted repairs service while we prioritised the safety of our staff and customers during the pandemic. We’re committed to introducing a full repairs service as soon as it’s safe to do so.



The pandemic has had a significant impact on our business, tenants and communities. Like all social landlords we have had to adapt the way we delivered services to take account of the restrictions in place. Our priority has always been the health, safety and wellbeing of tenants and our staff.

We are working hard to return services, such as repairs, investment in homes and new build to full capacity but this will remain a challenge as restrictions remain in place.

The pandemic has had an unprecedented impact on the economy and we know a challenge will be how we support tenants and communities adversely impacted. We will be increasing the level of support available to all tenants and communities that so many tenants have told us during the pandemic they value highly.

We have continued to work hard to reduce costs in recent years with our management costs now lower than the Scottish and UK averages. We have used these savings to allow us to keep the proposed rate of increase for you as low as possible.

We recognise that for a small number of our tenants, their rent level has been traditionally higher than average for the type of property and area they live in. This year we are proposing to address this by keeping the rent increase for these tenants lower than for other tenants.

The rent increase for your property this year is proposed at 1% - the lowest Dunedin Canmore rent increase for many years.

## How we compare with others

### Lower than average rents

Average rents at Dunedin Canmore are 1% lower than the average for social landlords in Edinburgh. Our average rent is almost £9 lower than the City of Edinburgh Council’s average rent.



### Lower operating costs

Our operating costs per home are below the Scottish median.

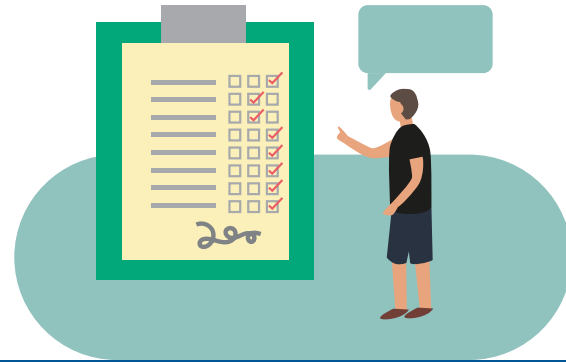
### Customer satisfaction

Customer satisfaction with Dunedin Canmore stands at 87%.





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Here we set out a number of options for your proposed rent levels together with what these options would mean for services and improvements.

## 1. Increase rents by 1%

Increasing rents by 1% would mean we could keep delivering all the services we provide to you and your family, carry out all investment work already planned for homes, keep communities clean and safe and provide a range of support for tenants who need it. We would also continue to offer 24/7 customer service and carry out further improvements around fire safety which will be required by law.

## 2. Increase rents by 1.5%

Increasing rents by 1.5% would mean we could keep delivering services and all the investment work already planned. In addition, we would also be able to carry out further improvements to homes and neighbourhoods. These improvements would be based on what tenants tell us are priorities. They could include: new doors, new floorboards and skirtings, better lighting or paving around blocks and upgrades to bin stores or anything else tenants thought was a priority.

## Giving your views

In the attached survey, you can tell us which option you support and what your priorities for investment would be. The survey also gives you an option to let us know if you don't agree with any of the options. Our Board would take account of this, together with the need to continue delivering services and improvements, before making a final decision on rent levels.

If option 2 went ahead, we would gather tenants' views on their priorities for additional investment. Our Board will listen to that feedback before deciding how the funding is spent.

# £97.04

DC average weekly rent

# Supporting you in difficult times

Keeping on top of bills and running a home can be difficult at the best of times.

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Tenants who sign up for an online account can enjoy savings of up to 10% on everyday shopping bills. Register for MySavings and get money off everything from food and clothes to cinema tickets, gym membership and takeaways.

## Fuel advisors

Worried about rising gas and electricity prices? Don't stress. Our fuel advice service helps tenants get on to the lowest tariffs, arrange low-cost repayments and, in some cases, get debts written off. Last year tenants across Wheatley Group saved more than £500,000 on their energy bills.

## Home Comforts

Buying furniture can be expensive. Our Home Comforts scheme helps make a house feel like a home - without spending a penny. In 2019/20, we recycled 780 pieces of unwanted furniture and passed them to tenants across Wheatley Group who needed extra help.

## EatWell

Struggling to put food on the table? Eat Well supports tenants who face real hardship and who may be forced to turn to food banks. More than 1000 tenants across Wheatley Group got support from Eat Well last year.

## Welfare advice

Our welfare benefits advice team helped tenants across Wheatley Group claim more than £8.6m last year in benefits and tax credits they were due. We can help you too.

## Universal Credit advice

We help tenants make a Universal Credit claim and offer support until the money comes in. We also help tenants get online, set up an email address, manage money and open a bank account.

## Budget planner

Do you know how much it costs to run your home? How much is left over after paying rent? Our household budget planner can help.

### Work and training

Want to apply for work, but struggle to fill in online forms or write a CV? We can help you get ready for work. We also have great training and job opportunities for people of all ages. In 2019/20, Wheatley Group created 788 jobs, apprenticeships and training opportunities.



# How to make your voice heard



You can have a say on rent levels for next year by completing the attached survey by 10 January 2021. But that's not the only way to make your voice heard.

#### You can also:

- Have a chat with your housing officer with your feedback
- Email us at [talk@dunedincanmore.org.uk](mailto:talk@dunedincanmore.org.uk) or
- Call us on **0800 561 0088**.

#### What happens next?

We will collect all the views from the survey, the community events and the other conversations with tenants.

The Dunedin Canmore Board will consider all the feedback before making a final decision on rent levels for 2021/22.

We will let you know the results of the consultation and the final decisions made about spending priorities and rent levels on our website [www.dunedincanmore.org.uk](http://www.dunedincanmore.org.uk). We'll also report on the progress of the work carried out through the year.

**We will let you know what your new rent for 2021/22 will be by letter. Your new rent will be due from April 2021 onwards.**

Wheatley Group, Wheatley House,  
25 Cochrane Street, Glasgow, G1 1HL  
[www.wheatley-group.com](http://www.wheatley-group.com)



## Report

**To:** Dunedin Canmore Board

**By:** Hazel Young, Managing Director

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

**Subject:** Business update

**Date:** 12 November 2020

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### 1. Purpose

1.1 This report provides an update on our response to the impact of the current Coronavirus crisis on our services, customers and communities.

### 2. Authorising context

2.1 The activities addressed in this report are principally of an operational nature, and are therefore delegated to the Group CEO under the Group Standing Orders. The Board has been kept regularly apprised of our progress through email updates.

### 3. Risk appetite and assessment

3.1 The unprecedented nature of the current situation raises risks in a number of key areas. These include:

- i. *Customers* - risks that our customers may suffer hardship and distress, not just through the risk of catching or through having the virus itself, but through the current government measures causing other effects such as hunger, isolation and mental and physical health problems
- ii. *Staff* - risks that staff are exposed to the virus, especially those engaged in customer-facing activity; that we have a reduced workforce due to illness and/or self-isolating, and that those working from home may not be able to function effectively
- iii. *Financial viability* - risks to our financial position, such as increasing rent arrears and reduced cash flow

3.2 These areas and the steps we continue to take to mitigate the risks are addressed below.

### 4. Background

4.1 This report provides a further update to Board members on our contingency operations to support both essential business and the new issues faced by our staff and customers. It outlines our current remobilisation status across key customer facing areas.



4.2 Remobilising in the face of a pandemic continues to be challenging. As Covid cases rise and restrictions change regularly we have to be extremely agile in amending and delivering our ongoing services, restarting those which have stopped and creating new delivery models at pace. As we change our approach we are ensuring robust communication with our staff and customers who need to understand what we are doing, why and to be reassured that our processes keep them safe. Despite these challenges we have continued to deliver our remobilisation plans and meet the targets we have set for these.

## 5. Discussion

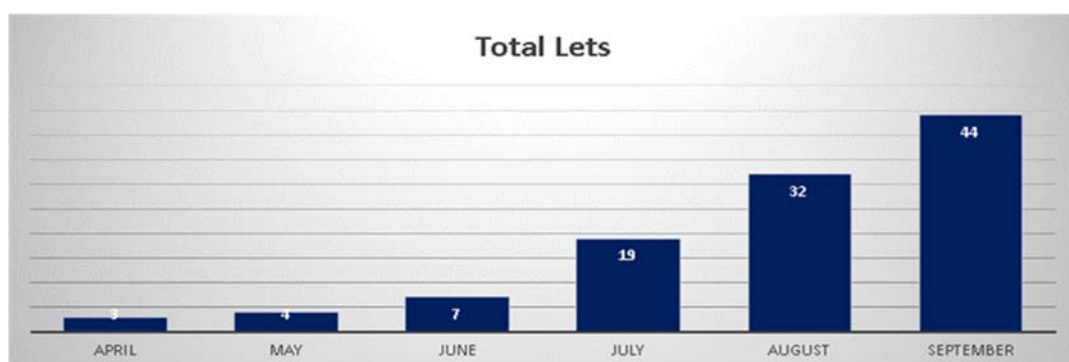
5.1 Throughout the pandemic we have continued to provide essential services to our customers. Over the summer we have steadily scaled up the provision of services as restrictions have allowed. In the last few weeks, restrictions have begun to increase as numbers of cases rise. Our remobilisation plans reflect these changes and are deliberately agile to respond to new changes as and when they happen.

5.2 This report covers a number of key services including letting, rental income, homelessness, care, repairs services and our environmental services.

### *Letting*

5.3 We recommenced phase 2 of our lettings plan on 17 August, one week earlier than we had originally anticipated would be possible. Phase 2 involves letting homes which do not have major repairs, including those which have been vacant through lockdown; those which are awaiting care referrals from local authorities; and those which have recently become void. It also includes managing letting of homes which were on offer prior to lockdown but had not yet been let. In addition to completing moves for households who had their offer put on hold during lockdown we are focusing on lets to homeless households and other priority groups.

5.4 We have let approximately 153 homes in the year to date, the majority of those since the start of phase 2 of our letting in August. This has allowed us to let homes that are now being given up as well as reduce the level of outstanding voids. The graph below shows the increase in lets as the restrictions have eased.



5.5 The progress in reletting our homes has been the result of a highly integrated approach between housing officers, allocations staff, and DCPS trades operatives and team leaders. This has involved prioritising repairs to maximise efficiency, ensuring safe working methods for staff, and good working with local authorities and EdIndex to identify applicants. In addition to reletting voids we have also been progressing mutual exchanges and shared ownership moves.

- 5.6 The next area of focus is on properties which have major repairs. These include significant kitchen/bathroom work and major structural works/fire damage. These repairs are more challenging to do in a Covid-19 environment where the workforce has to be safely socially distanced. These are now subject to individual assessment to identify when repairs can safely be carried out. We have already been able to carry out larger kitchen/bathroom work on some properties.

#### *Rental income*

- 5.7 Maintaining our rental income so that we can continue to provide services, alongside supporting our customers to be able to pay their rent have been key priorities through the pandemic. Housing officers continue to successfully operate our virtual model of support through telephone and digital contact. They have quickly integrated this with our home visit teams to maximise the impact of these visits. This contact 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.
- 5.8 As a result, our rent arrears are currently at 4.51%, 0.43% higher than at March 2020 compared to the Scottish benchmark where arrears have risen by 0.6% as shown in the graph below. Further detail on our rent arrears performance is included within the performance report.



- 5.9 Changes to furlough arrangements and further restrictions in the hospitality industry mean the financial position for many of our tenants will remain uncertain. However, the results we have been able to achieve in the first two quarters give us confidence that we have the tools in place to maximise both our tenants' income and their payments to us.
- 5.10 Phase 1 of our rental remobilisation is now complete. This included the successful creation of teams to undertake face to face visits and a particular focus on supporting customers on furlough and at risk of unemployment. More than 200 face to face visits have been conducted to support customers with arrears. All of our customers who had told us they had been furloughed have been contacted so that we can provide support and advice. With the support of the Group Universal Credit team we are strengthening our links with the Scottish Government PACE (Partnership Action for Continuing Employment) network to further help support our customers.

- 5.11 Housing Officers have clear visibility of the remaining 44 customers affected by furlough and will continue to monitor the situation. Welfare benefits advice, support with Universal Credit claims and the full range of wrap around services will be available to these customers if they need it. Our close contact with them means that this assistance can be provided early, before arrears grow too high.
- 5.12 Phase 2 commenced at the beginning of October. Following the Government's acceptance of the Homeless And Rough Sleeping Action Group's recommendations we now know that the 6 month notice period for Notice of Proceedings and evictions has been extended to 31 March 2021. We have therefore developed a revised escalation process with a new set of customer letters. 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. We currently have 301 customers with rent arrears of over £1,000.
- 5.13 We will have clear messaging for customers, stakeholders and staff around our escalation processes. This will make it clear that only tenants who repeatedly don't pay rent, have defaulted on an agreed repayment plan and repeatedly failed to engage with us would receive a letter about further action being taken. We won't evict anyone who falls into difficulty as a result of the impact of Covid-19 however it is important that those who are purposely not paying their rent understand they are in breach of their tenancy conditions and the consequences of this. We need customers to get in touch with us as quickly as they can so that we can help before the issue gets less manageable.
- 5.14 We have a small number of 'won't pay' cases that were issued a Notice of Proceedings in March that have continued to increase. Where appropriate, we will raise Court Action for these cases. We will also review our cases currently sisted at Court and for won't pay cases that have significant and increasing arrears. In these cases, we will consider recalling the case to seek Decree. The use of bank and wage arrestment is a new part of our approach as outlined to the Board previously and this process is now underway.
- 5.15 There have been many positive examples of how we have supported customers to ensure they receive all the income they should be entitled to, sometimes involving extensive work by our teams across a range of other organisations. The following case studies give an example of the work done:
- Our customer was receiving Universal Credit as having Limited Capability to Work following a previously successful appeal 2 years ago. Found not to meet the criteria in March 2020. The customer contacted the housing officer, very anxious about the whole process – Referral made to welfare benefit advisor who challenged this decision on customers' behalf resulting in change in decision and a Universal Credit backdate to the customer of around £2000 and an uplift in payments of £200 per month.
  - Our customer was sanctioned when living in previous accommodation for not attending a Jobcentre appointment. Significant mental health issues which weren't taken into consideration when making the sanction decision. Sanction overturned and customer will have sanction wiped from DWP record and receive monies not paid at that time – around £750 due.

- Our customer requested a review of standard rate mobility benefit from DWP to make them aware of a new health condition. On review, his existing award was removed so he no longer had an award. Our welfare benefit advisor submitted a mandatory reconsideration request resulting in an enhanced awarded award as well as the standard rate daily living worth £121.95 a week to the customer. The welfare benefits advisor further discovered underlying entitlement for sole occupancy meaning the customer could claim the severe disability premium in his ESA – worth a further £66.95 per week.
- 5.16 Further actions include our rent campaign which will this year be tailored to the particular issues around Covid-19; further enhancements to web self-service to allow secure messaging by digital means; and work to help our staff maintain their focus on income including refreshed toolkits.

#### *Homelessness*

- 5.17 We continue to prioritise lets to homeless households as part of our letting remobilisation. In the year to date 63% of lets have gone to homeless households. This figure will rise over the coming months as some of our initial lets had been offered to households prior to lockdown and so could not be offered to homeless households.
- 5.18 We have created 38 Housing First tenancies since the programme began so far with another 3 in the process of being matched to suitable accommodation. These are all located in Edinburgh. In total housing providers in Edinburgh have created 65 Housing First tenancies so our contribution to assisting this very vulnerable group is notable.
- 5.19 In addition to our lets to homeless we are also assisting those in priority need. One example in recent weeks was an existing customer of ours in West Lothian who required rehousing due to severe health issues. The housing officer has been working closely with them providing holistic housing options advice and last year helped them to register for My Housing. Both the Housing Officer and our housing options team have been assisting the customer with notes of interest. We recently advertised a 2 bed wheelchair flat in a suitable location. It is very rare for these properties to become available and this was the first one to come up in 7 years. The Housing Officer supported the customers to put in a note of interest and they were offered the property. The customers are delighted and have explained how much their lives will change for the better with the ability to get out and about.

#### *Other Wheatley 360 services*

- 5.20 The Fire Safety Team remobilised in June 2020 and have been visiting vulnerable households to provide pioneering products and services when necessary. A dedicated Fire Safety Officer (FSO) now works closely with frontline DC staff. From 1st April to 30th September there have been 5 accidental dwelling fires across DC (from 2021 there will be comparative data). The FSO has carried out 6 vulnerable customer visits providing the relevant fire safety pioneering products and services. Our FSO is working with the Scottish Fire & Rescue and DC staff to develop a bespoke Fire/Home Safety Initiative focussing on the pre 1919 properties. This initiative will involve visiting a number of these properties and providing a report with recommendations on how fire safety and physical security could be improved.

- 5.21 Stair cleaning services resumed from the middle of September. The NETs teams have been working through stairs on a priority basis. We have already seen an increase in positive feedback from customers who are relieved to have this service back.
- 5.22 264 anti-social behaviour cases have been recorded on our Streetwise system in the year to date. This is a 72% increase compared to the same period last year, largely driven by an increase in noise nuisance complaints.
- 5.23 In response to the significant rise in noise nuisance complaints, our Community Improvement Partnership police team has identified the top 10 repeat perpetrators across Group and undertaken targeted interventions. This approach has already led to 2 successful arrests with cases being reported to the Procurator Fiscal. In Dunedin Canmore there was a particular case that required intervention relating to inappropriate behaviour of a customer, the joint working and support from police colleagues, ASB intervention team and legal led to a successful interim ASBO being granted in October.
- 5.24 The Scottish Government has recently reviewed the timescales for evictions in anti-social behaviour cases (these were extended at the start of the Covid-19 outbreak) and returned them to the pre-Covid arrangements
- 5.25 Wheatley are partners in a new pilot of smart doorbells in South Glasgow run by Police Scotland. These are being offered to high risk victims of domestic abuse where there are conditions in place that a perpetrator should not approach or communicate with a victim. The smart doorbell will help them to feel more safe and secure and also monitor for any breaches of bail. We will review the outcome of the pilot with a view to extending the service to DC customers if possible.

#### *Customer support*

- 5.26 In addition to our core services we continue to provide support to our customers through our wraparound services and through our specific provision during Covid. Although our housing officers continue to be based primarily from home our home visit teams have made over 1800 doorstep calls for a range of issues. In almost 90% of these successful contact has been made and often additional issues are identified.
- 5.27 The Eatwell service continues but is now focused on the option of supermarket vouchers for customers which gives them more choice and is also more efficient for us.
- 5.28 The Wheatley emergency fund continues to help us support our customers in crisis situations. As with Eatwell, numbers are reduced but the help we are able to give is often crucial to the receiving households. Housing officers are also often crucial in picking up where households are struggling and in marshalling the right services to support them. Some recent examples include:
- A Housing Officer received an anonymous call for welfare concern of a customer advising he was currently bedbound, without food, gas or electric. His mobile was switched off so the officer immediately arranged a visit which confirmed that the tenant had been unable to manage his tenancy for some time. Mobility issues meant he had not been able to leave the flat, had to crawl to the toilet and could not wash properly.

Our housing officer quickly and successfully engaged social work and occupational therapy (with the customers' permission). As a result, the customer had a full needs assessment and a range of issues are now being addressed. The housing officer continues to liaise with social work to develop a longer term solution for the tenant.

- One of our housing officers was contacted by a customer whose child has severe ADHD and kept escaping over the back fence as it was not high enough. Increasing the height of the fence had been identified as a repair just prior to lockdown but cancelled along with the other repairs at this time. On speaking with the tenant the Housing Officer recognised it to be a Safety First repair which was safe to do as it comprised external works, and took action to have the fence heightened under our restricted repairs service. The customer was delighted with the service and the understanding of the Housing Officer and sent the following note: "Thank you so much for chasing up the fence, it has been done and my wee boy cannot escape any longer which is a relief. I have posted a thank you card for you to your office"
- Housing Officer had been contacted regarding continual noise disturbance which had become more apparent during lock down. The Housing Officer made an essential visit to the customer where noise had been alleged from and discovered that the customer had no flooring down as they could not afford such an expense, general living noise had been travelling to the neighbouring customer. The housing officer got in touch with the Wheatley Foundation team and was able to award funding for carpets for the customer. This has made a significant difference to both customers.

#### *Repairs, Investment and Compliance*

- 5.29 We have continued to provide our repairs service through lockdown, focused initially on emergency repairs and then extending this to include safety first repairs as lockdown eased and operating procedures were developed. More recently there has been a gradual increase in the volume of repairs carried out as we have looked to address works our customers consider essential. We are moving towards full remobilisation during November/December with the full trades teams now operational. An induction programme including full health and safety briefings has been arranged for those operatives who have and are returning.
- 5.30 Having progressed the backlog of voids built up as a result of the pandemic, this aspect of the service is now operating as usual, albeit with some limitations centring on material availability, social distancing restrictions and trade operatives returning from furlough.
- 5.31 Our Cyclical Maintenance programme is being reintroduced from this month as planned. Our focus is on mainly external work that can be undertaken whilst maintaining social distancing measures. All cyclical projects will either be pre-emptive works which will prolong the life of our assets or work required under legislation.

- 5.32 Gas Servicing has been operating for the past 7 months and some investment compliance works (Smoke and Heat Detector (LD2) Programme, Emergency Lighting and Periodic Electrical Inspections) have been in place since the end of September focusing on our retirement complexes and HMOs. As of early September 2020, we have been in a 100% compliant position with no expired gas certificates across our housing stock. The focus has now moved to building an element of contingency into the gas process as we transition back to our business as usual position. Our compliance team and housing visit teams are continuing to arrange access and support customers through the various restrictions that remain in place as a result of COVID-19.
- 5.33 Our external investment projects have been operating since July and our internal works programme will commence in January 2021 with project development for this work recommencing this month. Some fire safety internal works will commence ahead of this and we will increase the resource available for our LD2 upgrade programme.
- 5.34 We have undertaken a review of the way in which we engage with customers for investment in recognition of the potential for apprehension amongst customers in allowing tradespeople into their home for prolonged periods of time, particularly for internal works such as the installation of kitchens, bathroom and windows. A new 5 step engagement process has been developed with a focus on providing our customers with assurance around the robustness of our approach to health & safety, with detailed safety information and FAQs provided to each customer as part of the project notification packs. Our Investment Officers will also contact each customer to answer any further queries they may have about the work and to seek a 'customer commitment' to allow the work to proceed. This process will ensure that our customers are fully informed in advance of the work and will help to reduce the rate of no access or refusals.
- 5.35 Medical adaptations were already being undertaken where there was an urgent requirement to assist in hospital discharge. This month we are resuming work on all medical adaptations. Cases will be prioritised based on both need and risk. There will be detailed engagement with customers to ensure that they understand the process for the repair and the procedures we will follow to keep them safe. This will include the options they may have to help with safety, for example staying or visiting somewhere else while the work is carried out if that is suitable. Some customers may still choose to delay their works at this time but we anticipate that most will want the work done given the improvement it is likely to make to their lives.

*Ignite graduate programme*

- 5.36 Our Ignite Graduate Programme has again injected a new wave of graduate talent into Wheatley this year with 14 graduates joining us in our frontline housing subsidiaries, and 3 in business support roles across Wheatley Solutions. Our recruitment campaign for 2020 improved on the success of the previous year with 323 applicants - a more than 200% increase in applications this year. This has been supported by our partnership working with universities, and our presence at graduate career fairs to position Wheatley Group as an employer of choice, and importantly, housing as a desirable career choice. In DC we already have a graduate trainee from last year working as a Housing Officer and we will be welcoming one of this year's cohort into the housing team this month.

## Care

- 5.37 Wheatley Care continue to provide support to a number of our customers through the tenancy support service and other outreach and building based services. Their redesigned service delivery models and support continue to operate including building based, face to face and telephone support. Significant work continues to be required to flex the delivery models to suit revised national restrictions and guidance.
- 5.38 The Dunedin Harbour team continue to be supported through the management service from Wheatley Care and continue to overcome challenges and achieve positive outcomes for the service, the staff team and our customers. As a result, the service has responded pro-actively in response to the pandemic, and their continued efforts have resulted in the excellent outcome, whereby no staff member or individual supported within Dunedin Harbour has tested positive for Coronavirus to date.
- 5.39 Alongside Wheatley Care and other key stakeholders, such as Health and Safety, Dunedin Harbour has co-produced essential documentation to underpin their approaches to managing the risks to business continuity. This has included the implementation of detailed Business Continuity Plans (including second wave planning), Risk Assessments/Risk Management Plans for infection control, staffing and PPE, and Service Protocols to assert best practice (for example, Escalation and Health Care Protocols). Practice at an operational level has been further enhanced by the coordination of the staff team's participation in online learning and development programmes focussed on current key development needs.
- 5.40 To enhance outcomes for people who use the service, Dunedin Harbour submitted an application to the Wellbeing Fund through the Wheatley Foundation and were successful in securing 10 tablets that would allow their customers to remain connected with statutory supports by a virtual means. Furthermore, during the reporting period, the Harbour has provided 27 new supports, 16 individuals achieved their outcome of moving on to sustain a tenancy with Dunedin Canmore, and 11 people have moved on to suitable accommodation by provision of the local authority. These numbers have been limited by the implementation of lockdown measures, the closure of the EdIndex system for applying for housing and the availability of repairs operatives to turnaround rooms for the purpose of fulfilling new tenancies.
- 5.41 The service continues to receive support from Wheatley Care, in partnership with HR, to develop its strategies for recruitment and selection. As such the service has filled all possible vacancies and on-boarded an additional 3 Relief Workers as a contingency.
- 5.42 The service has incurred additional costs for staffing, cleaning, travel and PPE during this reporting period. As such, Wheatley Care have worked in collaboration with Finance to identify any tangible costs incurred as a direct result of responding to the additional requirements placed on the service by the pandemic. These reclaimable costs have been submitted to the City of Edinburgh Council for the purpose of reimbursement.



5.43 As part of the recent Transfer of Engagements from Barony Housing Association (approved by the Financial Conduct Authority on 23 September), we have acquired 6 HMOs with residents who are supported by Wheatley Care. All of these properties are being considered for transition to a more independent model of care provision but the re-provisioning programme has been delayed due to Covid-19. An update on this will be brought to the next Board meeting.

5.44 In our retirement and amenity complexes, we had reduced onsite presence during the lock down and subsequent restrictions. Now that appropriate measurements are in place in terms of health & safety and the relevant support required to allow staff to return to designated complexes, we will be remobilising to return to pre-lockdown levels of on-site presence this month.

## **6. Value for money implications**

6.1 We continue to work to provide value for money to our customers; prioritising their needs within the constraints of the limitations on staff movement imposed on us.

## **7. Impact on financial projections**

7.1 Included under the Finance paper on this agenda. These will continue to be updated as the situation persists over the coming weeks and months.

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

8.1 Through the Group Executive Team we have maintained regular dialogue with the Scottish Housing Regulator over recent weeks, and they have appreciated our role, for example, in the housing sector National Resilience Group along with Scottish Government and local authority representatives.

## **9. Partnership implications**

9.1 Through Group services we continue to utilise our strong relationships with Scottish Government and national agencies to support delivery during the crisis but also to influence planning to the benefit of our customers and services. We work closely with our 5 local authority partners to benefit our customers and communities.

## **10. Implementation and deployment**

10.1 Co-ordination of all Group activity continues to be led by the Group CEO and Executive Team with specific deployment in Dunedin Canmore led by the Managing Director.

## **11. Equalities impact**

11.1 None noted.

## **12. Recommendation**

12.1 The Board is asked to note this update.

## Report

**To: - Dunedin Canmore Board**

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

**Approved by: - Stephen Devine, Interim Group Director, Repairs and Assets**

**Subject: - Building Compliance Update**

**Date of Meeting: - 12 November 2020**

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### **1. Purpose**

1.1 This report updates the Board on our building compliance work streams in the current COVID-19 pandemic and on our remobilisation plans.

### **2. Authorising Context**

2.1 Under the Group Authorise/Manage/Monitor matrix, the Board is responsible for the on-going monitoring and scrutiny of our compliance with relevant legislation and regulation. This report provides the Board with an operational update and detail of actions which will be undertaken as soon as practically possible, given the on-going COVID-19 pandemic.

### **3. Risk Appetite and Assessment**

3.1 Our risk appetite relating to building compliance work streams is minimal " i.e. preference for ultra-safe business delivery options that have a low degree of inherent risk and only have a potential for limited reward.

3.2 Risks relating to repairs and maintenance are set out in Dunedin Canmore's risk register. In addition, for all Group RSLs, compliance, such as for gas servicing, is embedded in the Scottish Housing Regulator's reporting requirements.

### **4. Background**

4.1 Our compliance works programmes includes gas servicing, Thermostatic Mixing Valves ("TMVs") , water management including legionella prevention and investment works such as smoke and heat detector upgrades and emergency lighting installations within common areas to Retirement, Amenity, Social and Market Rent developments.

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

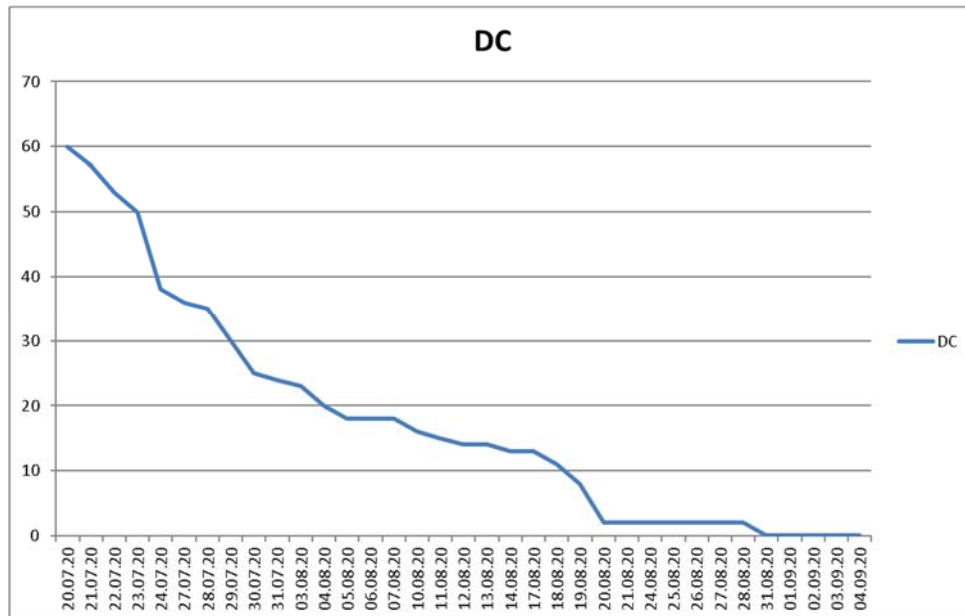
- 4.3 Landlords also have obligations under legislation or approved codes of practice for a variety of building maintenance and inspection activities related to firefighting equipment (risers/sprinklers), lifting equipment, alarm systems etc.
- 4.4 The national response to COVID-19, and in particular the need to minimise contact with others out with your household and for some customers to ‘shield’ has impacted business as usual approaches to compliance works. At the start of lockdown we introduced a life and limb repairs service and restricted our compliance works to critical services and planned preventative maintenance that could be undertaken within landlord controlled areas of premises.
- 4.5 The Health and Safety Executive (“HSE”) updated guidance to social landlords on gas servicing on 8 April 2020 and included criteria which must be evidenced should a landlord be unable to undertake gas servicing within appropriate timescales. Since lockdown, we have developed and introduced an interim gas servicing process. This process reflects the updated HSE guidance and allows us to complete gas services where access is allowed and it is safe for operatives to enter a customer’s home.
- 4.6 The status of our other compliance work programmes is shown below.

<b>Work Stream</b>	<b>Covid Impact</b>	<b>Recommencement Date</b>
TMV maintenance and Installation	Ceased	November '20
Smoke and Heat Detector Upgrades	Ceased	November '20
Emergency Lighting Installations	Ceased	November '20
Periodic Electrical Inspections	Ceased	November '20
Unvented Hot Water Vessels Inspections & Maintenance	Ceased	January '21
Property MOT, Window , Door & Ventilation Inspections & Maintenance	Ceased	November '20
Lift Insurance Inspections	As Normal	As Normal
Proactive Lift Maintenance	As Normal	As Normal
Mechanical and Electrical Works	Statutory Compliance works proceeding within common areas and landlord controlled areas	Works within customers' homes recommenced in October '20

## **5. Discussion**

### **Gas Safety**

- 5.1 The measures to reduce the spread of COVID-19 in the early phases of lockdown had a significant adverse impact on our gas safety performance. Historically, Dunedin Canmore had 100% gas safety compliance (i.e. no outstanding CP12s). In addition to full Compliance, Gas installations and appliances have been serviced and maintained to the highest standards while coupled with significant investment renewal programmes ensured stock was in optimum condition pre lockdown.



- 5.2 Our ability to undertake gas safety inspections between April to June was severely compromised because of the measures that were required to ensure customer and staff safety. This included moving from a more automated appointment based process to one where we explicitly asked permission to enter a customer’s home. As might be expected, nervousness as the pandemic spread meant many customers were reluctant to give permission. In each case, the customer wish and our attempt to gain access were recorded in line with revised HSE guidance.
- 5.3 In May 2020, in response to customer nervousness and in recognition of the need for more proactive engagement to ensure access for gas servicing, we changed our gas service process. The key changes were the introduction of high intensity outbound calling from the Dunedin Canmore Gas Team. This ensured we were able to engage with customers directly with Welfare calls developing a more customer focused dialogue in relation to the pandemic situation while positively relating the message for gas safety.
- 5.4 The early focus of this new approach was on CP12s certificates that had expired in April and May, or were due to expire in June. The approach had instant results with Dunedin Canmore Property Services reporting access rates for gas servicing reaching 93% at first visit compared to around 60% after first appointments, pre-pandemic. This approach has continued with the DCPS Gas team making over 3,500 outbound calls to customers across the East partners, so far.
- 5.5 In early July, as lockdown restrictions eased, our approach to proactively engaging customers was enhanced further through Housing Visit Teams. Staff from these teams have been visiting customers who were proving challenging to engage with to provide further reassurance in an attempt to facilitate access to their homes. Having these teams has also helped with the forced access process for those customers who, despite repeated attempts, have not engaged and allowed access. As a result, the Dunedin Canmore achieved and have maintained full 100% Compliance since 31<sup>st</sup> August 2020.

- 5.6 To ensure continued progress and resilience to any ‘second spike’ we will continue with proactive customer engagement to at least March 21. East Partners are currently reviewing their Gas Servicing programmes and are proactively aiming to move gas servicing cycle to 9 months (rather than the 10 months currently). This will maximise servicing in the months before winter and align cycles with the rest of the Group.

### **Legionella prevention and water management**

- 5.7 Legionella testing is part of our overall water management strategy and is a year round programme. There were some delays in commencement/progress earlier in the year as adjustments were made during the early COVID lockdown, although we anticipate catching this up and all required works being complete this financial year. The focus since lockdown has been on communal tanks rather than individual outlets within customers’ homes.
- 5.8 Our testing regime varies on a site by site basis taking into consideration the water system installed, the type of property and the customer demographic. Works can include visual inspections of the tanks, 2 yearly risk assessments, temperature checks of both the water inlet and of resting water within the tank, bacterial testing which checks the water supply for various bacteria including e-coli and legionella and chemical testing for metal and mineral contents to ensure that water meets the relevant water quality standards as set by the Water Supply (Water Quality) (Scotland) Regulations 2001.
- 5.9 The table below provides details of progress against the annual programme.

Subsidiary	Inspections completed so far	Inspections/Assessments Required	Total	Percentage completion
DC	35	35	35	100%

### **TMV Servicing**

- 5.10 The table below provides the total number of households within this programme across Group.

Business Area	Qualifying Households
<b>DC</b>	993

- 5.11 Prior to COVID-19, this work was planned to run all year. However, in line with our agreed remobilisation plan, we now anticipate an 8-month delay in starting these works. This delay reflects the need for social distancing, the intrusive nature of these works, the potentially vulnerable customer groups within qualifying households (e.g. those containing under 5s or over 75s and retirement sites), and likely reluctance among some customers.
- 5.12 We currently expect to achieve around 25% of our original full programme this year, with the remainder next. To mitigate some of the impact, we have issued personal communication to each household offering advice and assistance as part of our stay safe approach. We have also advised they contact us should they require a repair or a check on their hot water, so we can prioritise any required work.

## **Smoke and Heat Detectors**

- 5.13 This programme was originally planned to run for the full financial year. The planned start in November 2020 will mean we are unlikely to meet the Scottish Government's target date for completion of May 2021, with expected completion around the start of June 2021. We will monitor and manage progress proactively and look to prioritise resources where appropriate to ensure this is completed as soon as practicably possible.
- 5.14 As part of this, we will work closely with DCPS trades team to rationalise address lists for this with other Compliance work streams so we can accelerate programme delivery while minimising customer disruption, adopting a "one and done" where practicable. We will also use our learning from gas servicing on the value of proactive customer engagement where access is required, to ensure these works are completed as quickly as practical. Programme planning is at an advanced stage projecting installations around 150/week access permitting. Letters have been sent to each household offering advice and assistance as part of our stay safe approach, and also asking they contact us should they require a repair or a check on their existing smoke detectors.
- 5.15 The table below provides an update on completions, before work ceased.

Subsidiary	Stock Nos	Total	Percentage
DC	5394	2746	51%

## **Periodic Electrical Inspections**

- 5.16 In May this year, the Scottish Government updated its guidance to social landlords via the Scottish Housing Quality Standards (SHQS), requiring that periodic electrical inspections be undertaken in all properties on a cycle of no more than 5 years. This brings the social housing sector in line with guidance issued to the private rented sector in 2015. The Scottish Government has set the target date of March 2022 for Social Landlords to be compliant.
- 5.17 In relation to compliance and the work required to meet the March 2022 deadline, East Coast Partners have/are
- Since 2015, budgeted for periodic inspections on a 5 yearly cycle.
  - 1500 inspections due to elapse which were all programmed for the full 2020/21 financial year - 40% will slip into next year due to the time constraints resulting from COVID-19
  - Aiming to accelerate the programme restrictions permitting, targeting 100% compliance by March 2022.
  - Adopting "one and done" approach where practicable with other Compliance programmes.

## **Emergency Lighting Installations**

- 5.18 Emergency Lighting installations and maintenance are undertaken within common areas of blocks, with no requirement to access customers' homes. As such, this work stream can be recommenced in October through a combination of Dunedin Canmore's in house teams and our supply chain.

- 5.19 Processes are already in place for notifying customers and colleagues that this work is going to be taking place, and due to the minimal level of direct customer contact involved in completing these works we do not anticipate significant issues with recommencing the programme.

### **Property MOT - Window, Door & Ventilation Inspections/Serviceing**

- 5.20 Property MOTs are budgeted and undertaken over a 3-year Cycle and programmed throughout the financial year.
- 5.21 In order to address the shortfall in this year's programme a 2-year Cycle will be adopted and subject to appropriate levels of access will revert back to a 3-year Cycle as soon as practicable.
- 5.22 Subject to customers allowing access, we do not anticipate, at this time, any issues with these work streams proceeding as originally planned. This will be monitored over the coming months while we await further guidance from Government on the scenarios and timescales for exiting lockdown.

### **Unvented Hot Water Vessels Inspections & Serviceing**

- 5.23 Inspections & Serviceing are programmed for Q4 and we do not anticipate any issues with delivery due to the relatively low volume of inspections required.
- 5.24 Where practicable, the programme will combine with other similar type Compliance work streams e.g. TMV serviceing to minimise customer contact and to optimise resources.

### **Lift Inspections and Maintenance**

- 5.25 Lift inspections by our insurance engineers commenced as normal throughout lockdown and any time related defects that are identified are being actioned by our lift contractors as a priority. Any minor defects or recommendations will be completed as and when business returns to normal
- 5.26 Proactive serviceing of our lifts has been fully maintained at two monthly visits as per contractual obligations and therefore remobilisation will have no impact on this particular work stream for East Partners.
- 5.27 All emergency callouts are being dealt with within timescales and there is continued dialogue with the contractor about any potential issues

### **Mechanical and Electrical Works**

- 5.28 During lockdown our specialist M&E contractor and their supply chain have been working to undertake all statutory compliance works which are accessible within common areas of our blocks or within landlord controlled areas (tank rooms, risers etc.), this work includes water testing, dry riser testing, fire alarm maintenance.
- 5.29 All emergency callouts are being dealt with within timescales and there is continued dialogue with the contractor about any potential issues.

- 5.30 The majority of our M&E equipment is within communal areas of blocks, which has allowed our contractor to catch up quickly on workload that they were unable to undertake due to restrictions in lockdown with minimal inconveniencing for our customers.

### **Communications**

- 5.31 Our experience through the COVID-19 pandemic and beginning to reintroduce services has highlighted the value of proactively engaging customers, particularly where there is nervousness about allowing access to their home.
- 5.32 As we continue to develop our approach to compliance activities in the current operating environment, we will further strengthen communications with customers at each stage to explain:
- what we are doing and why it's important;
  - how we will ensure the work can be carried out safely;
  - what we need them to do; and
  - how they can get in touch to talk to us.
- 5.33 Key messages in all our communications to customers on compliance will be:
- The safety of our customers and staff is our top priority and as a result we are still only able to deliver restricted services
  - The good news is... the continued gradual easing of restrictions means we can now carry out some essential work aimed at keeping you and your home safe
  - Please be assured, while this work is carried out, our staff and contractors will strictly follow guidelines on maintaining social distancing and will wear appropriate PPE
  - This work is a really important part of keeping you and your home safe ...we'll be re-introducing other services just as soon as guidelines allow.
- 5.34 These key messages, supplemented where appropriate with detail of the individual project or work being carried out, will be communicated to customers using a range of channels including telephone calls, on-line, web and social media.

## **6. Key Issues and Conclusions**

- 6.1 Where needed and appropriate we have amended our approach to compliance related works in response to government guidance to prevent the spread of COVID-19 and changing customer attitudes. Throughout the lockdown restrictions, our emphasis has been on ensuring our customers, communities and assets remain safe while we work towards the phased introduction of our wider repairs and compliance services, as restrictions ease.



6.2 We have changed our approach to gas servicing, where we have statutory obligations, to allow us to meet recent HSE guidance to social landlords. Our new approach resulted in compliance of 100% on 31st August 2020. Our planned programme of other compliance work for TMV and smoke and heat detectors is behind plan – because of the difficulties in accessing customer homes. Other programmes including, Emergency Lighting, Property MOT's and Unvented Hot Water Vessels inspections and maintenance are impacted to a lesser extent by the current situation through a combination of requiring limited customer engagement, work having been planned for later in the year and the ability to move – on a temporary basis – to less frequent checks without significant risk.

6.3 While adapting our approach to compliance, and repairs more generally, has its challenges, it has also provided an opportunity to review our delivery model and to accelerate innovation including in addressing no accesses and collaborative working with our delivery partners.

## **7. Value for Money Implications**

7.1 There are no direct value for money implications arising from this report.

## **8. Impact on financial projections**

8.1 The revision to previously planned programmes of work discussed here have been included in updated financial projections.

## **9. Legal, Regulatory and Charitable Implications**

9.1 In considering the current legal implications, the Group has regard for the dialogue that is continuing with key parties including the Scottish Government and SHR.

9.2 The amendments to the Scottish Housing Quality Standards in relation to Periodic Electrical inspections have required us to increase our electrical inspection programme to ensure we meet the target date of March 2022.

## **10. Implementation and deployment**

10.1 Implementation aspects of the various compliance works are discussed throughout this report.

## **11. Partnership Implications**

11.1 The consideration in this report apply to all group partners. DC delivers a compliance service to all East Coast partners.

## **12. Equalities Impact**

12.1 There are no equalities implications associated with this report.

## **13. Recommendations**

13.1 The Board are asked to note the content of this report and agree the proposed approach to compliance related works.

## Report

**To:** Dunedin Canmore Board

**By:** Hazel Young, Managing Director

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

**Subject:** Delivery Plan 2020-21 and Quarter 2 performance

**Date of Meeting:** 12 November 2020

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### **1 Purpose**

1.1 This report updates the Board on the Delivery Plan approach for 2020/21, seeks approval of the associated targets and updates the Board on performance for the end of Quarter 2.

### **2 Authorising context**

2.1 Under the terms of the Group Authorising Framework, the Board is responsible for setting the overall performance framework and approving the delivery plan for each year. Under the Group Authorise, Manage, Monitor Matrix, the Board is responsible for approving regulatory returns including the Charter. It is also responsible for the ongoing monitoring of performance against agreed targets.

2.2 This year's Delivery Plan has been heavily impacted by the pandemic and on this basis the Board agreed a different approach to target setting, including the use of phasing.

### **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 and may only have limited potential reward".

### **4 Background**

4.1 We are in the process of refocusing our strategy, which will now cover the period 2021-26. Given the impact of Covid 19, the Board has previously recognised that 2020/21 will be a transitional/exceptional year and require an interim set of performance measures and targets. These do recognise a number of the themes of our original draft 2020-25 strategy, while also recognising that normal performance has not been possible due to government restrictions.

4.2 As previously reported to the Board, Covid-19 has had a significant effect on business operations across Dunedin Canmore which has impacted on the delivery of our strategy. Updates on operational performance, and the risks associated with working in this environment, have been reported through regular Business Update reports to the Board.

4.3 We continue to review performance and key operational indicators are reported monthly to the Scottish Housing Regulator (SHR) to understand the impact of Covid-19.

## 5 2020-21 Measures and Targets

- 5.1 Prior to lockdown, we had already developed a draft set of measures and targets based on the first year of our 2020-25 strategy. The Group Board have subsequently reviewed these to evaluate the likely impact of Covid-19 on what is achievable this year and what is most important in the light of some of the changes to the strategy currently under discussion.
- 5.2 The full set of proposed measures and targets for 2020/21 is included at Appendix 3. This includes new baselines where appropriate for newly introduced indicators. Key points are set out below:
- 5.3 Customer satisfaction- The Scottish Housing Regulator requires satisfaction surveys to be completed every 3 years. Our last survey was completed in late 2019. As there is no statutory requirement to complete full surveys in 2020/21 we do not intend to do so this year. However, as outlined at the last Board meeting, a separate piece of work will be commissioned to get independent feedback from our customers on how we responded to Covid-19 and obtain feedback on service delivery priorities.
- 5.4 Phased targets – to reflect the challenging environment we have been operating in so far this year, the Group Board agreed in August that we introduce phased targets for a small number of performance indicators based on the following phases.

Phase	Timescale	Commentary
<b>Lockdown/ phase 1</b>	April – June	Targets adjusted to reflect the changes in our services – eg restricted repairs service.
<b>Remobilisation – phase 2</b>	July – December	Targets adjusted to reflect the remobilisation of services across
<b>Business as usual</b>	January – March	Assumed that all services are fully operational – this may need to be revisited in the event of second waves or local lockdowns.

- 5.5 These phases have been applied to the following areas and proposed targets developed for each phase. It is expected that these may be required to be further reviewed in the light of the new Coronavirus (COVID-19): Scotland's Strategic Framework which means Business as Usual is highly unlikely to resume from January as initially planned. A separate agenda item (presentation) will update the Board on the implications of the new Strategic Framework.
- 5.6 *Tenant satisfaction with repairs and maintenance* – we anticipate in-month satisfaction to decline initially as more complex repairs usually result in lower satisfaction and there are more of these as we remobilise. The “phase 2” target is 87% and then the “business as usual” target increases to 93%.
- 5.7 *Days to let* – as we work through the completion of any repairs required to the backlog of vacant properties the time taken to relet properties will be longer in “phase 2”. Thereafter, we expect to come back to near normal levels, although void works will continue to take slightly longer as social distancing and safe working practices continue to be observed.

<b>Lockdown/ Phase 1</b>	<b>Remobilisation/ Phase 2</b>	<b>Business as usual</b>
N/A – no letting	27	15

- 5.8 *Medical adaptations (number of calendar days to carry out)* – there are 13 outstanding adaptation referrals from the beginning of lockdown. These will have a substantial length of time accrued by the time adaptations restart, which we are aiming to do this month.

<b>Phases 1 and 2</b>	<b>Business as usual</b>
N/A	72

- 5.9 *Number of expired gas safety certificates* – there were no expired gas safety certificates by September. The target remains at zero, as we have a legal obligation to carry out this service within timescales. However, in line with other providers, we have begun to force access where people refuse entry. These numbers cannot be reduced because the indicator measures how many times the deadline has been missed.

<b>Lockdown/ Phase 1</b>	<b>Remobilisation/ Phase 2</b>	<b>Business as usual</b>
20	0	0

- 5.10 *Gross rent arrears* – this target has been reviewed to reflect the economic impact Covid-19 has had on our tenants, with a significant increase in the number of people claiming Universal Credit. Our revised target for 2020/21 is proposed at 4.51%.
- 5.11 *Lets to homelessness* – to reflect the importance of this area, it is proposed that the target is increased to 65%.

## 6 Quarter 2 performance

- 6.1 This section outlines our performance as of the end of Quarter 2.
- 6.2 The following table presents Dunedin Canmore’s results for key measures. All measures below and in Appendix 1 are meeting target with the exception of the number of gas safety checks met, despite the exceedingly challenging delivery circumstances during the COVID-19 pandemic.

<b>Indicator</b>	<b>Target</b>	<b>Current Performance (Q2)</b>
Gross Rent Arrears as at %of rent due	4.51%	4.51%
Tenancy Sustainment	90%	93.24%
Average Days to Let (ARC) – Excluding lockdown days	27days	18.7days
Average Emergency Repairs Times (hours)	3	1.39

## 7 Gross Rent Arrears

- 7.1 The level of support we have provided our customers has meant that on Gross Arrears, despite the challenging circumstances over the last few months, Dunedin Canmore Housing has met target at 4.51%. Our revised target of 4.51% has taken into account both the current environment and the on boarding

of former Barony customers. The final transfer of engagement arrangements for ex-Barony customers was concluded on 1<sup>st</sup> September 2020.

- 7.2 We have seen an increase of Universal Credit claims during lockdown. Dunedin Canmore now has a caseload of 956 customers on Universal Credit (an increase of 96 cases since April). UC Customers continue to have a 5 week wait to receive their benefit, which impacts their ability to pay their rent. Many of these people have required individual support from our housing officers and welfare benefit advisors. The Scottish Housing Regulator has been monitoring arrears across Scotland, and report a comparative figure of 6.37%, demonstrating that despite the challenging circumstances over the last six months, Dunedin Canmore's position is stronger than most.
- 7.3 At the end of September, DWP introduced payment alignment for Universal Credit customers, meaning we now receive payment for customers who are on a Managed Payment to Landlord (MPTL) the same day they are paid, rather than the bulk payment normally received 4 weekly. Dunedin Canmore aligned to this new payment arrangement on 28<sup>th</sup> September 2020. This new payment alignment will allow us to monitor Universal Credit arrears more closely, specifically with individual customer accounts. The DWP portal now provides information of dates in which payments are due, allowing housing officers to take early action with any discrepancies.
- 7.4 The chart below illustrates our Gross Rent Arrears over the past 12 months. The chart demonstrates that, although we saw increases in early lockdown, we have now recovered and at the end of Quarter 2 we are meeting our 4.51% target. We aim to reduce gross rent arrears below 4.51% by the end of the year.



- 7.5 The key challenges in the current economic environment and the anticipated rates of unemployment even with the extension of the furlough scheme, will be to ensure early intervention and strong engagement with customers needing assistance with welfare benefits and links to employment pathways. Our reliance on the wraparound services available to our customers will be ever more significant. Housing Officers continue to ensure our customers are aware

of the supports available and this messaging will feature heavily throughout our annual rent campaign.

## **8 Average Days to Let**

- 8.1 Our key focus over the last few months has been to reduce the backlog of voids that resulted from the lockdown. Phase 2 of letting remobilisation commenced on the 17<sup>th</sup> August 2020. We are measuring our average days to let against 2 targets,
- Average days to let – Including lockdown days and;
  - Average days to let – excluding lockdown days.
- 8.2 Our ARC indicator of average days (including lockdown days) of 75.5 days to let shows the real impact the Coronavirus pandemic and lockdown has had on our letting. With letting of properties suspended from 20<sup>th</sup> March through to 17<sup>th</sup> August 2020, other than the provision of additional temporary accommodation units to Local Authorities, honouring pre allocations to resolve homelessness and the acquisition of new build - this level of performance is in line with expectations and it is anticipated that it will reflect the national picture when these statistics become available.
- 8.3 At the end of Q2 Dunedin Canmore has let 153 homes to customers with the highest need. Of the 153 lets, 44 are new build lets. Our average days to let (excluding lockdown days) is 18.7 days against a 27day target.

## **9 Homelessness**

- 9.1 Our overall lets to homeless at the end of Q2 is 63%. As we continue in our commitment to supporting homelessness through the Housing First model we can report that at the end of Q2, there were 64 Housing First tenants housed across the whole Edindex partnership, 35 of them are Dunedin Canmore customers (55%), meaning that we are by far the biggest provider of Housing First tenancies in Edinburgh.

## **10 Tenancy Sustainment**

- 10.1 The percentage of new tenancies sustained for more than a year at the end of Quarter 2 continues to exceed our 90% target at 93.24%. The last time Dunedin Canmore did not meet target in this indicator was 2018, demonstrating the high level of support our Housing Officers and wraparound services offer.

## **11 Anti-Social Behaviour**

- 11.1 There have been 264 anti-social behaviour cases recorded on our streetwise case management system year to date for Dunedin Canmore. In the same period last year there were 153 – a 72% increase. Whilst we have seen an increase in the levels of anti-social behaviour reported to us since lockdown started, around 80% of these complaints relate to low level noise and disturbance that could be directly related to the lockdown circumstances.
- 11.2 Our staff have provided advice, guidance and support throughout lockdown and although it has not been possible to fully resolve these cases due to lockdown restrictions, they have now all been revisited by Housing Officer and our Antisocial Behaviour Intervention and Prevention officers and the appropriate investigations have been undertaken. Our reduced pool of visiting officers are also carrying out anti-social behaviour visits where further action is required.

## **12 Repairs**

- 12.1 Dunedin Canmore has carried out both emergency and non-emergency repairs within target times. At the end of Quarter 2. Dunedin Canmore's average time taken to complete emergency repairs has been 1.39 hours against a 3-hour target. Our non-emergency repairs have been completed in 3.05 days against a 5.5-day target. Our Right First Time target is also being met at 98.24% the end of Quarter 2.
- 12.2 Our % of tenants satisfied with our repairs and maintenance service carried out in the last 12 months is on target at the end of Quarter 2 at 92.46% against an 87% target.
- 12.3 We are gearing up towards full remobilisation of the repairs service from the 2<sup>nd</sup> November, albeit with some exclusions when it's not safe to carry out repair works. For example, when multiple trades are in the customer's home with the customer for a prolonged period of time. An inevitable 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 will be project managed in a co-ordinated way, similar to the approach used in addressing the void backlog, whilst we move towards a full business as usual service.

## **13 Gas Safety**

- 13.1 Our customer's safety has been our primary driver during lockdown. As a landlord responsibility Dunedin Canmore prioritised reducing the backlog of expired gas servicing certificates that arose during the early part of the COVID-19 pandemic. During first few weeks of lockdown there was considerable concern amongst customers about letting trades persons into their homes to carry out works. Targeted and focused efforts from our Housing Officers, colleagues in the Compliance team and our trades team, reduced the number of expired gas safety certificates that arose during lockdown restrictions (in total 122). This meant reassuring our customers that every effort would be made to ensure their safety whilst carrying out works, pooling resources and improving the process around gas safety. As of early September 2020, we have been in a 100% compliant position with no expired gas certificates across Dunedin Canmore properties.
- 13.2 The Charter indicator shows the number of certificates that have expired at any point during the last 12 months and for this reason Dunedin Canmore will report higher than zero figures, due to safety precautions we took for our staff and sensitivity to the concerns of our customers accessing their properties during the lockdown. We have been in discussions with the Regulator about this indicator, but at this time they will not accept amendments so that they can assess and report on the full impact of the COVID-19 lockdown.

## **14. % of payments made**

- 14.1 Dunedin Canmore are reporting, 98.68% of invoices have been paid within timescale this year, comparing slightly below last year's figure of 99.11% but more than exceeding our 96% target. All invoices paid late continue to be highlighted through a weekly report to the Head of Housing.

## 15 **Sickness Absence**

- 15.1 We are reporting low levels of sickness absence. In the year to date Dunedin Canmore Housing has lost an average of 0.86% of working time due to staff absence compared to the target of 3%. This rate remains low due to staff continuing to work from home and the levels of flexibility provided. We suspect this figure may rise with staff returning from furlough and the increasing rates of COVID-19. We will work with staff to make sure they have the support they need to manage attendance and any stress due to the unusual circumstances.

## 16 **Strategic projects – progress at Quarter 2**

- 16.1 Appendix 2 outlines progress on the strategic projects in the Delivery Plan at the end of Quarter 2.
- 16.2 All projects are on track to be delivered on time, with the exception of the Group Homelessness Framework for the reasons set out below:
- **Work with Police Scotland to develop a Group-wide Anti-social behaviour and crime prevention and mitigation Framework** – the draft document is progressing well and as the next step will be circulated to key stakeholders for comment and feedback.
  - **Create a new digitally enabled engagement framework** – a new customer engagement framework is being developed to help support the ambitions in our new 2021-26 strategy – Your Home, Your Community, Your Future. This framework will contain both digital and off-line elements. The new framework will be presented to the Board at its next meeting in February.
  - **Our Group Homelessness Framework** is currently being drafted and will now be brought to the February Board. This delay will allow us to incorporate the outcomes from local authority reviews of their Rapid Rehousing Transition plans. Not all of our key local authorities have completed these yet. In addition, it will take into account the action plan for the recommendations from the Homelessness and Rough Sleeping Action Group.

## 17 **Key issues and conclusions**

- 17.1 This report outlines positive progress in achieving the all but one of performance targets and the delivery of projects, despite the continuing challenges posed by the COVID-19 pandemic and lockdown restrictions that continue to affect business delivery. Key areas of focus during the remainder of the year will be the support to our 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 to customers.

## 18 **Value for money implications**

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

## 19 **Impact on financial projections**

- 19.1 There are no direct financial implications arising from this report.



## **20 Legal, regulatory, and charitable implications**

- 20.1 Registered Social Landlords are required to provide an Annual Return on the Charter to the Scottish Housing Regulator. The key indicators within this return are included in monthly performance reporting. The Board approves the final return and this information is included in the year end performance report to the Wheatley Group Board. We are also required to involve tenants in the scrutiny of performance (this is done through our Group Scrutiny Panel) and to report to tenants annually by October each year.

## **21 Partnership implications**

- 21.1 Reports on the Delivery Plan can be used to identify areas where partnerships need to be strengthened or amended to help Dunedin Canmore achieve its strategic vision.

## **22 Implementation and deployment**

- 22.1 This report provides updates on progress with the Delivery Plan. Any specific projects and actions are subject to separate approval.

## **23 Equalities impact**

- 23.1 There is no direct equalities impact from this report.

## **24 Recommendations**

- 24.1 The Dunedin Canmore Board is asked to approve the phased targets and delivery plan for 2020/21.

## **LIST OF APPENDICES**

Appendix 1: Measures dashboard

Appendix 2: Strategic projects dashboard

Appendix 3: Phased targets for 2020/21

## Appendix 3

### Phased Targets for 2020/21

	Dunedin Canmore Charter Indicators	19/20 Result	19/20 Target	20/21 Target
1	Percentage annual tenants satisfied with the overall service	96%	91%	Not Applicable
2	Percentage annual tenants who feel their landlord is good at keeping them informed about their services and decisions	95%	93%	Not Applicable
3	Percentage complaints responded to in full at Stage 1 and the % complaints responded to in full at Stage 2 - Overall	98.49%	Baseline Year	96%
4	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	Baseline Year	8
5	Percentage annual tenants satisfied with the opportunities given to them to participate in their landlord's decision making processes	94%	90%	Not Applicable
6	Percentage stock meeting the Scottish Housing Quality Standard (SHQS).	99.77%	99.64%	99.0%
7	Percentage annual existing tenants satisfied with the quality of their home	95%	90%	Not Applicable
8	Average time to complete emergency repairs (hours)	1.76	3	3
9	Average time to complete non-emergency repairs (working days)	5.09	5.5	5.5 days
10	Percentage reactive repairs completed right first time	96.82%	95%	95%
11	Number of times in the reporting year that you did not meet your statutory obligation to complete a gas safety check within 12 months of a gas appliance being fitted or its last check.	0	0	0
12	Percentage tenants satisfied with repairs or maintenance carried out in last 12 months	95%	93%	87% to end of December 93% to end of March. Annual target is 90%
13	Percentage annual tenants satisfied with the landlord's contribution to the management of the neighbourhood they live in.	89%	Baseline Year	Not Applicable
14	Percentage of tenancy offers refused during the year	13%	21%	Contextual
15	Percentage of anti-social behaviour cases reported in the last year which were resolved.	100%	Baseline Year	98%

	Dunedin Canmore Charter Indicators	19/20 Result	19/20 Target	20/21 Target
16	Percentage of new tenancies sustained for more than a year - overall	93.79%	93%	90%
17	Percentage of lettable houses that became vacant	7.29%	8%	8%
18	Percentage of rent due lost through properties being empty	0.39%	0.44%	0.44%
19	Number of households currently waiting for adaptations to their home.	6	Contextual	Contextual
20	Total cost of adaptations completed in the year by source of funding (£).	£106,039	Contextual	Contextual
21	Average time to complete approved applications for medical adaptations (calendar days)	8.26	25	72
22	Percentage of court actions initiated which resulted in eviction - overall	35%	25%	33%
23	Percentage of referrals under Section 5, and other referrals for homeless households made by the local authority, that resulted in an offer	85.71%	Baseline Year	Contextual
24	Percentage of offers made to LA Section 5 and other referrals for homeless households that result in a let. (ARC indicator only for Local Authorities)	87.04%	Baseline Year	Contextual
25	Percentage of annual tenants who feel that the rent for their property represents good value for money	88%	83%	Not Applicable
26	Rent collected as % of total rent due	99.18%	99.70%	99.70%
27	Percentage gross rent arrears	4.1%	3.99%	4.51%
28	Average annual management fee per factored property.	£181.42	Contextual	Contextual
29	Percentage of annual owners satisfied with the factoring service	87%	Not set	Not Applicable
30	Average length of time taken to re-let properties (calendar days)	9.68	12	27

## Report

**To:** Dunedin Canmore Housing Board

**By:** Elspeth Lang, Development Manager

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

**Subject:** New Build: Rowanbank, Edinburgh

**Date of Meeting:** 12 November 2020

---

### 1. Purpose

1.1 To seek Board approval to add 33 social rent properties at Rowanbank, Edinburgh to the 5-year development programme.

### 2. Authorising context

2.1 Our Group Development Governance arrangements this Board has a strategic programme role, approving our rolling 5-year development programme. In agreeing the programme, the Board also agree parameters which must be met for each individual project.

2.2 The Group Development Committee is thereafter responsible for the implementation via the detailed scrutiny and project approvals where the proposed development is in the 5-year programme and meets the criteria. Any additions to the 5-year programme must be agreed by this Board and are subject to the normal project approval process via the Group Development Committee thereafter.

### 3. Risk Appetite and assessment

3.1 Our risk appetite for development is open; *“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.)”*

3.2 The developer, Artisan Edinburgh Corstorphine Limited, has borne the risk, and cost, of obtaining all statutory consents, and will be responsible for planning gain payments (Section 75) to the City of Edinburgh Council. A full counterparty risk assessment is undertaken as standard as part of the project approval by the Group Development Committee.

### 4. Background

4.1 The Rowanbank site is located on brownfield land, which was previously a care home, in Corstorphine, West Edinburgh. The site is well connected to Edinburgh’s public transport and cycle network, as well as being within walking distance of local amenities and facilities within Corstorphine.

- 4.2 The properties as proposed look over a new single, large courtyard garden that is accessible to all residents and will include a communal growing space, a potting shed, communal outdoor tables and benches. A large Tesco supermarket is built on the land east of the site. A plan showing site information including its location in relation to Edinburgh and the wider area is attached at **Appendix 1**.
- 4.3 Rowanbank consists of 126 flats, of which 33 will be developed for social rent by DCH. 31 units are required to meet the requirements of City of Edinburgh Council's ("CEC's") Affordable Housing Policy.
- 4.4 As part of the planning process, CEC provided feedback that the proposed mix was not representative of the flat types being developed for private housing. The initial 31 unit mix excluded two 3 bedroom, main door private flats located at ground floor level next to our close, with affordable units located above. With support from CEC, we negotiated and secured the inclusion of the two 3 bedroom flats in the 31 unit affordable provision. This meant that there were two 2 bedroom flats within the main DCH close that were no longer affordable and available for sale to private buyers. With the support of CEC Commuted Sums funding, we secured these two units for affordable housing, creating the current 33 unit housing mix.

## 5. Discussion

- 5.1 Rowanbank is located in the Corstorphine community in West Edinburgh, where demand for social rent properties is high. The site is situated 1-mile from the upcoming development at West Craigs which will provide over 350 affordable homes across three phases.
- 5.2 Our analysis of affordable housing in the area is that there is significant demand for social rented housing in this location. The proposed social rented housing will provide an opportunity to increase supply and help the area remain an affordable place to live. Corstorphine currently has little family sized social housing and very little turnover. EdIndex information confirms:
- 259 bids are received on average for every one bedroom property available in the Corstorphine area.
  - 337 bids are received on average for every two bedroom property available in the Corstorphine area.
  - There have been no recent 3-bedroom lets in the Corstorphine area demonstrating the shortfall in the supply of larger family housing
- 5.3 The composition of the 33 social rent units are summarised below:

Type	Accommodation	Tenure	No of B/room	No of B/space	No
Flat	2a/2p flat	Social	1	2	14
Flat	3a/3p flat	Social	2	3	5
Flat	3a/4p flat	Social	2	4	7
Flat	4a/5p flat	Social	3	5	5
Flat	4a/6p flat	Social	4	6	2
<b>Total social rent units</b>					<b>33</b>

- 5.4 The proposed rents are consistent with the rents in comparably sized DCH social housing. The properties are planned to complete in March 2023 and the rents have included for inflation to 2023/24 using the revised assumptions approved by the Wheatley Board on 18 September 2020.
- 5.5 The Architect appointed for the project is 7N Architects who have successfully worked with DCH previously, including the Westfield project that was delivered by HART Builders. The design meets both our design standards and the Greener Standard. The development will achieve a high energy efficiency standard and will be gas free. Proposals for gas-free heating includes use of an Ecocent system that features internally integrated air source heat pumps, mounted on top of hot water cylinders in each flat. This is a new technology to Group. The proposals have been submitted and reviewed in conjunction with the Dunedin Canmore Investment Team.
- 5.6 The planned date for site start is March 2021 with a 24-month construction programme. Golden brick is programmed to be achieved in September 2021.

## **6. Key issues and conclusions**

- 6.1 The project represents a further contribution in helping to meet our own and the wider Group's Asset Growth plans. The project will also help meet the strategic housing objections of the City of Edinburgh Council to build 20,000 affordable homes in the city.

## **7. Value for money implications**

- 7.1 Our Employers Agent, NBM, has confirmed that the amount the project provides value for money.

## **8. Impact on financial projections**

- 8.1 The individual project approval will be subject to a full financial review against the criteria agreed by the Board as part of the project approval review.

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

- 9.1 Legal support for this project will be provided by Property Legal and Shepherd and Wedderburn

## **10. Partnership implications**

- 10.1 The project has been developed with the support of City of Edinburgh Council who has included it within the current Strategic Housing Investment Plan.
- 10.2 Dunedin Canmore housing management colleagues have both been consulted on the development and are supportive of the proposal.

## **11. Implementation and deployment**

- 11.1 Due to the nature of the timing of this Board and Committee meeting cycle, the project approval is being considered in parallel by the Group Development Committee at its meeting on 12 November. Its project approval is subject to the Board agreeing that it be added to our 5-year programme.

## **12. Equalities impact**

- 12.1 The properties have been designed to meet requirements of Part 1 of Housing for Varying Need.

## **13. Recommendations**

- 13.1 The Board is invited to:
- 1) agree that the Rowan bank project be added to our 5-year development programme; and
  - 2) Note that the project will be subject to the standard Group Development Committee project approval

### **List of Appendices:**

**Appendix 1:** Location Plan, layouts and visuals for the site

# Rowanbank Location

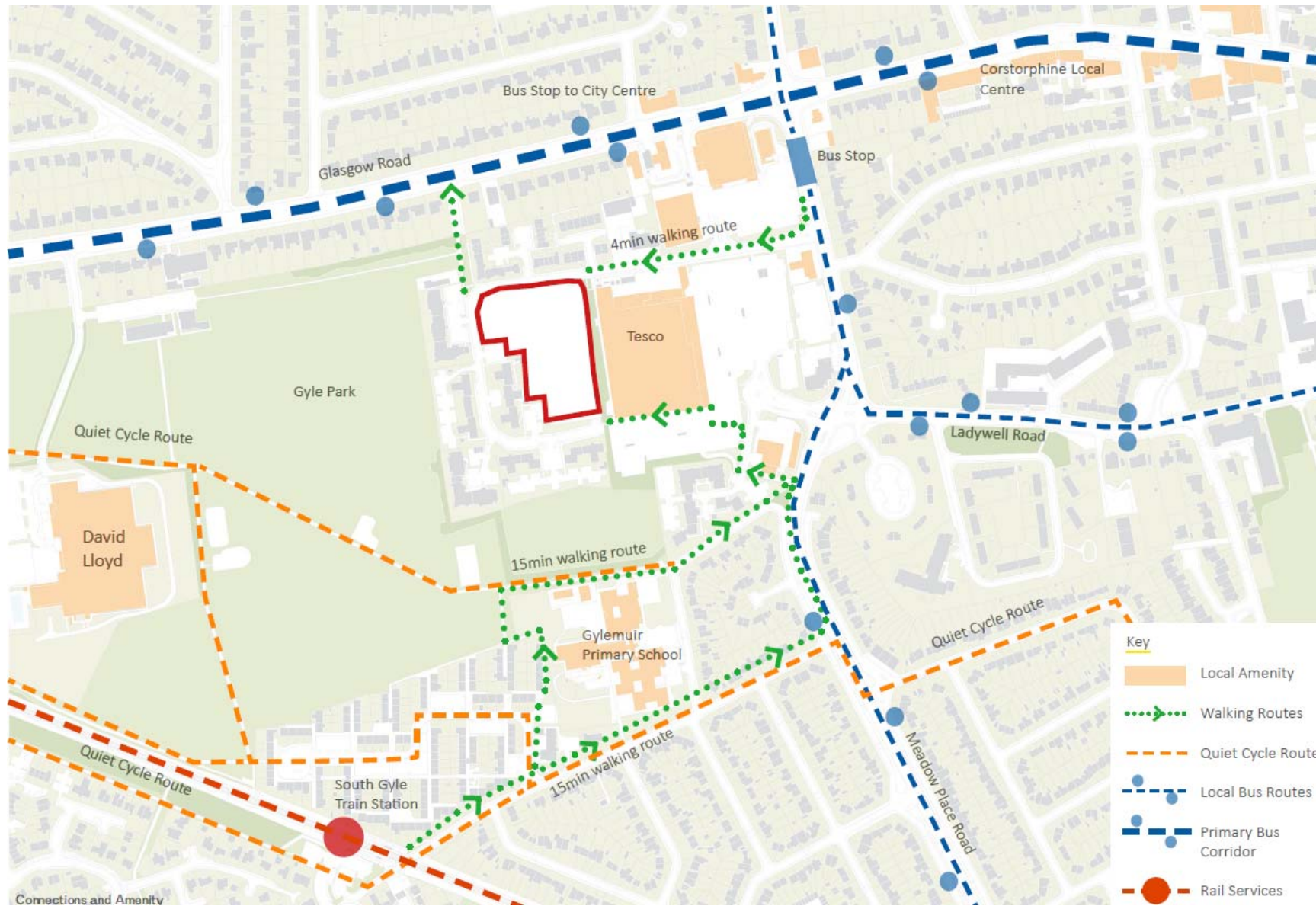




# Rowanbank Site location



# Rowanbank Site location





# Rowanbank Site Plan



Landscape Character Area Diagram

# Rowanbank

## Affordable housing



Landscape Character Area Diagram

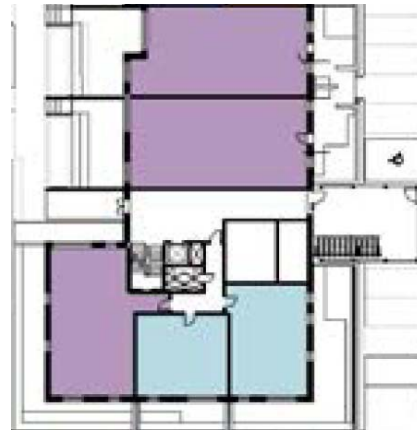
# Rowanbank

## Affordable housing



### Key

- One Bedroom Apartment
- Two Bedroom Apartment
- Three Bedroom Apartment



Ground Floor



First Floor



Second Floor



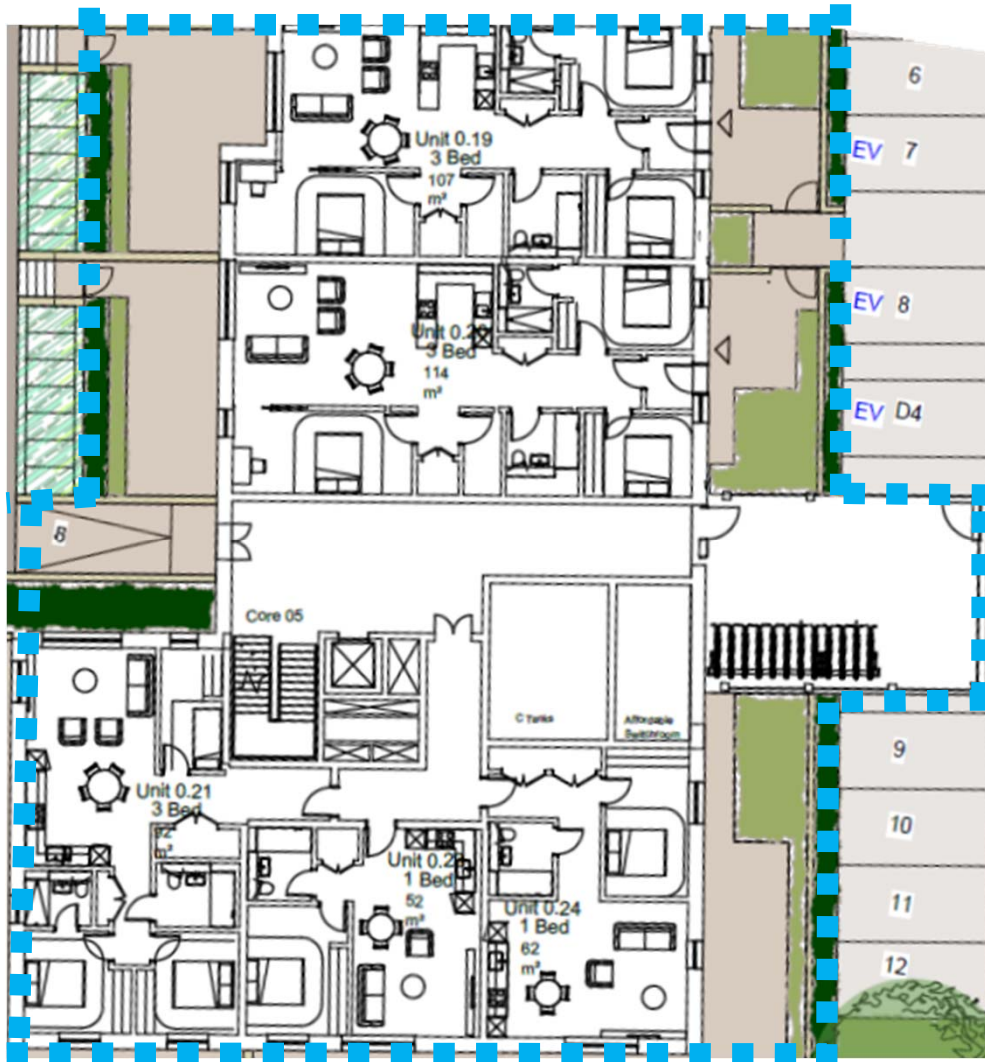
Third Floor



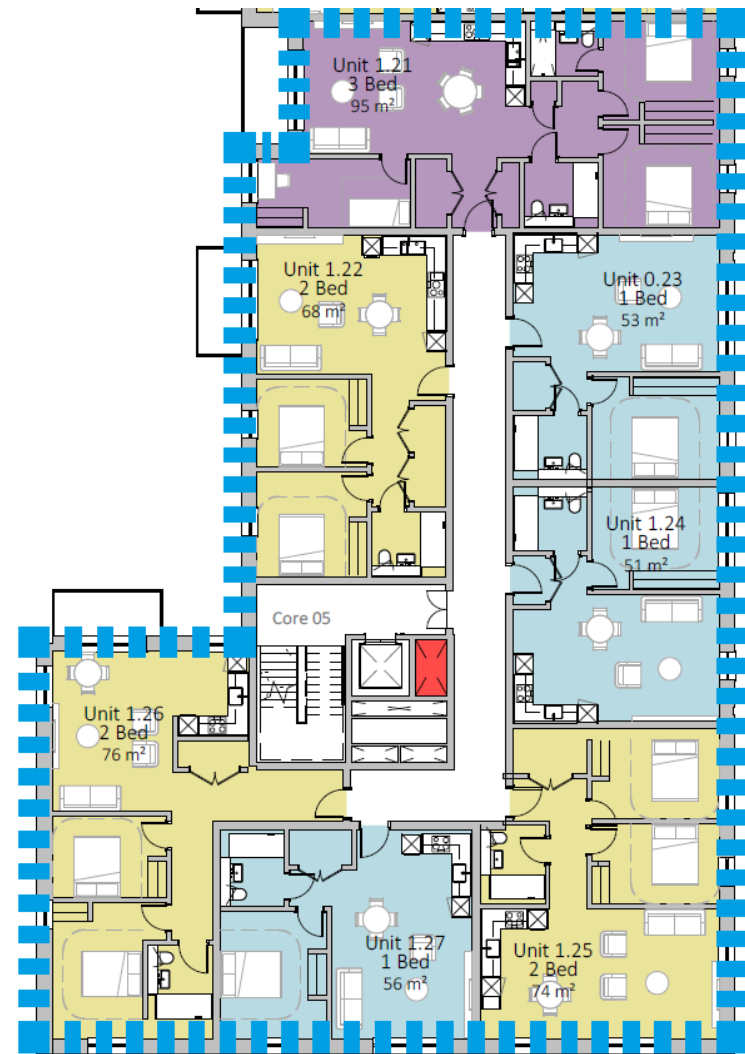
Fourth Floor

# Rowanbank

## Affordable housing



Ground floor plan



First, second, third & fourth floor plan



# Rowanbank Visualisation

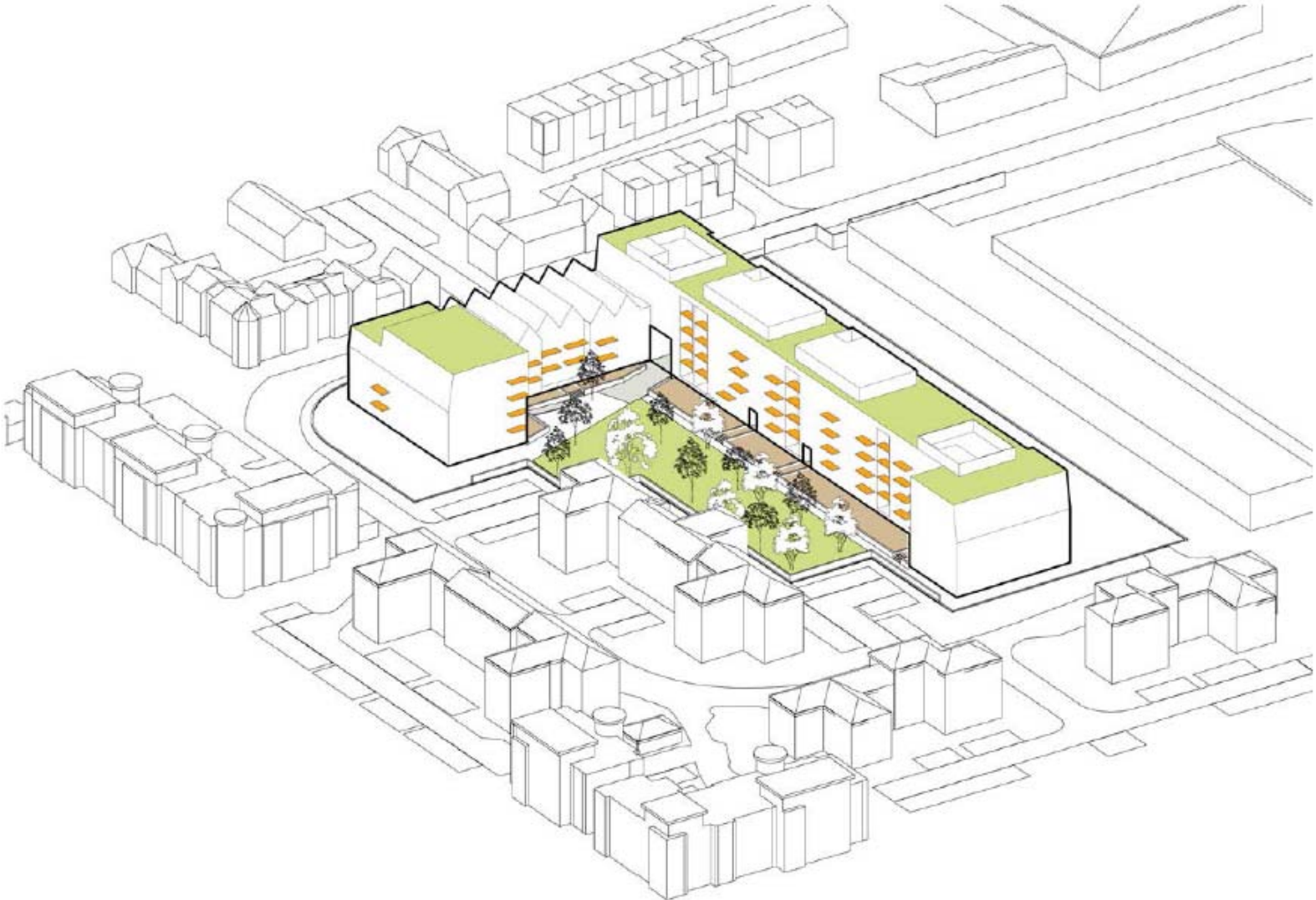




# Rowanbank Visualisation



# Rowanbank Layout – block A





**Rowanbank**  
**Layout – block B**



# Rowanbank Visualisation



Rowanbank  
Visualisation





# Rowanbank Elevations



Southern Elevation



Eastern Elevation

# Rowanbank Elevations



Courtyard Elevation



## Report

**To:** Dunedin Canmore Housing Board

**By:** Elspeth Lang, Development Manager

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

**Subject:** New Build Project: Nursery East, Penicuik

**Date of Meeting:** 12 November 2020

---

### 1. Purpose

- 1.1 To seek Board approval to add of 57 social rent properties at Penicuik, Midlothian to the 5-year development programme.

### 2. Authorising context

- 2.1 Our Group Development Governance arrangements this Board has a strategic programme role, approving our rolling 5-year development programme. In agreeing the programme, the Board also agree parameters which must be met for each individual project.
- 2.2 The Group Development Committee is thereafter responsible for the implementation via the detailed scrutiny and project approvals where the proposed development is in the 5-year programme and meets the criteria. Any additions to the 5-year programme must be agreed by this Board and are subject to the normal project approval process via the Group Development Committee thereafter.

### 3. Risk Appetite and assessment

- 3.1 Our risk appetite for development is open; *“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.)”*
- 3.2 The developer, Cala Management Limited has borne the risk, and cost, of obtaining all statutory consents, and will be responsible for planning gain payments (Section 75) to Midlothian Council.
- 3.3 A full counterparty risk assessment is undertaken as standard as part of the project approval by the Group Development Committee.

### 4. Background

- 4.1 With a population of around 16,000, Penicuik is the largest settlement in Midlothian and is a popular housing location for people working in Midlothian and the City of Edinburgh. It is well served by local amenities including a swimming pool, library, health centres and supermarkets.

- 4.2 It is located 4 miles from the DCH Repairs and Maintenance Depot at Bilston, and is close to existing DCH stock in Bilston, Rosewell. and Bank Street, Penicuik. A plan showing site information including its location in relation to the wider area is attached at **Appendix 1**.
- 4.3 Penicuik has experienced significant growth in recent years with land for over 1,000 new homes identified in the Local Development Plan. Nursery East is located within the Mauricewood expansion area, where there is potential for 385 new homes to be delivered. Cala has an interest in a number of sites in the Mauricewood expansion area. Our 57 unit project represents a first phase of affordable housing provision, which over time may exceed 100 units of affordable housing. Details for the later phases of affordable housing remain to be confirmed.
- 4.4 Midlothian Council as the Strategic Housing Authority is supportive of this development opportunity in Nursery East. The project has been included in the Strategic Local Planning Agreement for grant approval in 2020/21. Development opportunities in Midlothian have been limited in recent years, as the Council have prioritised development sites for their own programme. This project and the Roslin project have been negotiated with the Council for delivery by Dunedin Canmore.

## 5. Discussion

- 5.1 There is high demand for affordable housing in Penicuik. Pressure analysis information shows that there are currently 1,395 households on the MLC waiting list for the area. The housing need is primarily for smaller properties. MLC will bring forward 100% nominations to DCH for this project.

The composition of the social rent are summarised below:

Type	Accommodation	Tenure	No of B/room	No of B/space	No
Flat	2a/2p flat	Social	1	2	12
Flat	3a/3p flat	Social	2	3	10
Flat	3a/4p flat	Social	2	4	6
Flat	2a/2p cottage flat	Social	1	2	16
House	3a/4p house	Social	2	4	13
<b>Total social rent units</b>					<b>57</b>

- 5.2 The proposed social rents are consistent with the rents in comparably sized DCH new build projects.
- 5.3 The design is consistent with the specification agreed with Cala for earlier projects in Balerno, Edinburgh. The energy efficiency standard that will be achieved is Bronze.
- 5.8 Subject to approval, the site will be acquired in February 2021, with supporting Scottish Government grant funding for the acquisition in 2020/21, with the construction contract coming into immediate effect. The duration of the construction contract is 24 months generating a completion date of February 2023. The site will lend itself to phased handovers of completed units.

## **6. Key issues and conclusions**

- 6.1 The project represents a further contribution in helping to meet our own and the Group's Asset Growth plans.

## **7. Value for money implications**

- 7.1 Our Employers Agent, Hardies has confirmed that the amount the project provides value for money.

## **8. Impact on financial projection.**

- 8.1 The individual project approval will be subject to a full financial review against the criteria agreed by the Board as part of the project approval review.

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

- 9.1 Legal support for this project will be provided by Property Legal and Shepherd and Weddburn.

## **10. Partnership implications**

- 10.1 The project has been developed with the support of Midlothian Council who has included it within the current Strategic Housing Investment Plan.

- 10.2 DCH housing management colleagues have been consulted on the development and are supportive of the proposal.

## **11. Implementation and deployment**

- 11.1 Due to the nature of the timing of this Board and Committee meeting cycle, the project approval is being considered in parallel by the Group Development Committee at its meeting on 12 November. Its project approval is subject to the Board agreeing that it be added to our 5-year programme.

## **12. Equalities impact**

- 12.1 The properties have been designed to meet requirements of Part 1 of Housing for Varying Need.

## **13. Recommendations**

- 13.1 The Board is invited to agree that:
- 1) agree that the Penicuik project be added to our 5-year development programme; and
  - 2) Note that the project will be subject to the standard Group Development Committee project approval

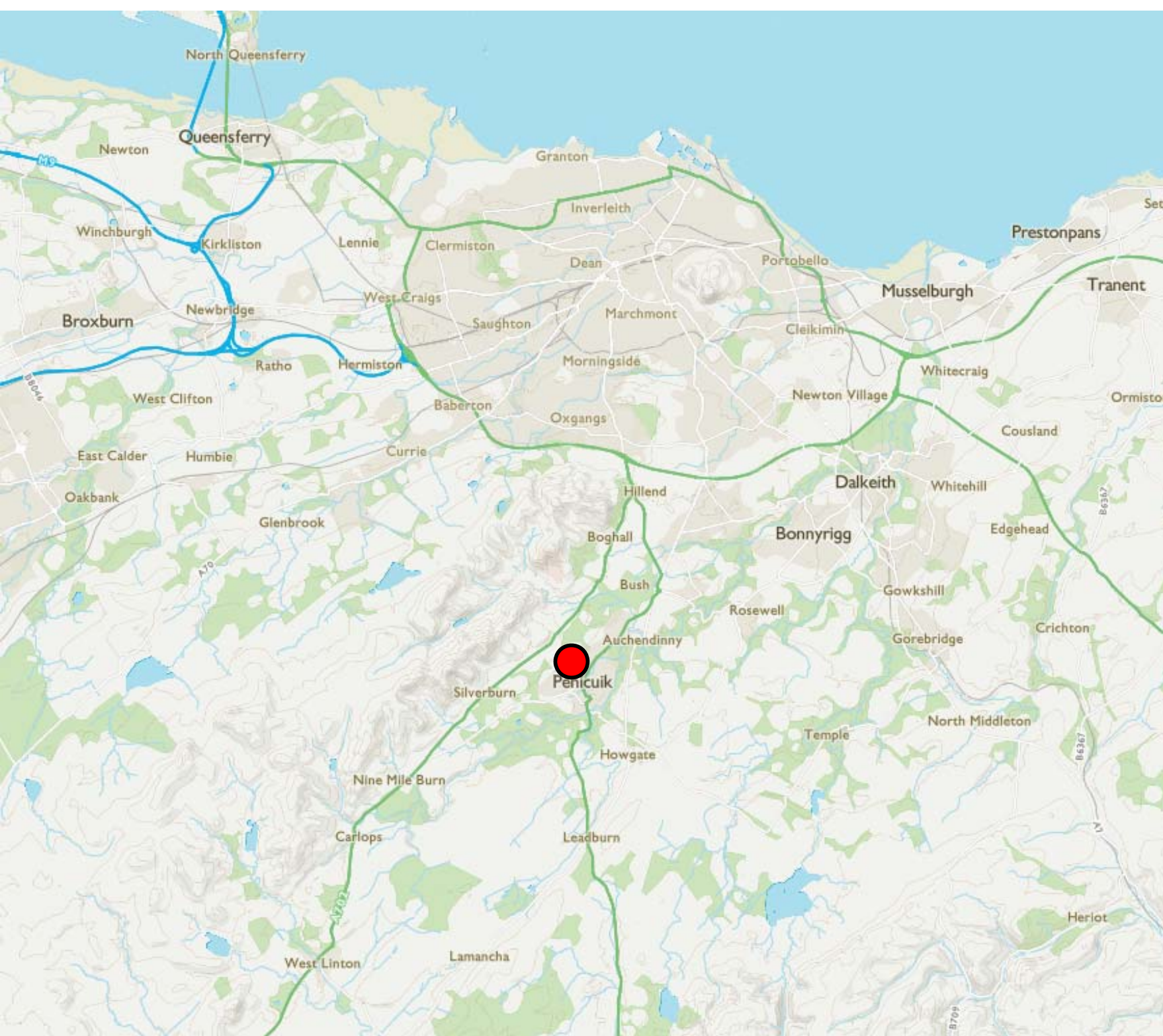
## **List of Appendices:**

**Appendix 1:** Location Plan, layouts and visuals for the site

# **Penicuik new build**

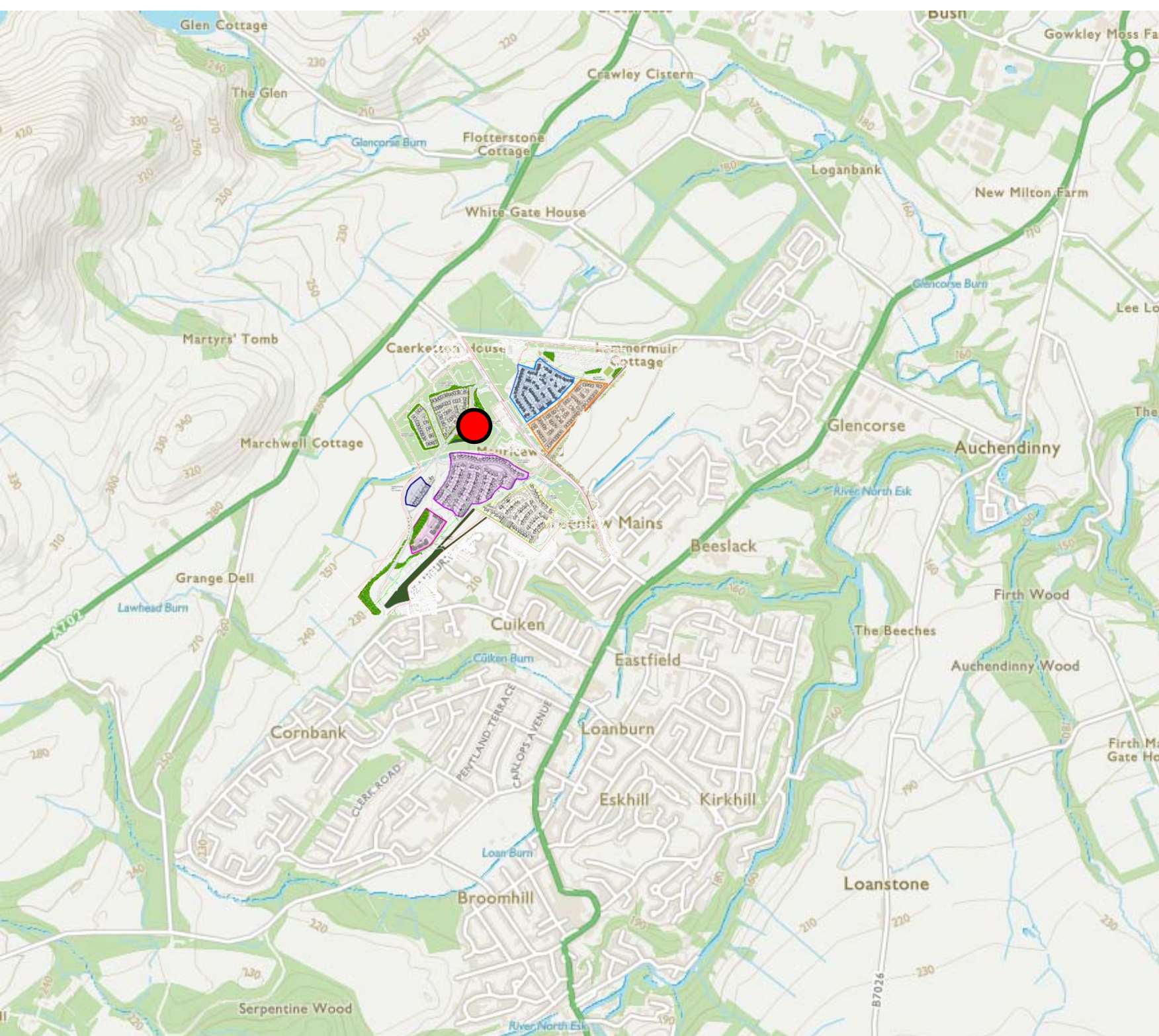
**12 November 2020**

# Penicuik





# Penicuik







site layout



# Completed developments with Cala

## Common Access Flats at Newmills Phase 1, Balerno

Penicuik



**Dunedin**  
**Canmore**



# Completed developments with Cala

Cottages Flats at Ravelrig Road, Balerno

Penicuik



**Dunedin**  
**Canmore**

## Report

**To:** Dunedin Canmore Housing Board

**By:** Elspeth Lang, Development Manager

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

**Subject:** New Build: Roslin Phase 1

**Date of Meeting:** 12 November 2020

---

### 1. Purpose

1.1 To seek Board approval to add 38 social rent properties at Roslin, Midlothian to the 5-year development programme.

### 2. Authorising context

2.1 Our Group Development Governance arrangements this Board has a strategic programme role, approving our rolling 5-year development programme. In agreeing the programme, the Board also agree parameters which must be met for each individual project.

2.2 The Group Development Committee is thereafter responsible for the implementation via the detailed scrutiny and project approvals where the proposed development is in the 5-year programme and meets the criteria. Any additions to the 5-year programme must be agreed by this Board and are subject to the normal project approval process via the Group Development Committee thereafter.

### 3. Risk Appetite and assessment

3.1 Our risk appetite for development is open; *“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.)”*

3.2 The developer, Taylor Wimpey UK Limited has borne the risk, and cost, of obtaining all statutory consents, and will be responsible for planning gain payments (Section 75) to Midlothian Council. A full counterparty risk assessment is undertaken as standard as part of the project approval by the Group Development Committee.

### 4. Background

4.1 Roslin is a small settlement in Midlothian close to the boundary with City of Edinburgh. It has a rich cultural heritage and local amenities including a health centre, small library, two local supermarkets and a Country Park. Further retail amenities are located close by at the Straiton Retail Park. Roslin is located 2 miles from the DCH Repairs and Maintenance Depot at Bilston, and is close to existing DCH stock in Bilston and Rosewell. A plan showing site information including its location in relation to the wider area is attached at **Appendix 1**.

- 4.2 There are a number of new build developments in the vicinity of Roslin. The 38 units proposed in this report form part of a wider private development named Sinclair Park that benefits from being located adjacent to the existing village. In total 228 for sale units are being developed by Taylor Wimpey at the location. In addition to the 38 affordable units in Phase 1, there will be a second phase of 38 affordable units developed at a later date. MLC has stated it may want to deliver Phase 2 directly, although we have requested that DCH is considered as the affordable provider.
- 4.3 Midlothian Council as the Strategic Housing Authority is supportive of this development opportunity in Roslin. The project has been included in the Strategic Local Planning Agreement for grant approval in 2020/21. Development opportunities in Midlothian have been limited in recent years, as the Council have prioritised development sites for their own programme. This project and Penicuik project have been negotiated with the Council for delivery by Dunedin Canmore.

## 5. Discussion

- 5.1 There is high demand for affordable housing in Roslin. Pressure analysis information show that there are only 47 council homes remaining in the area and a waiting list of 1,288 households identified by Midlothian Council. The housing need is primarily for smaller properties.
- 5.2 The composition of the social rent units are summarised below:

Type	Accommodation	Tenure	No of B/room	No of B/space	No
Flat	2a/2p flat	Social	1	2	8
Flat	3a/3p flat	Social	2	3	8
Flat	3a/4p flat	Social	3	4	8
Flat	2a/2p cottage flat	Social	1	2	4
Flat	3a/3p cottage flat	Social	2	3	4
House	3a/4p house	Social	2	4	4
House	4a/4p house	Social	3	4	2
<b>Total social rent units</b>					<b>38</b>

- 5.3 The proposed rents are consistent with the rents in comparably sized DCH new build projects.
- 5.4 The design meets both our design standards and the Greener Standard. The price for design and construction has been subject to commercial negotiation with the developer. Planning has been approved. A minor amendment to building warrant is required to adapt the layouts to meet our requirements.
- 5.5 Subject to approval, the site will be acquired in November 2020. The duration of the construction contract is expected to be 24 months generating a completion date of November 2022. The site will lend itself to phased handovers of completed units.

## 6. Key issues and conclusions

- 6.1 The project represents a further contribution in helping to meet our own and the wider Group's Asset Growth plans.



## **7. Value for money implications**

7.1 Our Employers Agent, Hardies, has confirmed that the project provides value for money.

## **8. Impact on financial projection.**

8.1 The individual project approval will be subject to a full financial review against the criteria agreed by the Board as part of the project approval review.

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

9.1 Legal support for this project will be provided by Property Legal and Shepherd and Wedderburn.

## **10. Partnership implications**

10.1 The project has been developed with the support of Midlothian Council who has included it within the current Strategic Housing Investment Plan.

10.2 DCH housing management colleagues have been consulted on the development and are supportive of the proposal.

## **11. Implementation and deployment**

11.1 Due to the nature of the timing of this Board and Committee meeting cycle, the project approval is being considered in parallel by the Group Development Committee at its meeting on 12 November. Its project approval is subject to the Board agreeing that it be added to our 5-year programme.

## **12. Equalities impact**

12.1 The properties have been designed to meet requirements of Part 1 of Housing for Varying Need.

## **13. Recommendations**

13.1 The Board is invited to agree that:  
1) agree that the Roslin project be added to our 5-year development programme; and  
2) Note that the project will be subject to the standard Group Development Committee project approval

### **List of Appendices:**

**Appendix 1:** Location Plan, layouts and visuals for the site

# **Roslin**

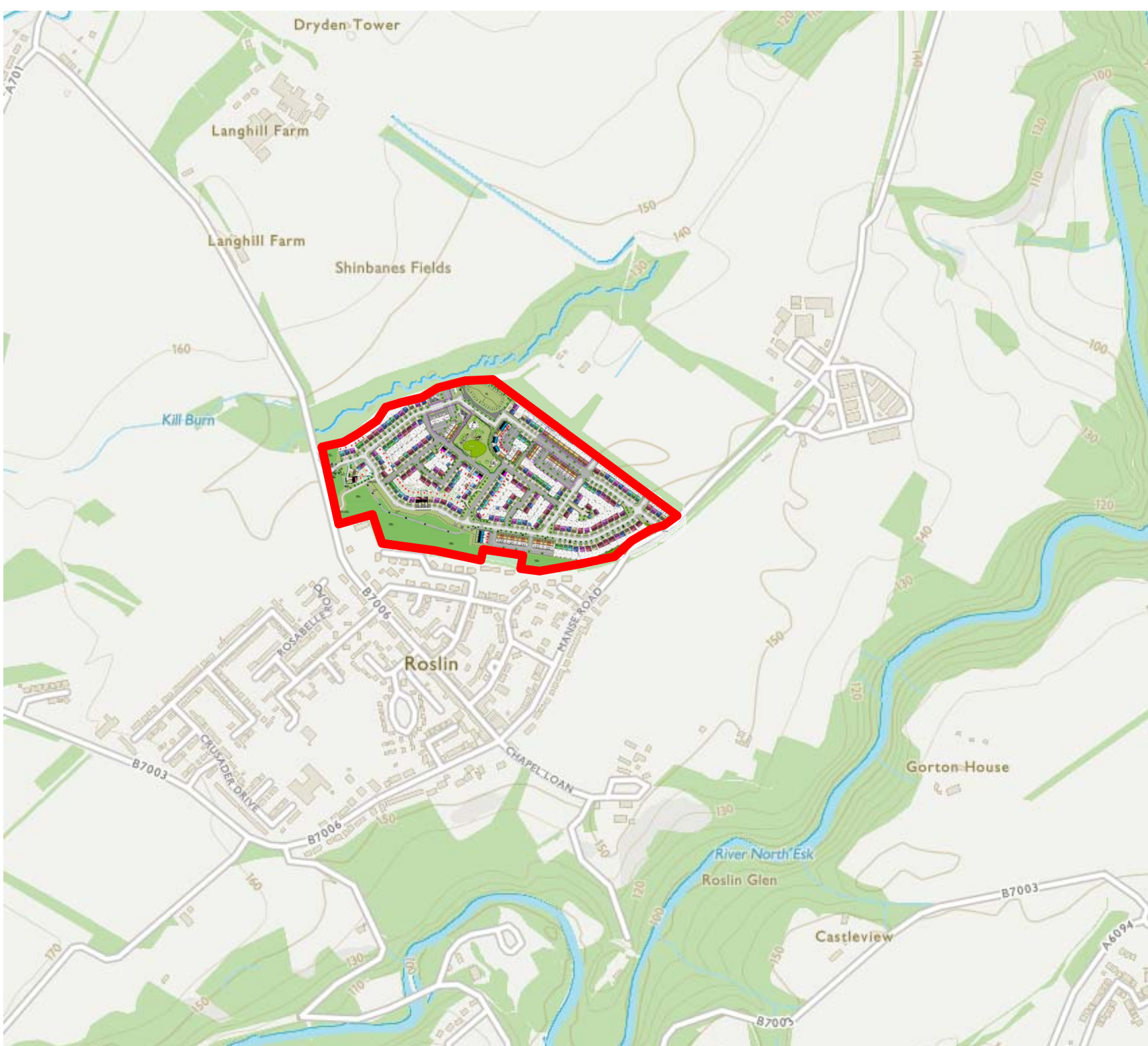
## **Appendix 1**

# Roslin



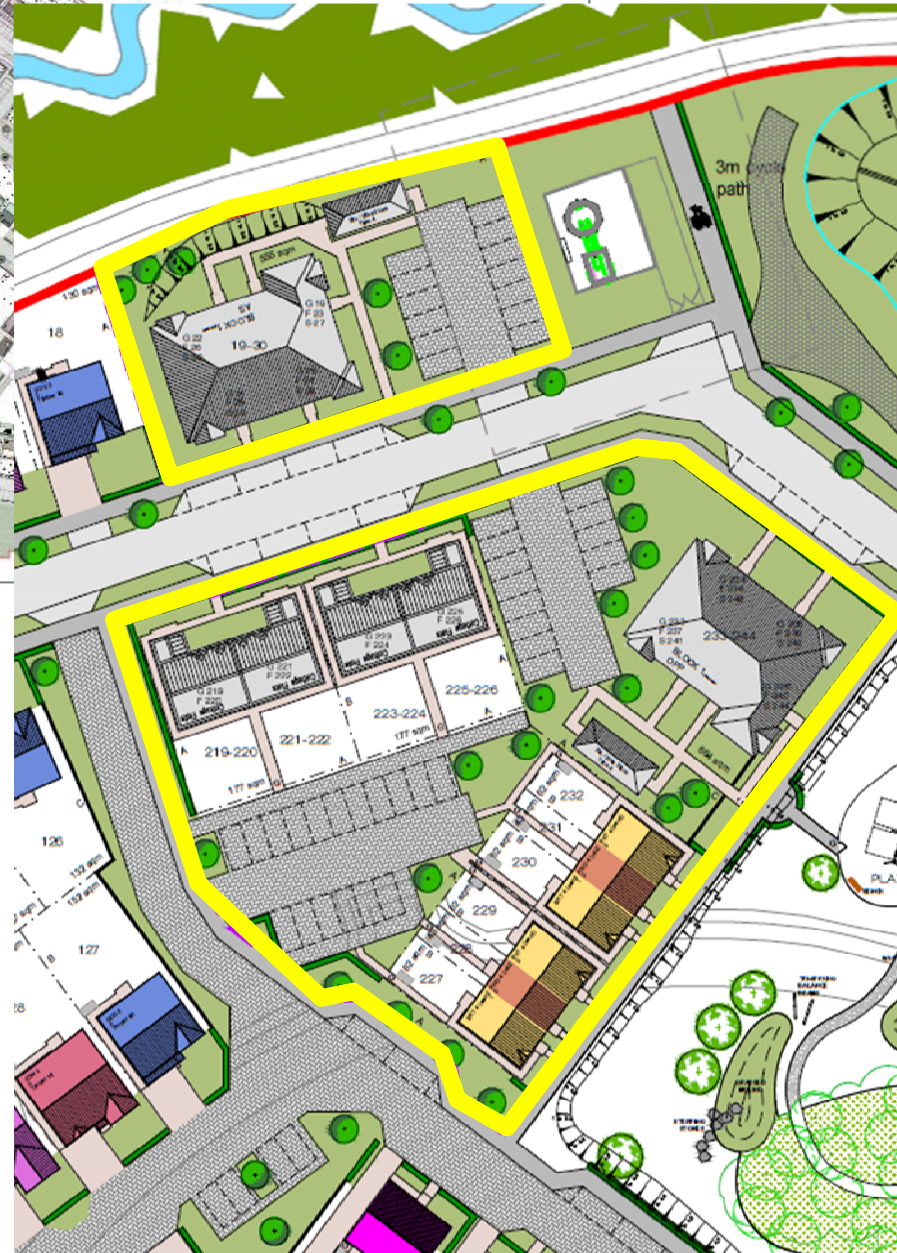


# Roslin





# Roslin



# Roslin



FRONT ELEVATION 4/BLOCK



## Report

**To:** Dunedin Canmore Board

**By:** Morgan Kingston, Finance Manager - Dunedin Canmore

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

**Subject:** Finance Report

**Date of Meeting:** 12 November 2020

---

### 1. Purpose

1.1 The purpose of this report is to provide the Dunedin Canmore Board with an overview of the management accounts for the period to 30 September 2020.

### 2. Authorising 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 budget for the period to 30 September 2020. The appendices provide more detail on the financial results.

### 5. Discussion

#### **Finance Report for Period to 30 September 2020**

5.1 Dunedin Canmore has reported a statutory surplus of £6,585k for the period to 30 September 2020, which is £5,849k favourable to budget.

## Key points to note:

- The main driver of the favourable variance in the statutory surplus is the £5,383k 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). These units were originally due to be completed in period 12 of 2019/20.
- Net rental income is reporting a £611k adverse variance. Gross rent is £531k adverse to budget, the majority of this variance (£405k) relates to rental income from the Barony properties which transferred on 1 September but were budgeted to transfer at the start of the financial year. The remaining variance reflects a refund of service charges relating to cleaning and environmental services which were unable to be delivered in quarter 1 and quarter 2 due to covid-19 restrictions as well as lower than expected new build completions in P12 of 2019/20.
- Other income is reporting an adverse variance of £388k to budget. This is linked the lower levels of recovery of DCPS staff against repair jobs from the operation of a revised business model, which has resulted in unrecovered costs in the service of £355k.
- 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 £849k. The underlying repairs position taking into account the £355k unrecovered costs in DCPS along with repairs savings in the other RSLs that DCPS services amounts to a net saving in repairs in the east subsidiaries of £530k in total. The volume of reactive repair jobs in Dunedin Canmore is 39% lower than the same period last year.

5.2 Dunedin Canmore has reported net capital expenditure of £2,679k for the period to 30 September 2020, which is £1,723k lower than budget. Key points to note are:

- New build spend is reporting spend £5,219k lower than budget, as a result of the Scottish Government instruction to close all construction sites on 23 March, with works recommencing in July.
- Grant income of £1,107k was received in September for the Wisp 3C, Newmills Road, Longniddry and South Gilmerton.
- The core investment programme reports spend £1,501k lower than budget, with a number of investment works being postponed and only essential works being undertaken in the earlier months of the year. A revised programme is now in place.

## 6. Q2 2020/21 Full year forecast

6.1 The Q2 Forecast output for 2020/21 reports a statutory surplus of £7,432k, £5,854k higher than budget and an operating surplus of £15,259k which is £5,802k higher than budget.

- 6.2 The main driver of this favourable variance is forecast HAG income recognised of £5,383k. This relates to 83 units completed during 2020/21 at a number of sites including Beaverbank and Fountainbridge. These units were due to be completed at the end of 2019/20. The original budget assumed there would be no completions during 2020/21. Excluding the delayed grant income, underlying statutory surplus of £2,049k is £470k higher than budget and net operating surplus of £9,876k is £419k higher than budget.
- 6.3 The Gross rental income is forecast to be £531k lower than the original budget. This reflects lower than expected rent receipts as a result of the delay to the 83 new build properties as well as variances relating to the delay in the Barony transfer. In addition, £113k relates to the costs of refunding service charges to customers for cleaning and environmental services which were disrupted in quarter 1 due to coronavirus restrictions.
- 6.4 Other income is forecast to be £388k lower than the original budget. This reflects losses in DCPS due to a lower level of activity against which to recover staff time.
- 6.5 Total operating expenditure is projected to be £1,453k favourable to budget. Employee costs savings of £142k reflect the forecast staff furlough claim to the end of October when the job retention scheme closes. Forecast revenue repairs and maintenance savings of £961k reflect the remobilised repairs service model, with net repairs savings after taking into account the unrecovered staff time in DCPS of £606k.
- 6.6 Net capital expenditure is forecast to be £7,934k lower than budget. Core programme expenditure is expected to be £1,840k lower than the original budget. The majority of variance is attributable to the postponement of a number of planned investment works as a result of the coronavirus epidemic. New build grant income is expected to be £6,413k lower than budget linked to lower new build expenditure which is expected to be £12,507k lower than budget. These variances reflect the revised spend profile after taking account of construction site closures between March and June 2020, and the associated remobilisation measures taken.

## **7. Key Issues and conclusions**

- 7.1 The report informs the Board of the financial performance against year to date budget. The statutory surplus of £6,585k is £5,849k favourable to budget.

## **8. Value for Money implications**

- 8.1 Delivery of our cost efficiency targets is a key element of continuing to demonstrate value for money. The forecast statutory surplus of £7,432k is £5,854k favourable to budget.

## **9. Impact on financial projections**

- 9.1 The 2020/21 Business Plan was approved by the Board at the February 2020 meeting and forms the basis for the 2020/21 budget. The emergence of COVID - 19 and the lockdown imposed by the UK and Scottish Government in March 2020 has required us to make significant changes to the way we deliver services to our customers and the operation of the business.

The financial projections have been updated and the quarter 2 forecast reflects the most recent expectation of the full year financial out-turn.

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

10.1 No implications.

**11. Equalities impact**

11.1 Not applicable.

**12. Recommendation**

12.1 The Board is requested to note the management accounts for the period to 30 September 2020.

**LIST OF APPENDICES**

**Appendix 1:** Finance report - year to 30 September 2020



# Period to 30 September 2020 Finance Report

# 1) Period 6 YTD – Operating Statement

	Year to 30 September 2020			Full Year
	Actual £ks	Budget £ks	Variance £ks	Budget £ks
<b>INCOME</b>				
Rental Income	14,599	15,129	(531)	30,153
Void Losses	(281)	(201)	(80)	(363)
<b>Net Rental Income</b>	<b>14,317</b>	<b>14,928</b>	<b>(611)</b>	<b>29,791</b>
HAG Recognised in the Year	5,383	0	5,383	0
Other Income	950	1,338	(388)	2,853
<b>TOTAL INCOME</b>	<b>20,651</b>	<b>16,266</b>	<b>4,385</b>	<b>32,643</b>
<b>EXPENDITURE</b>				
Employee Costs - Direct	2,206	2,333	127	4,667
ER/VR	7	0	(7)	-
Employee Costs - Group Services	764	830	66	1,679
Direct Running Costs	1,643	1,780	137	3,398
Running Costs - Group Services	391	528	137	1,071
Revenue Repairs and Maintenance	1,163	2,012	849	4,279
Bad Debts	127	145	18	290
Depreciation	3,808	3,901	92	7,801
<b>TOTAL EXPENDITURE</b>	<b>10,109</b>	<b>11,528</b>	<b>1,418</b>	<b>23,186</b>
<b>NET OPERATING SURPLUS / (DEFICIT)</b>	<b>10,541</b>	<b>4,738</b>	<b>5,803</b>	<b>9,457</b>
<i>Net Operating Margin</i>	51%	29%	22%	29%
Interest receivable	1	6	(6)	13
Interest payable	(3,956)	(4,008)	52	(7,891)
<b>STATUTORY SURPLUS / (DEFICIT)</b>	<b>6,585</b>	<b>736</b>	<b>5,849</b>	<b>1,579</b>

## Key highlights year to date:

- Net operating surplus of £10,541k is £5,803k favourable to budget. Statutory surplus for the period to 30 September is £6,585k, £5,849k favourable to budget.
- The main driver of the variance is the £5,383k 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). These units were originally due to be completed in period 12 of 2019/20.
- Net rental income is reporting a £611k adverse variance. Gross rent is £531k adverse to budget, the majority of this variance (£405k) relates to rental income expected from the units originally budgeted to be transferred from Barony HA on 1 April. These units were transferred on 1 September. The remaining variance includes a refund of service charges relating to cleaning and environmental services which were impacted by the covid-19 restrictions in quarter 1 as well as the delay to new build completions in P12 of 2019/20.
- Other Income is £388k adverse to budget. This is as a result of DC Property Services (“DCPS”) generating a loss of £355k in the YTD against a budgeted profit of £33k due to a lower level of activity against which to recover staff time.
- Total expenditure is £1,418k favourable to budget. Of this favourable variance £193k is linked to the Barony units. Direct staff costs include a claim of £166k from the Job retention scheme.
- The largest variance relates to repairs and maintenance costs which are £849k favourable to budget. Of this variance £51k relates to Barony and the remaining variance is a result of 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 £355k within other income leaving net repairs costs \$94k lower than budget. The volume of reactive repair jobs is 39% lower than the same period last year.
- Interest expenditure is £52k favourable to budget. Borrowings are linked to the new build and core investment programmes.
- Investment expenditure on existing properties is £1,501k 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 £2,398k is £5,219k lower than budget as a result of construction site closures between March and June.

	Year to 30 September 2020			Full Year
	Actual £ks	Budget £ks	Variance £ks	Budget £ks
<b>INVESTMENT</b>				
<b>Total Capital Investment Income</b>	<b>1,107</b>	<b>6,094</b>	<b>(4,987)</b>	<b>15,135</b>
Total Expenditure on Core Programme	1,217	2,717	1,501	5,437
New Build & Other Investment	2,398	7,617	5,219	23,925
Other Capital Expenditure	172	161	(10)	350
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>3,786</b>	<b>10,495</b>	<b>6,710</b>	<b>29,712</b>
<b>NET CAPITAL EXPENDITURE</b>	<b>2,679</b>	<b>4,402</b>	<b>1,723</b>	<b>14,577</b>



## 2) Period 6 - Property Services Operating Statement

	Year to 30 September 2020			Full Year Budget £ks
	Actual £ks	Budget £ks	Variance £ks	
<b>INCOME</b>				
Internal Subsidiaries	3,020	5,796	(2,776)	11,883
External Customers	0	109	(109)	219
<b>TOTAL INCOME</b>	<b>3,020</b>	<b>5,905</b>	<b>(2,885)</b>	<b>12,102</b>
<b>COST OF SALES</b>				
Staff	915	1,843	928	3,686
Materials	245	1,535	1,290	3,344
Subcontractor & Other Costs	1,265	1,350	85	2,700
<b>TOTAL COST OF SALES</b>	<b>2,425</b>	<b>4,728</b>	<b>2,303</b>	<b>9,729</b>
<b>GROSS PROFIT/(LOSS)</b>	<b>595</b>	<b>1,178</b>	<b>(583)</b>	<b>2,373</b>
Margin %	20%	20%	0%	20%
Overheads	950	1,144	195	2,288
<b>NET PROFIT/(LOSS)</b>	<b>(355)</b>	<b>33</b>	<b>(388)</b>	<b>85</b>
<b>Staff Utilisation</b>	<b>Year to 30 September 2020</b>			
	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	
	<b>%</b>	<b>%</b>	<b>%</b>	
Billable Work	32.0%	79.5%	-47.5%	
Travel Time	4.7%	11.2%	-6.5%	
Sick Leave	1.4%	3.8%	-2.4%	
Multi-Operative College Training	0.0%	1.4%	-1.4%	
Stocktake	0.0%	0.2%	-0.2%	
Internal Meetings	0.0%	0.8%	-0.8%	
Specific Identified Training	0.0%	1.1%	-1.1%	
Van Allowance	0.1%	0.2%	-0.1%	
Special Leave	0.4%	0.7%	-0.3%	
Covid 19 Eat well	1.1%	0.0%	1.1%	
Covid 19 Down-time	23.0%	0.0%	23.0%	
Covid 19 Isolation	1.3%	0.0%	1.3%	
Covid 19 leave of absence	35.0%	0.0%	35.0%	
Other	0.9%	1.1%	-0.2%	
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.0%</b>	

Classified as Internal

### Key highlights year to date:

- In the year to 30 September DCPS is reporting a deficit of £355k, which is £388k lower than budget. It should be noted that whilst the workshop has reported a loss, there are significant savings against budget for repairs within Dunedin Canmore, Barony and WLHP totalling £918k across the three subsidiaries leaving a net saving in repairs costs in the east subsidiaries together, after taking account of the loss in property services, of £530k.
- Income of £3,020k in the year is £2,885k adverse to budget which is a result of the revised operating model which has reduced the workload demand in property services.
- Correspondingly, cost of sales are reporting a £2,303k favourable variance to budget. Staff costs within cost of sales of £915k include £693k claimed from the Coronavirus Job Retention Scheme for DCPS trades staff.
- Gross profit of £595k is £583k adverse to budget.
- Overhead expenditure includes vehicle rent and running costs, rates, insurance and other staff and office related costs. These are £195k favourable to budget for the year, largely as a result of a further £178k we have received from HMRC's Job Retention Scheme for DCPS management and support staff.

### Staff Utilisation

- The labour rate charge assumes a staff "utilisation" rate of 79.5%, after stripping out holiday allowance i.e. 79.5% of an operative's time should be delivering repairs to customers. The remaining 20.5% allowance is for travel, training, sickness, and other downtime requirements.
- Billable work for period 6 is 32.0%, which is 47.5% lower than budgeted assumptions.
- Down-time in relation to the coronavirus epidemic accounts for 60.4% of all staff time. This includes an overall 35.0% of time relating to employees who have been furloughed.

### 3) Period 6 – Dunedin Canmore Harbour



	Year to 30 September 2020			Full Year
	Actual £ks	Budget £ks	Variance £ks	Budget £ks
<b>INCOME</b>				
Rental Income	411	381	30	762
Void Losses	(27)	(19)	(8)	(38)
<b>Net Rental Income</b>	<b>384</b>	<b>363</b>	<b>22</b>	<b>726</b>
Local Authority Contract Income	181	181	0	361
Other Income	11	3	8	13
<b>TOTAL INCOME</b>	<b>576</b>	<b>547</b>	<b>30</b>	<b>1,101</b>
<b>EXPENDITURE</b>				
Employee Costs	404	357	(47)	714
Direct running Costs	118	134	16	269
Revenue Repairs and Maintenance	13	18	5	36
Bad Debts and Depreciation	5	0	(5)	0
<b>TOTAL EXPENDITURE</b>	<b>540</b>	<b>509</b>	<b>(31)</b>	<b>1,018</b>
<b>NET OPERATING SURPLUS / (DEFICIT)</b>	<b>36</b>	<b>38</b>	<b>(2)</b>	<b>82</b>

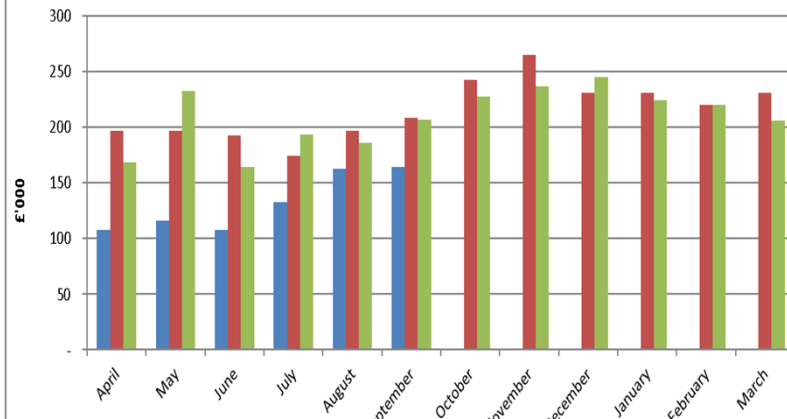
#### Key highlights year to date:

- Net operating surplus of £36k is £2k adverse to budget.
- Net rental income of £384k is £22k favourable to budget in the year to date.
- Employee costs of £404k are £47k adverse to budget. This is a result of higher than budgeted agency staff costs as well as 3 relief workers being offered 4 month temporary contracts up to the end July. This was as a result of a number of staff either shielding and working from home or self-isolating and therefore additional resources were required in order to maintain sufficient staffing levels.
- Running costs of £118k include insurance, travel, safety equipment, printing, stationary and mobile costs. Costs are £16k favourable to budget in the year to date.
- Repair and maintenance expenditure of £13k is £5k favourable to budget.

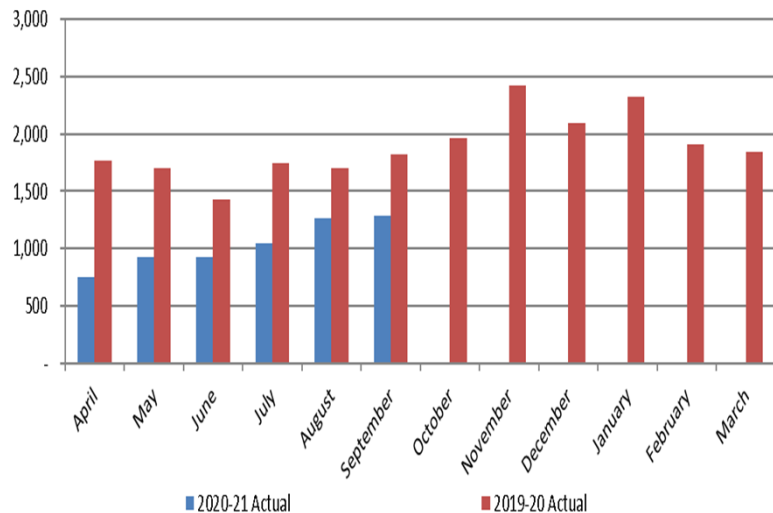
## 4) Management Information – Repairs

	Year to 30 September 2020			Full Year
	Actual £ks	Budget £ks	Variance £ks	Budget £ks
Reactive	790	1,165	375	2,586
Cyclical	373	847	474	1,693
	<b>1,163</b>	<b>2,012</b>	<b>849</b>	<b>4,279</b>

Reactive Repair Spend per Month



Number of Reactive Repair Jobs per Month



### Comments:

#### Reactive Repairs

- Reactive repairs spend in the year to 30 September is £790k against a budget of £1,165k, £375k favourable to budget.
- Under the revised operating model, it is expected that spend would be significantly lower than budget.
- The volume of jobs is 39% lower than the same period in the prior year.

#### Cyclical Repairs

- Cyclical repairs spend of £373k has been incurred in the YTD, £474k favourable to budget.
- The main work-stream in the year has been gas servicing.

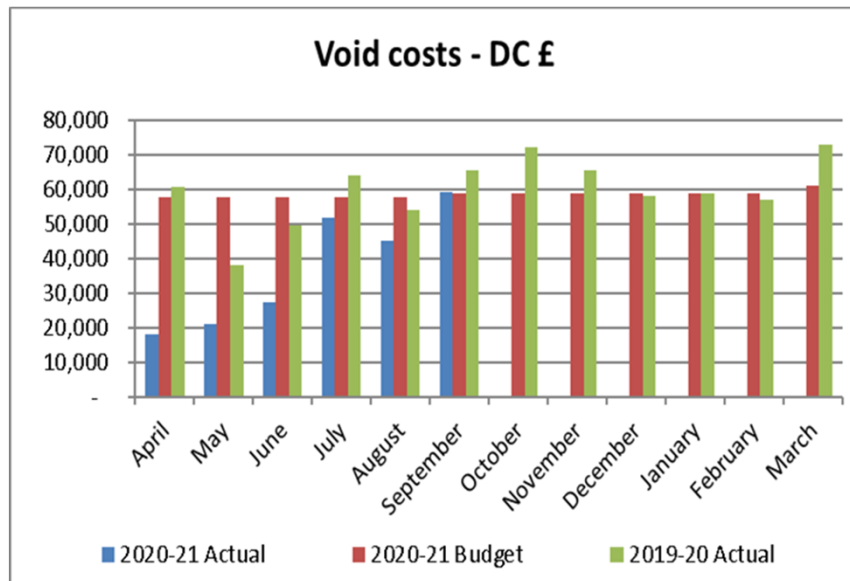
## 5) Management Information – Investment

	Year to 30 September 2020			Full Year
	Actual £ks	Budget £ks	Variance £ks	Budget £ks
Void	222	353	131	708
Major	621	1,994	1,374	3,988
Capitalised Staff	379	395	17	791
<b>TOTAL</b>	<b>1,221</b>	<b>2,743</b>	<b>1,522</b>	<b>5,487</b>

### Comments:

#### Investment

- Major Repairs spend for the period to 31 August is £621k against a budget of £1,994k, a favourable variance of £1,374k. Expenditure includes a number of high value essential roof repairs.
- The lower than budgeted expenditure reflects the current operating model as a result of the Coronavirus epidemic.
- Investment covers all areas of our properties and external environment.



#### Void repairs

- Void costs of £222k have been incurred to the end of period 6 against a budget of £353k. This is £131k favourable to budget.
- Void costs, which include repairs and maintenance to extend the life of the properties, are capitalised in line with Group policy.

## 6) Management Information – New Build Programme

Development Name	Year To Date (£'000)			FY Budget
	Actual	Budget	Variance	
ABERLADY	-	34	34	34
BEAVERBANK	164	-	(164)	151
BONNYRIGG	-	-	-	74
CRAIGMILLAR	177	-	(177)	0
DEWARPARK	46	-	(46)	0
DUNDAS STREET	-	-	-	75
EDMONSTON	-	-	-	147
FASIDE	56	-	(56)	0
FOUNTAINBRIDGE	54	-	(54)	82
GAVIESIDE PH 1	-	-	-	230
GREENDYKES	10	-	(10)	323
GREENDYKES PH5	-	-	-	46
GULLANE	2	-	(2)	61
KIRKLISTON	-	149	149	1,944
LANARK RD	-	-	-	22
LANG LOAN	339	68	(271)	159
LONGNIDDRY	386	600	214	900
MACMERRY	-	1,108	1,108	3,522
NEWMILLS RD PH2	402	1,551	1,150	3,103
NEWTONGRANGE	-	-	-	33
RAVELRIG ROAD	-	75	75	75
SOUTH GILMERTON	245	2,614	2,369	5,080
WALLYFORD PH 2	-	247	247	3,186
WESTCRAIGS1	120	-	(120)	129
WESTCRAIGS2	88	-	(88)	110
WESTCRAIGS3	-	-	-	258
WISP 3C	188	996	807	3,834
Capitalised staff costs	121	174	53	348
<b>Total Cost</b>	<b>2,398</b>	<b>7,617</b>	<b>5,219</b>	<b>23,925</b>
<b>Grant Income</b>	<b>1,107</b>	<b>6,094</b>	<b>(4,987)</b>	<b>15,135</b>
<b>Net New Build Costs</b>	<b>1,291</b>	<b>1,523</b>	<b>232</b>	<b>8,790</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.
- We received £1,107k of grant income in period 6 for the Wisp 3C, Newmills Road, Longniddry and South Gilmerton.
- In the year to period 6, £5,383k of HAG income has been 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). These units were originally due to be completed in period 12 of 2019/20.
- All units which were not completed at the end of 2019/20 are now complete.

### New Build

- Expenditure of £2,398k is £5,219k lower than budget. This is in line with expectations given the fact that all sites were closed between March and June. All sites have now re-opened and we have seen spend at a number of sites.
- Expenditure of £339k has been incurred at Lang loan against a budget of £68k. This reflects that fact that the final 7 units were completed in 2020/21 but the costs were included in the 2019/20 budget.
- Spend of £208k across the 3 Westcraigs sites has been incurred in the year to date which is £208k ahead of budget. This site has come forward with expenditure originally budgeted to start in P7.
- Greenbank and Lang Loan, Morrison Crescent and Beaverbank are now complete.
- The spend for Craigmillar and Dewarpark relates to retention payments .

## 7) Balance Sheet

	30 September 2020 £'000	31 March 2020 £'000
<b>Fixed Assets</b>		
Social Housing Properties	332,307	332,501
Other Fixed Assets	5,706	5,534
Investment Properties	<u>28,561</u>	<u>28,561</u>
	366,573	366,596
<b>Current Assets</b>		
Stock	408	334
Trade & Other Debtors	6,051	5,123
Cash & Cash Equivalents	<u>4,090</u>	<u>4,273</u>
	10,549	9,730
<b>Creditors: within 1 year</b>		
Trade Creditors	(298)	(344)
Accruals & Deferred Income	(8,691)	(11,435)
Prepayments of Rent and Service Charge	(1,202)	(1,007)
Other Creditors	(3)	(108)
Amounts due to Group Undertakings	<u>(4,625)</u>	<u>(4,212)</u>
	(14,820)	(17,106)
<b>Net Current Liability</b>	<b>(4,271)</b>	<b>(7,376)</b>
<b>Long Term Creditors</b>		
Loans	(33,163)	(33,163)
Amounts due to Group Undertakings	(131,342)	(134,845)
Pension Liability	(751)	(751)
<b>Net Assets</b>	<b><u>197,046</u></b>	<b><u>190,461</u></b>
<b>Capital and Reserves</b>		
Share Capital	-	-
Revenue Reserve	197,046	190,461
<b>Association's funds</b>	<b><u>197,046</u></b>	<b><u>190,461</u></b>

### Comments:

- The balance sheet as at 31 March 2020 has been updated to reflect the 2019/20 statutory accounts now the results have been finalised and audited. No change in the pension asset is assumed during the year for management accounts purposes as the valuation is carried out annually. The actuarial valuation for the 2019/20 year end reported a £0.8m pension liability.
- The value of our **fixed assets** reflects additions in the year less depreciation.
- **Trade & other debtors** of £6.1m include an intercompany balance of £3.1m and net rent arrears of £0.2m (after bad debt provision).
- **Cash at Bank** – At 30 September Dunedin Canmore had £4.1m 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 £14.8m includes £4.6m due to other Wheatley entities and £8.7m 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 £164.5m relate to funding drawn down from WFL1, and external funding of £33.2m due to THFC and Allia (inclusive of rolled up interest charges). A repayment of £3.5m to WFL1 was made in April 2020.



## 8) Quarter 2 Forecast to 31 March 2021

	2020/21 Budget £ks	Q2 Forecast £ks	Variance £ks
<b>INCOME</b>			
Rental Income	30,153	29,622	(531)
Void Losses	(363)	(488)	(125)
<b>Net Rental Income</b>	<b>29,791</b>	<b>29,135</b>	<b>(656)</b>
HAG Recognised in the Year	-	5,383	5,383
Other Income	2,853	2,465	(388)
<b>TOTAL INCOME</b>	<b>32,643</b>	<b>36,982</b>	<b>4,339</b>
<b>EXPENDITURE</b>			
Employee Costs - Direct	4,667	4,525	142
ER/VR	0	7	(7)
Employee Costs - Group Services	1,679	1,564	115
Direct Running Costs	3,398	3,261	137
Running Costs - Group Services	1,071	901	170
Revenue Repairs and Maintenance	4,279	3,318	961
Bad Debts	290	438	(148)
Depreciation	7,801	7,709	92
<b>TOTAL EXPENDITURE</b>	<b>23,186</b>	<b>21,723</b>	<b>1,463</b>
<b>NET OPERATING SURPLUS / (DEFICIT)</b>	<b>9,457</b>	<b>15,259</b>	<b>5,802</b>
<i>Net Operating Margin</i>	<i>29%</i>	<i>41%</i>	<i>12%</i>
Interest receivable	13	13	-
Interest payable	(7,891)	(7,839)	52
<b>STATUTORY SURPLUS / (DEFICIT)</b>	<b>1,579</b>	<b>7,432</b>	<b>5,854</b>

### Comments

- This table shows the 2020/21 budget presented to the Board compared to the Q2 forecast for 2020/21. The forecast reflects the results in the year to date as well as expected expenditure for the remaining 6 periods of the year. .
- The forecast operating surplus of £15,259k is £5,802k higher than budget. Statutory forecast surplus of £7,432k is £5,854k higher than budget.
- The main driver of this favourable variance is forecast HAG income recognised of £5,383k. This relates to 83 units completed during 2020/21 but originally due to be completed at the end of 2019/20. The original budget assumed there would be no completions during 2020/21.
- Excluding the Grant income variance, net operating surplus is £419k favourable to budget with lower than budgeted rental income offset by savings in operating costs particularly in relation to repairs.
- The net rental income variance of £656k reflects lower than expected rent receipts as a result of the 83 units discussed above not being completed in 2019/20 as well as variances relating to the units transferring from Barony HA not transferring until 1 September rather than on 1 April as was assumed in the budget. In addition, £113k of the variance relates to the costs of refunding service charges to customers for cleaning and environmental services due to coronavirus restrictions impacting the service.
- The variance in other income reflects projected under recovery of costs by DCPS due to a lower level of activity against which to recover staff time.
- Total operating expenditure is projected to be £1,463k favourable to budget. Employee costs savings reflect expected income from staff on furlough. Revenue repairs and maintenance savings reflect the revised operating model.
- Bad debts are forecast to be £148k higher than budget with additional provision set aside on a prudent basis to cover an increase in arrears as more tenants move onto Universal Credit during the pandemic
- New build expenditure and grant income as well as core investment programme expenditure have been updated to reflect the revised spend profile.

	2020/21 Budget £ks	Q2 Forecast £ks	Variance £ks
<b>INVESTMENT</b>			
<b>Total Capital Investment Income</b>	<b>15,135</b>	<b>8,722</b>	<b>(6,413)</b>
Total Expenditure on Core Programme	5,437	3,597	1,840
New Build & Other Investment	23,925	11,418	12,507
Other Capital Expenditure	350	350	-
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>29,712</b>	<b>15,365</b>	<b>14,347</b>
<b>NET CAPITAL EXPENDITURE</b>	<b>14,577</b>	<b>6,643</b>	<b>7,934</b>

Classified as Internal

## Report

**To:** Dunedin Canmore Housing Board

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

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

**Subject:** Governance update

**Date of Meeting:** 12 November 2020

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### 1. Purpose

- 1.1 To update the Board on, seeing approval where appropriate, a range of governance related matters including:
- Recruitment and succession planning;
  - Annual Assurance Statement;
  - Updated Group IRR rates; and
  - disposal of ex Barony property

### 2. Authorising context

- 2.1 The Group Board is responsible for agreeing the overall governance Framework for the Group. This is reflected in the requirement for the Annual Assurance Statement (“the Statement”) to be submitted to the Scottish Housing Regulator (“SHR”) at Group level. As such, the statement is reserved to the Group Board for approval.
- 2.2 The Board is responsible for the agreement of its 3-year succession plan, which is thereafter subject to agreement by the Group Remuneration Appointments, Appraisal and Governance Committee. In the case of the Chair succession, this is directly linked to the Group Board’s succession plan and subject to Group Board approval.
- 2.3 The Board is responsible for agreeing the criteria for development activity which set the parameters for the Group Development Committee. The criteria include return hurdle rates which are set at Group level.

### 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 We mitigate this risk through having clearly defined roles and responsibilities across our governance framework and regularly updating the Board on governance related matters.

## 4. Background

- 4.1 We are required to produce a Statement annually, taking into account the associated requirements of the Framework and statutory guidance. For this year's Statement, the Framework includes some temporary changes for 2020/21 only.
- 4.2 We have been engaging all Boards across the Group regarding our governance arrangements, and the associated implications for compliance with the Framework, since the onset of the pandemic. This has included implications for our recruitment and succession planning.

## 5. Discussion

### Recruitment and succession planning

- 5.1 We currently have vacancies for a tenant Board member. We have now completed the recruitment process which culminated in the Chair, supported by the Managing Director, virtually a candidate for the vacancy.
- 5.2 Jane Menzies was identified as having relevant skills and experience for the role. A further verbal update on the interview and candidate will be provided at the meeting.
- 5.3 As part of the review of the overall Group Board 3-year succession plan and the tenure extensions, the Group Board agreed to grant extensions to the 5-year chair tenure limit and/or 9-year tenure limit to a number of Chairs. This was on the basis that the extensions are not a material breach of the SHR Regulatory Framework and the exceptional circumstances require continuity.
- 5.4 As part of this a 1 year extension for Mary Mulligan beyond the 9-year limit was agreed by the Group Board. This would permit Mary to serve as Chair until 2022 and remain within the 5 year Chair tenure limit. This remains subject to continued effective performance in the role. The Board is asked to confirm its agreement to the succession plan being updated to assume Mary Mulligan remaining as Chair until 2022.

### Annual Assurance Statement

- 5.5 As part of the revision to the SHR's Framework, the requirements relating to the Statement were amended. The submission deadline was extended from the end of October to the end of November. Additionally, the SHR recognised that:

*“Given the circumstances, it may be that the level of external, independent assurance could be less than the previous year. However, in most cases it would be appropriate for governing bodies and committees to place reliance on some or all of the independent, external assurance received for the previous year's assurance statement.”*

5.6 As with the previous year's Statement, it covers all RSLs in the Group and it is for the Group Board to determine whether, under the circumstances, any non-compliance is sufficient to be considered 'material'. In assessing materiality we have based this on the SHR's Statutory Guidance which states we should consider whether the issue could:

- *seriously affect the interests and safety of tenants, people who are homeless or other service users;*
- *threaten the stability, efficient running or viability of service delivery arrangements;*
- *bring the landlord into disrepute, or raise public or stakeholder concern about your organisation or the social housing sector; and*
- *in the case of RSLs, put at risk the good governance and financial health of the organisation.*

5.7 Taking into account the current SHR Framework and Guidance the Group Board agreed the following Statement:

*The Group Board considered evidence at its meeting on 28 October 2020 and confirmed we have appropriate assurance that all Registered Social Landlords which are part of Wheatley Housing Group Limited (being Wheatley Housing Group, GHA, Dunedin Canmore Housing, Cube Housing Association, Dumfries and Galloway Housing Partnership, Loretto Housing Association and West Lothian Housing Partnership) materially comply with:*

- *all relevant regulatory requirements set out in Chapter 3 of the Regulatory Framework;*
- *all relevant standards in the Scottish Social Housing Charter; and*
- *taking into account the current guidance and restrictions relating to the Covid 19 pandemic, all relevant legislative duties*

The Covid 19 pandemic has impacted the planned achievement of the Scottish Housing Quality Standard for all Dumfries and Galloway Housing Partnership stock. Full compliance is expected to be achieved early in 2021/22.

The spreadsheets attached at Appendices 1-3 document:

- a breakdown of the compliance requirements associated with 3 areas identified in the statement;
- a summary of our self-assessment findings;
- the key sources of assurance and evidence; and
- a declaration of our compliance status.

The appendices relate to the following areas:

- Appendix 1 Self-assessment against Chapter 3 Section 1;
- Appendix 2 Self-assessment against Chapter 3 Section 2 – Regulatory Standards of Governance and Financial Management; and
- Appendix 3 Self-assessment against Chapter 3 Section 3 – Constitutional requirements.

- 5.8 Our declaration and sources of assurance are the same as the previous year for the vast majority of the requirements. This reflects the fact that the obligations are recurring and we have correspondingly set up recurring means to achieve compliance. Within this context and in keeping with the SHR guidance we have therefore placed some reliance on external or independent assurance undertaken in previous years. This is in addition to in year assurance in areas such as Cyber Security, the annual KPMG external audit, Chatham Financial advice on our Treasury Management Policy review and external legal advice on a range of areas such as our constitutional changes, funding activity and external reviews on our demand analysis assumptions by both Retties (for MMR/PRS) and Indigo House (for Dumfries and Galloway).
- 5.9 As these were subject to detailed Group Audit Committee and Board review last year, the additional detail on the statement below focuses on changes or new issues which have emerged in year and the non-Framework related compliance requirements:

### Covid-19

#### *Service model*

- 5.10 The pandemic has had implications for our service model as we have had to adjust our operating model to comply with the associated restrictions. As a result of this, we had to adjust service levels, particularly in areas such as repairs and environmental services.
- 5.11 As part of this process, the Board has discussed and agreed the Operating Model and approach to remobilisation. We have considered the implications our revised service models have had in relation to compliance with the Social Housing Charter (“the Charter”) and ‘all relevant legislation’.
- 5.12 On the basis that we have sought to balance delivering as full a service model as possible with complying with the restrictions in place and appropriately protecting both our tenants and staff we have not assessed this resulting any level of ‘material’ non-compliance.
- 5.13 We have maintained an emergency repairs service and throughout the pandemic we have where possible strengthened our compliance at the earliest opportunity such as transitioning gas safety check to forced entry, other than those who are shielding, where appropriate to do so.

#### *Governance*

- 5.14 We agreed changes to constitutions across the Group as part of our response to the pandemic. As part of this we had to balance achieving the overarching Regulatory Standard (6) of having appropriately skilled and knowledgeable governing bodies with specific elements of the Framework regarding tenure.
- 5.15 As part of this, the Group Board agreed that, in recognition of the exceptional circumstances, we extend some RSL Board Chairs beyond the SHR’s 5 year tenure limit for Chairs and adjust our own absolute 9 year tenure limits. As part of this, the Group Board agreed this represented a ‘non material’ breach on the basis that it does not represent a permanent change, rather one off, time bound extensions in recognition of the circumstances.

- 5.16 We also made a series of other constitutional changes. As part of this process individual Boards, including ourselves, considered the implications for compliance with the Framework. All changes were agreed by members at the subsequent Special General Meetings.

#### Social Housing Charter

- 5.17 The Charter, distinct from the Framework, contains a total of 16 outcomes and standards that social landlords should aim to achieve. As two of the standards only apply to Local Authorities, 14 apply to us. A copy of the standards is attached at Appendix 4. The Statutory Guidance in relation to the Statement requires us to also include a statement of compliance with the Charter.
- 5.18 The SHR sets a wide range of specific performance measures RSLs must collect as part of compliance with the standards in the charter. The measures form what we report to the SHR each year as part of the Annual Return on the Charter.
- 5.19 The Charter measures are augmented by the SHR prescribing a wide range of specific questions that RSLs must ask as part of their tenant satisfaction surveys relating to the Charter standards. It is not a requirement to conduct this survey annually therefore our approach for this year does not impact our compliance.
- 5.20 We therefore have in place a very robust approach to assurance and evidence of how we are performing relative to the charter. The key issues in relation to the Charter relate to the implications of DGHP's progress against SHQS and the changes to our Operating Model which are covered previously in the report.

#### All relevant legislative duties.

- 5.21 This requirement of the statement is, by its nature, very wide ranging. Our approach to compliance in this area is a combination of the legal framework for our activities and our internal policies, which give substance to the respective laws and regulations. Policies are reviewed by expert internal staff and, where appropriate, by external advisors. We also routinely engage external expertise in complex, non-core areas such as fundraising and FCA related activity.
- 5.22 In order to monitor compliance we operate a 4 Lines of Defence Model that provides assurance to senior management and Board members about the operation of internal controls in place to confirm the Group's meeting legal obligations.
- 5.23 Beyond our core 4 Lines of Defence Model, we are subject to external scrutiny for example through the annual external audit process in specific areas of legislation and spot inspections, such as HMRC.
- 5.24 We have not had any instances where a judgement has gone against the Group that we are materially not meeting legislative duties.



- 5.25 The pandemic has impacted our legislative duties, such as through new acts introduced and derogations granted to existing legislation. These changes have been monitored on an ongoing basis and have been supported by updates to the Board on the substance of the changes and how we will comply with them.

Group IRR rate

- 5.26 As part of the criteria we set for development projects we apply the Group wide Internal Rate of Return (“IRR”). The Group Development Committee’s authority to approve projects is based on a number of criteria agreed by the Board, of which this is on.

- 5.27 [redacted]

Ex barony property disposals

- 5.28 Following a series of Special General Meetings, we formally received the Transfer of Engagements from Barony on 23 September 2020.

- 5.29 As part of the Transfer, we received Barony properties which were previously approved for disposal. These are properties which have previously been used for the provision of care. The properties vary in size and age with some initially used as Care Homes as part of the re-provisioning of services taking place at the Royal Edinburgh Hospital. The following table contains details of the properties, together with the estimated net proceeds of sale:

<b>Housing Support and Care at Home Registered Service</b>	<b>Property Address</b>	<b>Est net sale proceeds</b>
Falkirk SDS	3 Chapel Lane	[redacted]
Edinburgh West	4 Lauriestone Park	[redacted]
	12 & 13 Ardmillan Terrace	[redacted]
Edinburgh East	12,14 & 19 Upper Gray Street	[redacted]
Fife Supported Service	24,24a Carlyle Road	[redacted]
	184 Townhill Road	[redacted]

- 5.31 The properties are generally older properties with a higher market value, but also with higher levels of repairs and investment. Conversion to independent living would have been costly and, due to the configuration of the properties, result in reduced capacity at each service, with some customers requiring to be relocated in suitable accommodation elsewhere increasing the day to day running costs of the service.

- 5.32 Disposal of these properties was included within our business plan in February 2020. An assessment of the expected market value less costs of disposal and relocation of customers has been made to estimate the net sales proceeds for each property. One of the properties (12 Upper Gray Street) has recently been sold at a price of £604k.

## **6. Key issues and conclusions**

6.1 The updates and proposals in the report allow us to maintain a strong focus on having clear and robust governance arrangements.

## **7. Value for money implications**

7.1 There are no value for money implications arising from this report.

## **8. Impact on financial projections**

8.1 There is no financial impact associated with this report.

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

9.1 The legal and regulatory implications are set out in the body of the report.

## **10. Partnership implications**

10.1 There are no direct partnership implications.

## **11. Implementation and deployment**

11.1 The proposals within the report will be effected immediately.

## **12. Equalities impact**

12.1 As part of our Board recruitment process we actively seek to engage with as diverse a range of prospective candidates as possible. We are also in the process of refining our Board recruitment approach across the Group as part of the implementation of our Group Equality and Diversity policy.

## **13. Recommendations**

13.1 The Board is asked to:

- 1) Approve the appointment of Jane Menzies;
- 2) Approve the update to the Board three-year succession plan to extend the Chair until 2022;
- 3) Note the Group Annual Assurance Statement; and
- 4) Note the Development Project approval criteria will be updated to reflect the new Group IRR rate
- 5) Approve the disposal of the properties at 5.29
- 6) Delegate authority to a) the Managing Director to approve the sale of each individual property listed in 5.29 at up to 5% (adverse) variance from the assumed net sale proceeds, or) the Chair where the variance exceeds 5%
- 7) Authorise the Managing Director, Company Secretary or Deputy Group Company Secretary to sign the dispositions (and any ancillary documentation) for the disposal of the properties listed in 5.29.

## List of Appendices

Appendix 1 - Self-assessment against Chapter 3 Section 1

Appendix 2 - Self-assessment against Chapter 3 Section 2 – Regulatory Standards of Governance and Financial Management

Appendix 3 - Self-assessment against Chapter 3 Section 3 – Constitutional requirements

Appendix 4 – Social Housing Charter [redacted but available at <https://www.gov.scot/publications/scottish-social-housing-charter-april-2017/> ]

Requirements for RSLs	Self-Assessment Commentary	Evidence and sources of assurance	Self Assessment
<b>Assurance &amp; Notification</b>			
Prepare an Annual Assurance Statement in accordance with our published guidance, submit it to us between April and the end of October each year, and make it available to tenants and other service users.	This year's statement takes into account the (time limited) updates to the SHR's Regulatory Framework and associated guidance in relation to the preparation of Annual Assurance Statements. Details are both are clearly set out for the Board in the report seeking approval.	Our existing Assurance statement is published and available to all tenants and other service users via our own and the SHR's website.	Compliant
Notify SHR during the year of any material changes to the assurance in its Assurance Statement.	There were no material changes to the previous statement during the year	Not applicable	Not applicable
Have assurance and evidence that it is meeting all of its legal obligations associated with housing and homelessness services, equality and human rights, and tenant and resident safety.	<p>In practical terms the Group operates a 4 Lines of Defence model that provides assurance to senior management and Board members about the operation of internal controls in place to confirm the Group's meeting legal obligations in these areas. This includes an IA function that delivers risk-based audits that test operation of Line 1 and Line 2 controls in specific areas.</p> <p>In these particular areas where there is defined legislation, we have Group wide policies which codify how we will meet out legislative requirements. Policies are reviewed by expert internal staff and, where appropriate, by external advisors.</p> <p>The Group employs sufficiently qualified individuals to effect the policies, including legal, health and safety and housing.</p> <p>Legal implications set out in all Board reports to ensure any obligations are identified - supported by a team of in house solicitors and external legal advisors.</p> <p><i>This area has remained under review during</i></p>	<p><b>Group policies and associated documents</b></p> <ul style="list-style-type: none"> <li>- Group Board approved Health and Safety Policy detailing legal requirements</li> <li>- Group Policy Framework on Advice and Letting</li> <li>- Group Fire Mitigation Framework</li> <li>- Group Anti Social Behaviour Policy Framework</li> </ul> <p><b>Board reporting</b></p> <ul style="list-style-type: none"> <li>- Group Health and Safety policy Board report, followed by update reports and specific reports relating to the pandemic</li> <li>- Board update reports on Fire Safety</li> <li>- Board updates during the pandemic on compliance related activity</li> <li>- Board updates during pandemic on service levels and remobilisation relative to the then prevailing pandemic related legislation and/or restrictions</li> <li>- Risk appetite and analysis sections in Board reports</li> <li>- Strategic risk registers</li> </ul> <p><b>Independent assurance</b></p> <ul style="list-style-type: none"> <li>- Internal Audit activity</li> </ul> <p><b>External assurance</b></p> <ul style="list-style-type: none"> <li>- engagement of independent experts on asbestos</li> </ul>	Compliant
Notify SHR of any tenant and resident safety matters which have been reported to, or are being investigated by the Health and Safety Executive, or reports from regulatory or statutory authorities, or insurance providers, relating to safety concerns.	These circumstances have not arisen in year.		Not applicable
Make its Engagement Plan easily available and accessible to its tenants and service users, including online.	<p>Scottish Housing Regulator Engagement Plans are available on each RSL website.</p> <p>Copies are also available on request from any Local Office.</p>	The plan can be accessed via individual RSL websites in the 'about us' and 'get involved' sections.	Compliant
Register all requirements for providing data to us with the Information Commissioner's Office as a purpose for which they are acquiring data under the Data Protection Act 2018.	<p>Privacy Impact Statements confirm the purposes for which we hold and use data, including for regulatory requirements.</p> <p>All RSLs are registered with ICO.</p>	ICO registration is verifiable via its website.	Compliant
<b>Scottish Social Housing Charter Performance</b>			
Submit an Annual Return on the Charter to us each year in accordance with our published guidance.	The Annual Return requires to be submitted via the SHR Portal. The ARC return is reviewed and agreed by relevant Boards and reviewed internally against the SHR technical guidance.	The SHR Portal documents receipt of our ARC return and the SHR also publishes our Charter return on their website.	Compliant

<p>Involve tenants, and where relevant other service users, in the preparation and scrutiny of performance information. It must:</p> <ul style="list-style-type: none"> <li>- ' agree its approach with tenants</li> <li>- ' ensure that it is effective and meaningful – that the chosen approach gives tenants a real and demonstrable say in the assessment of performance</li> <li>- ' publicise the approach to tenants</li> <li>- ' ensure that it can be verified and be able to show that the agreed approach to involving tenants has happened</li> <li>- ' involve other service users in an appropriate way, having asked and had regard to their needs and wishes.</li> </ul>	<p>At the most senior level, we have tenants on our Boards and, within GHA, we have Area Committees.</p> <p>The ongoing level of involvement of our Local Committees, Registered Tenant Organisations, Communities of Interest and Scrutiny Panel has been impacted for part of the year by the pandemic, however the approach itself is established and embedded. The extension of the deadline of the Annual Report to Tenant to the end of the calendar year will allow us to engage the Scrutiny Panel in its preparation.</p>	<p><b>Governance Framework</b></p> <ul style="list-style-type: none"> <li>- RSL constitutions reserving Board places to tenant members</li> <li>- GHA Area Committee Terms of Reference</li> <li>- Stronger Community Voice consultation document</li> </ul> <p><b>Board/Committee/Forum discussions and reporting</b></p> <ul style="list-style-type: none"> <li>- Area Committee reports and minutes</li> <li>- Group Scrutiny Panel meeting agendas</li> </ul> <p><b>External</b></p> <ul style="list-style-type: none"> <li>- Quality Scotland external independent support provided to Group Scrutiny Panel</li> </ul> <p><b>Other</b></p> <ul style="list-style-type: none"> <li>- RSL websites publicly set out the report</li> </ul>	<b>Compliant</b>
<p>Report its performance in achieving or progressing towards the Charter outcomes and standards to its tenants and other service users (no later than October each year). It must agree the format of performance reporting with tenants, ensuring that it is accessible for tenants and other service users, with plain and jargon-free language.</p>	<p>We publish an annual report to tenants, the format of which has been agreed by Boards and the Group Scrutiny Panel. This year's report is not due to be issued until the end of December in line with the updates to the SHR Regulatory Framework.</p>	<p>Prior year published Annual Report to Tenants</p>	<b>Compliant</b>
<p>When reporting its performance to tenants and other service users it must:</p> <ul style="list-style-type: none"> <li>- provide them with an assessment of performance in delivering each of the Charter outcomes and standards which are relevant to the landlord</li> <li>- include relevant comparisons – these should include comparisons with previous years, with other landlords and with national performance</li> <li>- set out how and when the landlord intends to address areas for improvement</li> <li>- give tenants and other service users a way to feed back their views on the style and form of the reporting.</li> </ul>	<p>Included in the last Annual Report to Tenants and will be incorporated in this year's, due by the end of December. The relevant comparisons will be dependent on the availability ARC performance data for the sector.</p>	<p>Annual Report to Tenants issued in October 2019.</p>	<b>Compliant</b>
<p>Make the SHR report on performance easily available to its tenants, including online.</p>	<p>This is published via our website</p>	<p>Performance published on RSL websites (Home/About us/How we do business/Performance)</p>	<b>Compliant</b>
<b>Whistleblowing</b>			
<p>Have effective arrangements and a policy for whistleblowing by staff and governing body/elected members which it makes easily available and which it promotes.</p>	<p>We have a Group Whistleblowing policy in place. The policy is available to all staff and an internal staff awareness raising blog was undertaken via intranet recently. The review of the policy is reserved to the Group Audit Committee.</p>	<p><b>Governance Framework</b></p> <p>Group Whistleblowing Policy</p> <p><b>Committee reporting</b></p> <p>Audit Committee report and minute of discussion and approval of whistleblowing policy</p> <p><b>Other</b></p> <p>Director of Assurance intranet blog raising awareness of whistleblowing and signposting to policy</p>	<b>Compliant</b>
<b>Tenants and service users redress</b>			
<p>Make information on reporting significant performance failures, including our leaflet, available to its tenants.</p>	<p>We have a link to the significant performance failure SHR leaflet available on all RSL websites (contact us/complaints and compliments)</p> <p>The SHR leaflet also available in Local Housing Offices as part of the core leaflet suite</p>	<p>RSL Websites (Contact us/complaints and compliments)</p> <p>RSL Complaints Leaflets (make reference to significant performance failures)</p> <p>SHR Leaflets available in local offices</p>	<b>Compliant</b>
<p>Provide tenants and other service users with the information they need to exercise their right to complain and seek redress, and respond to tenants within the timescales outlined in its service standards, in accordance with guidance from the Scottish Public Services Ombudsman (SPSO).</p>	<p>The Group Complaints Policy is based on and complies with SPSO guidance. All Boards are made aware that SPSO guidance applies to the complaints handling.</p> <p>Our complaints procedure is set out on RSL websites, our complaints leaflet is available in Local Housing Offices as part of the suite of core leaflets</p>	<p>Group Complaints Policy Board report and record of Board approval</p> <p>Complaints Leaflets</p> <p>RSL Websites (Contact us/complaints and compliments)</p>	<b>Compliant</b>

<p>Ensure it has effective arrangements to learn from complaints and from other tenant and service user feedback, in accordance with SPSO guidance.</p>	<p>Our complaints policy builds in requirement to review and Boards routinely updated on this. Boards received bi-annual updates on complaints and what lessons we are learning from them. This performance data and analysis is also publish on the website.</p> <p>There is a lessons learned field within ASTRA which should be completed to record lessons learned for every complaint received. New complaints reports will capture lessons learned and allow for further analysis of lessons learned including the information recorded by staff within Astra.</p> <p>The standard Board bi-annual report has been delayed post pandemic as business has focussed on more essential activity however complaints performance has remained under review.</p>	<p><b>Policy</b> - Group Complaints policy</p> <p><b>Reporting and monitoring</b> - Board performance reports which include measure on complaints handling</p> <p><b>Public reporting</b> - Complaints data published on RSL Websites</p> <p><b>Other</b> - ASTRA</p>	<b>Compliant</b>
<b>Equality and Human Rights</b>			
<p>Have assurance and evidence that it considers equality and human rights issues properly when making all of its decisions, in the design and review of internal and external policies, and in its day-to-day service delivery.</p>	<p>In recognition of this feedback, the SHR has stated it now intends to work with representative bodies, the Equalities and Human Rights Commission, and Scottish Human Rights Commission ("SHRC") to develop a 'guidance framework'. To allow sufficient time for this guidance to be developed, the SHR will now not start assessing compliance with the requirements until April 2021.</p>		
<p>To comply with these duties, landlords must collect data relating to each of the protected characteristics for their existing tenants, new tenants, people on waiting lists, governing body members and staff. Local authorities must also collect data on protected characteristics for people who apply to them as homeless. Landlords who provide Gypsy/Traveller sites must collect data on protected characteristics for these service users.</p>	<p>We have agreed a new Equality and Diversity policy and also engaged external expertise via IoD Scotland to support the implementation of this policy.</p>		
<b>Requirements for RSLs Only</b>			
<b>Each RSL Must:</b>			
<p>Comply with the Standards of Governance and Financial Management and associated statutory guidance.</p>	<p>See commentary and evidence provided for each of the seven standards of governance and financial management.</p>		
<p>Comply with, and submit information to us in accordance with, our guidance on:</p> <ul style="list-style-type: none"> <li>- notifiable events</li> <li>- group structures</li> <li>- consulting tenants where tenant consent is required</li> <li>- financial viability of RSLs: information requirements</li> <li>- determination of accounting requirements</li> <li>- preparation of financial statements.</li> </ul>	<p>See commentary and evidence provided for each of the seven standards of governance and financial management.</p>	<p>Landlord Portal</p>	
<p>Keep up to date organisational details in the Register of Social Landlords, by maintaining the information provided through the Landlord Portal.</p>	<p>Organisational details up-to-date and regularly maintained via the SHR Landlord Portal</p> <p>All updated are monitored by Company Secretary and control checks are in place, specifically the portal is reviewed and updated monthly and after every Board cycle</p>	<p>Landlord Portal SHR Website</p>	<b>Compliant</b>
<p>Make publicly available, including online, up to date details of:</p> <ul style="list-style-type: none"> <li>- who is on its governing body</li> <li>- the date when they first became a member/office holder</li> <li>- how to become a member of the RSL and of the governing body, and</li> <li>- minutes of governing body meetings.</li> </ul>	<p>About us section of RSL websites includes information about who is on the governing body and the date they first became an office holder.</p> <p>The 'getting involved' section of each RSL website sets out how to become a member of the RSL (where applicable).</p> <p>The Associations are required to send intimation of the intended date of the Annual General Meeting and information on the nomination procedure for Board Members to all our Members not less than 28 days before the Annual General Meeting.</p>	<p>RSL websites - 'about us' and 'get involved' sections. Published membership policy via website Published minutes via website</p>	<b>Compliant</b>



Regulatory Standards of Governance and Financial Management	Self-Assessment Commentary	Evidence and sources of assurance	Self Assessment
<b>Standard 1</b> The governing body leads and directs the RSL to achieve good outcomes for its tenants and other service users.			
1.1 The governing body sets the RSL's strategic direction. It agrees and oversees the organisation's business plan to achieve its purpose and intended outcomes for its tenants and other service users.	<p>The Group Standing Orders formally define the Board's role in this regard, with the approval of the strategy (strategic direction) and business plan reserved to Boards for approval.</p> <p>The business plan is always considered within the context of outcomes it contributes to achieving for tenants and its implementation is overseen by the budget and finance reports monitored thereafter.</p> <p>We have also additionally reflected on our 5 year strategy since the onset of the pandemic over the course of a number of Board workshops, where the impact on tenants has been at the forefront.</p>	<p><b>Governance Framework</b></p> <ul style="list-style-type: none"> <li>- Group Standing Orders</li> <li>- Governing Body Members Handbook</li> </ul> <p><b>Board discussions and reporting</b></p> <ul style="list-style-type: none"> <li>- Board strategy workshop materials</li> <li>- Board reports on strategy development process and associated minutes</li> <li>- Board report on business plan and associated minuted confirming Board approval</li> <li>- Board reports detailing implications for financial projections during pandemic</li> </ul> <p><b>External validation/corroboration</b></p> <ul style="list-style-type: none"> <li>- Campbell Tickell 2018 governance review findings</li> </ul>	Compliant
1.2 The RSL's governance policies and arrangements set out the respective roles, responsibilities and accountabilities of governing body members and senior officers, and the governing body exercises overall responsibility and control of the strategic leadership of the RSL.	<p>The Group Standing Orders detail respective roles and responsibilities of the Group and subsidiary Boards in the Group Authorising Framework (GAF) and the Group Authorise, Manage, Monitor Matrix (GAMM) as well as detailing the Scheme of Financial Delegation and delegations to Group CEO.</p> <p>Board member roles and responsibilities are set out in the Standing Orders and the Governing Body Member Handbook.</p>	<p><b>Governance Framework</b></p> <ul style="list-style-type: none"> <li>- Group Standing Orders</li> <li>- Governing Body Members Handbook</li> </ul> <p><b>External validation</b></p> <ul style="list-style-type: none"> <li>- Campbell Tickell governance review</li> <li>- IIP Accreditation</li> </ul>	Compliant
1.3 The governing body ensures the RSL complies with its constitution and its legal obligations. Its constitution adheres to these Standards and the constitutional requirements set out below.	<p>The RSLs are appropriately constituted and the Group Standing Orders set out effective decision making processes.</p> <p>Board minutes and reports will provide details of how constitutional compliance is ensured where applicable.</p>	<p><b>Governance Framework</b></p> <ul style="list-style-type: none"> <li>- Individual entity constitutions</li> <li>- Group Standing Orders</li> <li>- Board report template</li> </ul> <p><b>External validation</b></p> <ul style="list-style-type: none"> <li>- External legal advisor engagement in the process of drafting and revising constitutions</li> </ul>	Compliant
1.4 All governing body members accept collective responsibility for their decisions.	<p>This is enshrined in the Code of Conduct as a requirement and re-emphasised in the governing body member handbook. No governing body members have breached the code of conduct in this regard, as such no action has been taken.</p>	<p>No issues raised or identified during the year of a Board member not accepting collective responsibility</p> <p>Board appraisal forms and interviews - issue not raised</p> <p>Signed Codes of Conduct</p>	Compliant
1.5 All governing body members and senior officers understand their respective roles, and working relationships are constructive, professional and effective.	<p>The respective roles are set out in the Group Standing Orders and reinforced by the Governing Body Members Handbook which sets out roles clearly and is explicit about the distinction between the role of management and the role of the Board.</p> <p>A comprehensive induction programme is in place, with discussion about the role of the Board and Management.</p> <p>This area is also explored and tested as part of the annual appraisal process.</p>	<p><b>Governance Framework</b></p> <ul style="list-style-type: none"> <li>- Recruitment and Selection Process and Induction Programme</li> <li>- Group Standing Orders</li> <li>- Governing Body Members Handbook</li> <li>- Governing Board Members Appraisal Policy</li> </ul> <p><b>External Validation</b></p> <ul style="list-style-type: none"> <li>- Campbell Tickell interviews with Board members as part of previous governance review</li> <li>- IoD interviews as part of Board effectiveness</li> </ul>	Compliant
1.6 Each governing body member always acts in the best interests of the RSL and its tenants and service users, and does not place any personal or other interest ahead of their primary duty to the RSL.	<p>The Standing Orders set out clearly the relationship between the parent Board and subsidiaries and the division of responsibilities.</p> <p>All Board Members are required to sign the Code of Conduct and complete a Governing Body Member Declaration of Interests form which covers this and the organisation maintains a register of interests. There is a standing Board meeting agenda item regarding declaration of interests.</p> <p>Board appraisal has a specific question regarding decision making being in the best interests and no issues have been identified regarding independence of decision making.</p>	<p><b>Governance Framework</b></p> <ul style="list-style-type: none"> <li>Board Code of Conduct</li> <li>Group Standing Orders</li> <li>Arrangements in place in respect of conflicts and declarations of interest - standard Board agenda item and Register of Interests form</li> </ul> <p><b>Other</b></p> <ul style="list-style-type: none"> <li>Annual Board appraisal - no issues raised by any Chair or Board member</li> </ul>	Compliant
1.7 The RSL maintains its independence by conducting its affairs without control, undue reference to or influence by any other body (unless it is constituted as the subsidiary of another body).	<p>The Group Standing Orders set out clearly the relationship between the parent Board and subsidiaries and the division of responsibilities. The composition of the Board is such that no other body exercises undue control or influence over the group and this is formally documented in Intra Group Agreements</p> <p>The requirement to act in the best interests of the group is reflected in the Group Code of Conduct. All Board Members complete a Governing Body Member Declaration which covers this and the organisation maintains a register of interests.</p>	<p><b>Governance Framework</b></p> <ul style="list-style-type: none"> <li>Group Code of Conduct</li> <li>Register of Interests form</li> <li>Group Standing Orders</li> <li>Arrangements in place in respect of conflicts and declarations of interest</li> <li>Intra Group Agreement</li> </ul> <p><b>External validation</b></p> <ul style="list-style-type: none"> <li>Independent legal advice for RSL subs on Intra Group Agreement with Parent and on relevant transactions eg MMR stock disposal and GHA/Lowther equity</li> </ul>	Compliant
<b>Standard 2</b> The RSL is open about and accountable for what it does. It understands and takes account of the needs and priorities of its tenants, service users and stakeholders. And its			

<p>2.1 The RSL gives tenants, service users and other stakeholders information that meets their needs about the RSL, its services, its performance and its future plans.</p>	<p>Each RSL within the group has a website which includes an 'Access to Information' section and a Publication Scheme. This explains clearly and comprehensively what information is available (with links ) and how to obtain information which is not published, including fees applicable.</p> <p>Provided via a combination of:</p> <ul style="list-style-type: none"> <li>- Website</li> <li>- annual report to tenants</li> <li>- newsletters</li> <li>- consultations</li> </ul> <p>We ask tenants as part of our Tenant Satisfaction Survey what tenants think about being kept informed.</p>	<p><b>Publications</b>  Subsidiary and group websites  Tenants newsletters (e.g. The Key)  Information on performance, future plans eg investment and satisfaction results published on websites  Annual Report to Tenants</p> <p><b>External validation</b>  BMG Tenant Satisfaction survey</p>	<b>Compliant</b>
<p>2.2 The governing body recognises it is accountable to its tenants, and has a wider public accountability to the taxpayer as a recipient of public funds, and actively manages its accountabilities.</p>	<p>Governing Body Handbook recognise the Group's governing bodies' accountability to tenants and service users (section regarding the role of the Board).</p> <p>Each RSL subsidiary publishes an Annual Report to Tenants, setting out how it has performed.</p> <p>Our Publication Scheme ensures that we provide a significant amount of information , supporting accountability.</p>	<p><b>Governance Framework</b>  Governing Body Members Handbook  Annual Report to Tenants  Wheatley Group Annual Report and Financial Statements  Subsidiary and group websites (investor relations section of website gives information on use of funds, including public funds)  Group Code of Conduct  Group Engagement Framework</p>	<b>Compliant</b>
<p>2.3 The governing body is open and transparent about what it does, publishes information about its activities and, wherever possible, agrees to requests for information about the work of the governing body and the RSL.</p>	<p>We are committed to being transparent and open about the way we work, the services we provide and the decisions we make. One of the ways we do this is through our publications scheme under The Freedom of Information (Scotland) Act 2002.</p> <p>We are bound by the Environmental Information (Scotland) Regulations 2004 which gives the public the right to access environmental information we hold.</p>	<p><b>EVIDENCE:</b>  Provided via a combination of:</p> <ul style="list-style-type: none"> <li>- Website</li> <li>- Annual Report to Tenants</li> <li>- newsletters</li> </ul>	<b>Compliant</b>
<p>2.4 The RSL seeks out the needs, priorities, views and aspirations of tenants, service users and stakeholders. The governing body takes account of this information in its strategies, plans and decisions.</p>	<p>The previous Strategy (Investing in our Futures) states the intention to ensure customers drive outcomes for their communities, to use customer insight to shape products and services for customers which meet their needs, to target resources according to customer and stakeholder priorities and to ensure all care customers have a say in the support they receive. This is further strengthened in the new strategies, which seek to give tenants more power and control to effect these changes directly.</p> <p>We have also agreed to undertake a survey to seek the views of our customers on our response to pandemic to inform our future decision making.</p> <p>Our Engagement Framework incorporates a variety of ways customers are engaged across the group to shape what the group does. We do this via a combination of:</p> <ul style="list-style-type: none"> <li>- community governance structures</li> <li>- locality planning</li> <li>- use of complaints</li> <li>- annual satisfaction surveys</li> <li>- consultations</li> <li>- tenant members on boards representing service user views</li> </ul> <p>Tenant board members bring customer insight to strategic decision making. The Locality Plans have been developed through engagement with customers and stakeholders.</p> <p>The Group operates customer segmentation to understand their customer base and shape services accordingly.</p>	<p><b>External validation</b>  - Staff satisfaction surveys and results  - Meetings between senior management and stakeholders  - Direct Board engagement with key stakeholders eg Housing Minister  - BMG independently facilitated rent setting workshops for 2020/21 rent setting process</p> <p><b>Decision making</b>  - Annual Board strategy workshop briefing packs detailing background information  - Board composition includes tenants - builds in feedback at decision making point  - Board report on rent setting - documents extensive consultation feedback</p> <p><b>Board reporting and monitoring</b>  - ongoing Board reports on key areas of tenant feedback, including complaints</p> <p><b>Engagement Framework</b>  - Locality plans, including the range of engagement and feedback events facilitated during the process</p>	<b>Compliant</b>
<p>2.5 The RSL is open, co-operative, and engages effectively with all its regulators and funders, notifying them of anything that may affect its ability to fulfil its obligations. It informs the Scottish Housing Regulator about any significant events such as a major issue, event or change as set out and required in notifiable events guidance.</p>	<p>We have high engagement and as such meet the SHR on a regular basis as well as having an ongoing line of communication. Regular meetings held with Funders. We notify SHR of 'Notifiable Events' in accordance with requirements of SHR Notifiable Events guidance.</p>	<p>SHR Quarterly Meeting agendas  Funder meeting agendas  Group Engagement Plan - published by WHG and SHR</p>	<b>Compliant</b>
<p><b>Standard 3</b>  The RSL manages its resources to ensure its financial well-being while maintaining rents at a level that tenants can afford to pay.  <b>Guidance</b></p>			
<p>3.1 The RSL has effective financial and treasury management controls and procedures, to achieve the right balance between costs and outcomes, and control costs effectively. The RSL ensures security of assets, the proper use of public and private funds, and access to sufficient liquidity at all times.</p>	<p>The Standing Orders set out clear financial delegations and there is an appropriate Treasury Management Policy in place. The Treasury Management policy was reviewed and refined this year and financial information is regularly reported to the Board including compliance with golden rules and covenants.</p> <p>In addition to this we regularly report to Boards and have an extensive discussion each year on financial projections and treasury management, including liquidity. This has been heightened during the pandemic, with scenario testing on potential adverse Covid-19 impacts undertaken and reported to Boards.</p>	<p><b>External validation</b>  - Review by Rathbones of core business planning assumptions  - Group Treasury Management Policy was reviewed by our external treasury advisors  - External audit process</p> <p><b>Governance and Policy Framework</b>  - Treasury Management Policy  - Group Value for Money framework  - Group Whistleblowing Policy  - Fraud, Corruption and Bribery Policy  - Group Standing Orders including financial delegations</p> <p><b>Ongoing reporting</b>  - Quarterly treasury report to Group Board on funding requirements and liquidity  - Covenant compliance  - Internal Audit core programme of auditing key financial controls  - Finance reports to Boards</p>	<b>Compliant</b>

<p>3.2 The governing body fully understands the implications of the treasury management strategy it adopts, ensures this is in the best interests of the RSL and that it understands the associated risks.</p>	<p>There is a suitable treasury management policy in place, which was reviewed by the Board during the last 6 months.</p> <p>The Board skills matrix is takes into account the need for membership to include Non-Executives with relevant skills and experience in this area.</p> <p>Boards routinely seek sufficient external independent guidance to ensure its decisions are in our best interest, with significant input from external legal advisors.</p>	<p><b>Board membership</b> -The Board succession planning specifically seeks to ensure we have individuals with skills and experience in this area</p> <p><b>Policy Framework</b> - Treasury Management Policy - Quarterly treasury update to Wheatley Group Board</p> <p><b>External validation</b> -Treasury Management CPD Session (Rathbones) held on 31 October 2018 (slides from session) - Extensive external legal advice on any major funding transactions, specifically in relation to the risks</p>	<p><b>Compliant</b></p>
<p>3.3 The RSL has a robust business planning and control framework and effective systems to monitor and accurately report delivery of its plans. Risks to the delivery of financial plans are identified and managed effectively. The RSL considers sufficiently the financial implications of risks to the delivery of plans.</p>	<p>Business planning process takes into account a wide range of variables, which are reflected in Board reports eg sensitivity testing, assumptions. These were reviewed and tested during the pandemic to reflect the change in risk profile.</p> <p>Financial performance is reported to Board as a standing item detailing performance relative to business plans and budgets.</p> <p>Reports to the Board on financial projections as part of the business planning process set out comprehensive and clearly explained information including appropriate context, detailed financial projections and details of projected compliance with golden rules and covenants.</p> <p>Minutes demonstrate a good level of Board engagement with financial projection reporting. Regular reporting to Board provides clear information about financial performance across the group including all subsidiaries as well as performance against covenants and golden rules.</p> <p>This was declared as an area of material non compliance by DGHP due to not having accurate regarding the effectiveness of its systems to monitor and accurately report delivery of its asset management plans. This was addressed by the full stock condition survey undertaken and subsequent updates to DGHP's reporting system.</p>	<p><b>External validation</b> - Independent Quality Review of Internal Audit by PwC</p> <p><b>Board reporting and monitoring</b> - Annual stress testing of business plan as part of Board approval process - Pandemic specific scenario testing on financial projections - Risk register considered by the Group Audit Committee at every meeting and by each Board periodically - Comprehensive review of risk register by Group Audit Committee and Group Board during pandemic - report and associated minutes - Board reports regarding Financial Performance - Treasury management reports</p>	<p><b>Compliant</b></p>
<p>3.4 The governing body ensures financial forecasts are based on appropriate and reasonable assumptions and information, including information about what tenants can afford to pay and feedback from consultation with tenants on rent increases.</p>	<p>Our assumptions are validated externally where appropriate and always subject to sensitivity analysis. As part of agreeing our financial projections each year the rent increase is subject to specific separate report which takes into account affordability for tenants.</p>	<p><b>Board reporting and monitoring</b> - Board reports regarding Financial Performance and Financial Projections - Report to Group Board on treasury update and policy - Financial performance report to Group Board and Subsidiary Board meeting - Minutes of Group and Subsidiary Board meetings - Risk Registers - Tenant rent setting consultation results</p>	<p><b>Compliant</b></p>
<p>3.5 The RSL monitors, reports on and complies with any covenants it has agreed with funders. The governing body assesses the risks of these not being complied with and takes appropriate action to mitigate and manage them.</p>	<p>We have an on-going process and report compliance as part of finance report to Group Board in addition to projected compliance being a consideration when assessing and agreeing our financial projections.</p>	<p><b>Board reporting and monitoring</b> - Financial performance and treasury reports to Group Board - Report to Boards on financial projections</p>	<p><b>Compliant</b></p>
<p>3.6 The governing body ensures that employee salaries, benefits and its pension offerings are at a level that is sufficient to ensure the appropriate quality of staff to run the organisation successfully, but which is affordable and not more than is necessary for this purpose.</p>	<p>All staff gradings are subject to an internal assessment using defined criteria by Employee Relations.</p> <p>The pension arrangements are routinely reviewed by the Board/RAAG and this included changes for auto enrolment to not offer SPF to all incoming employees. This was on the basis that it was not necessary to attract employees.</p> <p>Overall staffing costs and their impact are considered as part of the financial projections.</p>	<p><b>Governance Framework</b> - Group Standing Orders</p> <p><b>Board reporting and monitoring</b> - Confidential minute of RAAG report to Board on Chief Executive's remuneration - Financial projections - Dual pension arrangements in place for GHA</p>	<p><b>Compliant</b></p>
<p>3.7 The governing body ensures the RSL provides accurate and timely statutory and regulatory financial returns to the Scottish Housing Regulator. The governing body assures itself that it has evidence the data is accurate before signing it off.</p>	<p>All returns are submitted to the SHR. Where appropriate, Regulatory returns (such as 5 year financial projections, loan portfolio) are included on the agendas for all RSL Board meetings in May. The same is also true of the Annual Return on the Charter (also May.) Governing Body requires formal Board reports to be provided with clear recommendations about sign-off.</p> <p>DGHP declared material non compliance on this area in its previous Statement, related to their non compliance under Standard 3.3 rendering them unable to assure the information submitted to the SHR. This has been addressed by the completion of a full stock condition survey and systems updated to allow data to be extracted and furnished to the SHR.</p>	<p><b>Board reporting and monitoring</b> - Board papers and agendas</p>	<p><b>Compliant</b></p>
<p><b>Standard 4</b> The governing body bases its decisions on good quality information and advice and identifies and mitigates risks to the organisation's purpose.</p> <p><b>Guidance</b></p>			
<p>4.1 The governing body ensures it receives good quality information and advice from staff and, where necessary, expert independent advisers, that is timely and appropriate to its strategic role and decisions. The governing body is able to evidence any of its decisions.</p>	<p>Board reports are structured in a Board approved standard format with specific headings to ensure appropriate information is contained in key areas such as finance, risk and legal/regulatory.</p> <p>Board feedback on reports is received during meetings as well as part of the annual Board appraisal.</p>	<p><b>Board reporting and monitoring</b> - <b>Board reporting template</b> - Board meeting papers - Board and Committee minutes</p> <p><b>Governance Framework</b> - Group Standing Orders and Scheme of Delegation</p> <p><b>External Assurance</b> - Campbell Tickell review of governance arrangements, including the quality of Board papers.</p>	<p><b>Compliant</b></p>
<p>4.2 The governing body challenges and holds the senior officer to account for their performance in achieving the RSL's purpose and objectives.</p>	<p>This is primarily discharged via Board meetings.</p>	<p><b>Board reporting and monitoring</b> - Board Reports and associated minutes</p>	<p><b>Compliant</b></p>

<p>4.3 The governing body identifies risks that might prevent it from achieving the RSL's purpose and has effective strategies and systems for risk management and mitigation, internal control and audit.</p>	<p>We have a clearly defined risk management framework. This is reviewed on an ongoing basis. Risk analysis is a specific element of all Board papers and therefore embedded in our decision making at Board level.</p> <p>Where there is a particular risk there is an enhanced level of Board reporting on specific risks as has been in place throughout the pandemic.</p>	<p><b>Group policies</b></p> <ul style="list-style-type: none"> <li>- Risk management policy</li> </ul> <p><b>Governance framework</b></p> <ul style="list-style-type: none"> <li>- Group Standing Orders and Audit Committee Terms of Reference</li> </ul> <p><b>Board reporting and monitoring</b></p> <ul style="list-style-type: none"> <li>- Reports to Group Audit Committee and all RSL Boards</li> <li>- Minutes relative to the above</li> </ul>	<p><b>Compliant</b></p>
<p>4.4 Where the RSL is the parent within a group structure it fulfils its responsibilities as required in our group structures guidance to: (a) control the activities of, and manage risks arising from, its subsidiaries; (b) ensure appropriate use of funds within the group; (c) manage and mitigate risk to the core business; and (d) uphold strong standards of governance and protect the reputation of the group for investment and other purposes.</p>	<p>The role and controls of the Parent are codified in all subsidiary constitutions, along with the roles and responsibilities set out in Intra Group agreements and the Group Standing Order.</p> <p>Examples of this include Parent approval rights over areas such as Board appointments, constitutional changes, policy and funding.</p> <p>In addition to this, our standard reporting arrangements are such that the Group Board always receives Group wide performance information as well as details of any material issues at individual subsidiary level.</p>	<p><b>Governance Framework</b></p> <ul style="list-style-type: none"> <li>- Constitutions</li> <li>- Group Standing Orders</li> <li>- Intra Group Agreement</li> </ul> <p><b>Board reporting and monitoring</b></p> <ul style="list-style-type: none"> <li>- Board packs</li> </ul>	<p><b>Compliant</b></p>
<p>4.5 The RSL has an internal audit function. The governing body ensures the effective oversight of the internal audit programme by an audit committee or otherwise. It has arrangements in place to monitor and review the quality and effectiveness of internal audit activity, to ensure that it meets its assurance needs in relation to regulatory requirements and the Standards of Governance and Financial Management. Where the RSL does not have an audit committee, it has alternative arrangements in place to ensure that the functions normally provided by a committee are discharged.</p>	<p>We have a clearly established Group Audit Committee with a remit including oversight of internal audit.</p> <p>The IA team is required to have an External Quality Assessment at least every 5 years to give the AC assurance on the quality and effectiveness of the Internal Audit function. (Last completed in 2015 and 2018)</p>	<p><b>Governance framework</b></p> <ul style="list-style-type: none"> <li>- Audit Committee Terms of Reference</li> </ul> <p><b>Board reporting and monitoring</b></p> <ul style="list-style-type: none"> <li>- Assurance Update Board Reports</li> <li>- Group Audit Committee reports</li> </ul> <p><b>External</b></p> <ul style="list-style-type: none"> <li>- IA EQA</li> </ul>	<p><b>Compliant</b></p>
<p>4.6 The governing body has formal and transparent arrangements for maintaining an appropriate relationship with the RSL's external auditor and its internal auditor.</p>	<p>This is clearly defined via the Group Standing Orders, mainly within the purview of the Group Audit Committee</p>	<p><b>Governance framework</b></p> <ul style="list-style-type: none"> <li>- Audit Committee Terms of Reference</li> </ul>	<p><b>Compliant</b></p>
<p><b>Standard 5</b> The RSL conducts its affairs with honesty and integrity.</p>			
<p><b>Guidance</b></p> <p>5.1 The RSL conducts its affairs with honesty and integrity and, through the actions of the governing body and staff, upholds the good reputation of the RSL and the sector.</p>	<p>The Wheatley Group Code of Conduct and Conflicts Policy sets out expectations.</p> <p>Staff are also bound by the Code of Conduct and HR Policies. We have a Whistleblowing Policy and Anti-fraud, Corruption and Bribery Policy.</p> <p>This has been strengthened for the Group Board via stronger provisions for dealing with any suspected breaches, with the power now in place to enforce vacation of office.</p>	<p><b>Governance framework</b></p> <ul style="list-style-type: none"> <li>- Group Standing Orders</li> <li>- Group Code of Conduct (governing body and staff)</li> <li>- Whistleblowing policy</li> </ul>	<p><b>Compliant</b></p>
<p>5.2 The RSL upholds and promotes the standards of behaviour and conduct it expects of governing body members and staff through an appropriate code of conduct. It manages governing body members' performance, ensures compliance and has a robust system to deal with any breach of the code.</p>	<p>We operate a Group Code of Conduct which all members are required to sign up to. It includes arrangements to deal with any breach of the code. An appraisal system is in place to manage governing body performance. Similar arrangements are in place for staff via HR policies and the Staff code of conduct.</p>	<p><b>Governance framework</b></p> <ul style="list-style-type: none"> <li>- Group Code of Conduct and Conflicts Policy</li> <li>- Governing Body Appraisal Policy</li> </ul>	<p><b>Compliant</b></p>
<p>5.3 The RSL pays due regard to the need to eliminate discrimination, advance equality and human rights, and foster good relations across the range of protected characteristics in all areas of its work, including its governance arrangements.</p>	<p>Our leaders empower all employees to live the Wheatley Group values; Trust, Community, Excellence and Ambition. The values are integrated into the My Contribution appraisal process.</p> <p>This is also embedded in our HR policies</p>	<p><b>Group policies and associated documents</b></p> <ul style="list-style-type: none"> <li>- Wheatley Group Values</li> <li>- HR policies including Dignity at Work and Employee Code of Conduct</li> <li>- Group Governing Body Member Code of Conduct and Conflicts Policy</li> <li>- Group Equality and Diversity policy</li> </ul>	<p><b>Compliant</b></p>
<p>5.4 Governing body members and staff declare and manage openly and appropriately any conflicts of interest and ensure they do not benefit improperly from their position.</p>	<p>We operate a register of interests and declarations of interest is a standing item on Board meeting agendas.</p>	<p><b>Group policies and associated documents</b></p> <ul style="list-style-type: none"> <li>- Group Code of Conduct and Conflicts Policy</li> <li>- Register of Interests form</li> <li>- Group policy on gifts, hospitality, payments and benefits</li> </ul> <p><b>Board reporting and monitoring</b></p> <ul style="list-style-type: none"> <li>- Minutes of Board meetings</li> <li>- Example of standing item on Board meeting agendas</li> </ul>	<p><b>Compliant</b></p>
<p>5.5 The governing body is responsible for the management, support, remuneration and appraisal of the RSL's senior officer and obtains independent, professional advice on matters where it would be inappropriate for the senior officer to provide advice.</p>	<p>Group CEO appraisal is undertaken by Group Chairman and remuneration levels are set by the Board based on previous SHR Recommended practice such as relevant benchmarking and metrics such as pay per home.</p> <p>The Board accesses independent professional advice and holds discussions without the Group Chief Executive where appropriate.</p>	<p><b>Group governance framework</b></p> <ul style="list-style-type: none"> <li>- Group Standing Orders</li> </ul> <p>Board reporting</p> <ul style="list-style-type: none"> <li>- Reports to RAAG Committee and Group Board on Group CEO terms and conditions.</li> </ul>	<p><b>Compliant</b></p>
<p>5.6 There are clear procedures for employees and governing body members to raise concerns or whistleblow if they believe there has been fraud, corruption or other wrongdoing within the RSL.</p>	<p>We have specific Whistleblowing and Fraud, Bribery and Corruption Policies in place, approved by the Group Audit Committee.</p>	<p><b>Group policies</b></p> <ul style="list-style-type: none"> <li>- Group Whistleblowing policy</li> <li>- Group Fraud, Corruption and Bribery policy</li> </ul>	<p><b>Compliant</b></p>
<p>5.7 Severance payments are only made in accordance with a clear policy which is approved by the governing body, is consistently applied and in accordance with contractual obligations. Such payments are monitored by the governing body to ensure the payment represents value for money. Alternatives to severance must be considered including redeployment.</p>	<p>Our existing approach to ER/VR consists of two elements: our individual policies on Early Retirement and Redundancy and affordability criteria we apply agreeing any form of what may be classified as a 'severance payment'.</p> <p>We engage external legal advice in relation to any settlement agreements.</p>	<p><b>Group policies and associated documents</b></p> <ul style="list-style-type: none"> <li>- Policies on redeployment, redundancy and early retirement linked to redundancy (GHA, Cube, Loretto, WLHP, Dunedin Canmore and Barony)</li> <li>- Legal Advice regarding severance</li> </ul>	<p><b>Compliant</b></p>

5.8 Where a severance payment is accompanied by a settlement agreement this must not be used to limit public accountability or whistleblowing. RSLs must take professional legal advice before entering into a settlement agreement.			Compliant
<b>Standard 6</b> The governing body and senior officers have the skills and knowledge they need to be effective.			
<b>Guidance</b> 6.1 The RSL has a formal, rigorous and transparent process for the election, appointment and recruitment of governing body members. The RSL formally and actively plans to ensure orderly succession to governing body places to maintain an appropriate and effective composition of governing body members and to ensure sustainability of the governing body.	We have undertaken a comprehensive review of our succession plans in light of the pandemic to ensure we maintain an appropriate and effective composition.  Recruitment vacancies are always advertised and subject to: - the process set out in constitutions - recruitment policy - RAAG committee agreement  The Board undertake an annual appraisal process.	<b>Group governance framework</b> - Group Standing Orders Appendix 3A Governing Body Recruitment Policy and Procedures - Group Standing Orders [ Appendix 3B Governing Body Appraisal Policy and Group Succession Planning Policy - Sub Board skills matrices and succession plans	Compliant
6.2 The governing body annually assesses the skills, knowledge, diversity and objectivity it needs to provide capable leadership, control and constructive challenge to achieve the RSL's purpose, deliver good tenant outcomes, and manage its affairs. It assesses what is contributed by continuing governing body members, and what gaps there are that need to be filled.	Annual appraisal is in place and the policy includes self assessment together with a 1-2-1 review with Chair to evaluate performance. The Group has an appropriate Succession Planning Policy in place.	<b>Group governance framework</b> - Constitutions - Group Standing Orders [1 - Appendix 3B Governing Body Appraisal Policy and Group Succession Planning Policy]  <b>Board reporting and monitoring</b> - Board appraisal report to Group Board; - RSL Board Succession Plans - Board induction process - Subsidiary Board reports on appraisal and succession Feb 2020	Compliant
6.3 The RSL ensures that all governing body members are subject to annual performance reviews to assess their contribution and effectiveness. The governing body takes account of these annual performance reviews and its skills needs in its succession planning and learning and development plans. The governing body ensures that any non-executive member seeking re-election after nine years' continuous service can demonstrate their continued effectiveness.	An annual appraisal process is in place and the policy includes self assessment together with a 1-2-1 review with the Chair to evaluate performance.  During this year we reappointed a small number of Non-Executives beyond 9 year's service. In agreeing this the Board specifically gave consideration to the individual's ongoing effectiveness and independence.	<b>Group governance framework</b> - Constitutions - Group Standing Orders [1 - Appendix 3B Governing Body Appraisal Policy and Group Succession Planning Policy] - Board induction process - Board CPD Programme  <b>Board reporting and monitoring</b> - Board appraisal report to Group Board; - 3-year Succession Plans including specific agreement to extend beyond 9 years and assessment of continued effectiveness to support this	Compliant
6.4 The RSL encourages as diverse a membership as is compatible with its constitution and actively engages its membership in the process for filling vacancies on the governing body.	Our approach was reviewed in year and agreed by all relevant Boards taking into account this Regulatory Standard	<b>Group policies</b> - Membership Policies  <b>Group governance framework</b> - Constitutions  <b>Board reporting</b> - reports to individual Boards regarding membership changes and assessing compliance with this standard as part of the changes agreed	Compliant
6.5 The RSL ensures all new governing body members receive an effective induction programme to enable them to fully understand and exercise their governance responsibilities. Existing governing body members are given ongoing support and training to gain, or refresh, skills and expertise and sustain their continued effectiveness.	We have a structured approach to board induction and CPD. In addition to this, we take into account operating context, with tailored CPD delivered during the pandemic on virtual meetings.	<b>Induction and training</b> - Induction process - CPD programme - Institute of Directors (IoD) induction programme session on the Role of a Non-Exec Director	Compliant
6.6 If the governing body decides to pay any of its non-executive members then it has a policy framework to demonstrate clearly how paying its members will enhance decision-making, strengthen accountability and ownership of decisions, improve overall the quality of good governance and financial management and deliver value for money.	The Group Governing Body Remuneration Policy sets out the Group's approach to remuneration - which is to remunerate non-executive positions in order to attract and retain those with the right talents, skills and experience. The remuneration is based on a number of principles, which are set out in the Policy.	<b>Group policy framework</b> - Governing Body Remuneration Policy - Governing Body Member Remuneration Benchmarking Report  <b>Board reporting and monitoring</b> - Board reports	Compliant
6.7 The governing body is satisfied that the senior officer has the necessary skills and knowledge to do his/her job. The governing body sets the senior officer's objectives, oversees performance, ensures annual performance appraisal, and requires continuous professional development.	This is overseen via the Group Chair, who undertakes and annual appraisal of the Group Chief Executive and provides feedback to the Group RAAG Committee and Group Board.	<b>Board reporting and monitoring</b> - Confidential minutes of RAAG report to Group Board.	Compliant
<b>Standard 7</b> The RSL ensures that any organisational changes or disposals it makes safeguard the interests of, and benefit, current and future tenants.			
<b>Guidance</b> 7.1 The governing body discusses and scrutinises any proposal for organisational change and ensures that the proposal will benefit current and future tenants.	The Barony change was reviewed and approved by both the Barony and Group Boards taking into account the implications for tenants.	<b>Board reporting and monitoring</b> - Board reports - Board minutes	Compliant
7.2 The RSL ensures that its governance structures are as simple as possible, clear and allow it to meet the Standards of Governance & Financial Management, Constitutional Requirements, and Group Structures guidance.	We operate a relatively flat and simple corporate structure. Governance Review with advice from Campbell Tickell, supports recent decision to rationalise the Group by dispersing activities of Barony and ultimately winding one entity up. We have now also agreed to consider the Group structure further as part of the Cube strategic review.  Intra-group agreements are in place between the parent and each subsidiary.	<b>Group governance framework</b> - Group Standing Orders - Intra-Group Agreements  <b>External validation</b> - Campbell Tickell Governance review  <b>Board reporting and monitoring</b> - Board packs	Compliant

7.3 The RSL ensures adequate consultation with, and support from, key stakeholders including tenants, members, funders (who may need to give specific approval) and local authorities as well as other regulators.	The Barony change involved significant engagement with key stakeholders, including Local Authorities and the Care Inspectorate	<b>Board reporting and monitoring</b> - Board reports  <b>Other</b> - Exchanges with Local Authorities and Care Inspectorate	
7.4 The governing body is satisfied that the new (or changed) organisation will be financially viable, efficient and will provide good outcomes for tenants.	This was assessed fully in relation to Barony, in the case of DGHP this was pre Group	<b>Board reporting and monitoring</b> - Board reports - Board minutes	
7.5 The RSL establishes robust monitoring systems to ensure that delivery of the objective of the change and of commitments made to tenants are achieved (for example in relation to service standards, operating costs and investment levels).	This applies within the Barony and DGHP context. We have clear monitoring arrangements in place for ensuring commitments to tenants are monitored and delivered. These will also be reported to the relevant Boards on an ongoing basis. As the more significant change, the DGHP commitments are reported at DGHP and Group Board level as part of the Transformation Programme	<b>Board reporting</b> - reports to DGHP and Group Boards - Repots to WLHP and DCH Boards on Barony tenant commitments such as rent increase levels	<b>Compliant</b>
7.6 Charitable RSLs seek consent/ notify OSCR of changes to their constitution and other changes as appropriate.	In progress for current rule changes. OSCR approval sought prior to Barony Trasfer of Engagements and dissolution	Formal notification documents to OSCR	
7.7 The governing body ensures that disposals, acquisitions and investments fit with the RSL's objectives and business plan, and that its strategy is sustainable. It considers these taking account of appropriate professional advice and a consideration of value for money - whether as part of a broader strategy or on a case by case basis.	This is not an ongoing requirement, rather a requirement to be met if and when such activity happens. Such activities remain reserved to the Board unless otherwise delegated under very clear criteria.	<b>Board reporting and monitoring</b> - Barony Board report - GHA Board reports	<b>Compliant</b>
7.8 The RSL complies with regulatory guidance on tenant consultation, ballots and authorisation.	This has applied to the Barony reorganisation in year. As part of this process we engaged throughout with the SHR and reviewed the regulatory guidance in advance of agreeing the key milestones.	Board reports relating to the Barony reorganisation and the associated tenant consultation documentation.	
7.9 The RSL notifies the Regulator of disposals in accordance with regulatory guidance.	We have a clear, robust internal process in place for ensuring that all disposals are notified to the SHR. All staff who are potentially involved in disposals are clear on where this triggers a notification requirement.	SHR Portal holds records of all notifiable disposals.	<b>Compliant</b>
7.10 The RSL only agrees fixed or floating charges where the assets are used to support core activities. This should exclude providing security in relation to staff pensions.	The Group funding structure is split between 'RSL' and 'Others.' Whealley Funding No. 1 Limited (WFL1) was formed as a special purpose vehicle to facilitate funding the Group RSLs from bond issuance and bank lenders. WFL1 borrows funds from the bond issuer and banks and on-lends them to the RSLs within the Group in accordance with the criteria set out in the Intercompany Loan Agreements. The Bond is secured against Group Properties. These Charged Properties are named in the Bond Trust Deed and there are requirements to notify the Trustee if the Group wants to add, substitute, release or dispose of a property charged against the Bond loan value. A Secured stock spreadsheet is maintained by the Treasury Team.  Annual Valuations on the Group Assets are undertaken by JLL including separate valuations for each funder against assets. In addition, Prudential Securities provides its own report on funding against the Group Assets which Treasury reconcile quarterly against their own records.	<b>Corporate records</b> - Financial records of RSLs and WFL1 - Security spreadsheet	<b>Compliant</b>



The constitution of the RSL must comply with all legislative requirements under the 2010 Act (which are not replicated here) and the following regulatory requirements:	Self-Assessment Commentary	Evidence and sources of assurance	Self Assessment
	All RSL rules take into account the SFHA Charitable Model Rules, subject to us ensuring that the reflect our own needs. All constitutions are subject to a) review by individual Boards b) review by our external legal advisors, and c) agreement by members.		Compliant
1. It sets out clearly the RSL's purpose, objects and powers.		All RSL Rules/Articles of Association and supporting Board papers at time of approval. Harper MacLeod are involved in the preparation of all constitutional changes.	Compliant
2. The RSL is able to fulfil its obligations in terms of its legal status and (if relevant) its obligations as a registered charity. These obligations and how they will be met are set out in the constitution.		All RSL Rules/Articles of Association and supporting Board papers at time of approval. Harper MacLeod are involved in the preparation of all constitutional changes.	Compliant
3. There is a system for keeping accounts and ensuring an independent audit by an appropriately qualified person. There is a proper procedure for appointing an auditor. The governing body should take whatever measures are necessary to ensure the continuing independence of the auditor including periodic review of the need for audit rotation. The RSL must send a copy of its accounts and the auditor's report to us within six months of the end of the period to which they relate.		All RSL Rules/Articles of Association and supporting Board papers at time of approval. Harper MacLeod are involved in the preparation of all constitutional changes.	Compliant
4. It is clear what investments and borrowing the governing body can authorise.		All RSL Rules/Articles of Association and supporting Board papers at time of approval. Harper MacLeod are involved in the preparation of all constitutional changes.	Compliant
5. There is a procedure for dealing with disputes on matters contained within the constitution.		All RSL Rules/Articles of Association and supporting Board papers at time of approval. Harper MacLeod are involved in the preparation of all constitutional changes.	Compliant
6. It is clear how changes can be made to the constitution.		All RSL Rules/Articles of Association and supporting Board papers at time of approval. Harper MacLeod are involved in the preparation of all constitutional changes.	Compliant
7. It is clear how the RSL can be closed down.		All RSL Rules/Articles of Association and supporting Board papers at time of approval. Harper MacLeod are involved in the preparation of all constitutional changes.	
8. The RSL can demonstrate its governance and financial arrangements are such as to allow the Regulator to regulate effectively, and exercise our full regulatory powers.		All RSL Rules/Articles of Association and supporting Board papers at time of approval. Harper MacLeod are involved in the preparation of all constitutional changes.	Compliant
<b>In relation to an RSL within a group structure:</b>			
9. Each organisation within the group must have a distinct legal identity and separate constitution. The constitutional and financial relationships between all organisations in the group (registered or non-registered) must be documented formally and in terms that are transparent and understandable.		All RSL Rules/Articles of Association	Compliant
10. If any of the organisations within the group are charities, the RSL's role and relationships with other group members are consistent with charity law.		All RSL Rules/Articles of Association	Compliant
11. The constitutions of group members must enable the parent to exercise control and to take corrective action where required.		All RSL Rules/Articles of Association	Compliant
12. There are procedures in place designed to avoid conflicts of interest, particularly where members of the subsidiary's governing body are also members of the parent's governing body.		All RSL Rules/Articles of Association	Compliant
13. Where it is constituted as a subsidiary of another body, the RSL's constitution permits control by the parent but with sufficient independence to carry out its business, within limits set by the parent.		All RSL Rules/Articles of Association	Compliant
<b>With regard to the governing body of the RSL and the members of the governing body:</b>			
14. Recruitment to the governing body is open and transparent. It is clear who is eligible to become a member of the governing body and how to become a member of the governing body whether by election, nomination, selection, etc and how membership is ended. There is a procedure for removing members from the governing body.		All RSL Rules/Articles of Association	Compliant
15. There is a procedure by which members stand down from the governing body to allow for a turnover in membership. Governing body members are appointed for specific terms subject to re-election or re-appointment.		All RSL Rules/Articles of Association	Compliant
16. The membership of the governing body must be no fewer than seven and not normally exceed 15 members, including co-opted members. Names of the governing body members must be accessible to the public.		All RSL Rules/Articles of Association	Compliant
17. The powers and responsibilities of the governing body are clearly set out.		All RSL Rules/Articles of Association	Compliant
18. The roles, powers and responsibilities of governing body office bearers are set out. And any delegation to committees or staff are clearly set out in standing orders and delegated authorities.		All RSL Rules/Articles of Association	Compliant
19. There are provisions for the RSL to remove a governing body member who does not sign up to the code of conduct and to take action against or remove a governing body member in breach of the code.		All RSL Rules/Articles of Association	Compliant
20. Where the constitution allows executive staff on to the governing body, they must be excluded from holding office, and cannot form a quorum or a majority. Executive members of the governing body should not receive any additional payment for their governing body role over and above what they are entitled to under their contract of employment.		All RSL Rules/Articles of Association	Compliant
21. It is clear what types of meetings can and should be held and their purpose. There are clear procedures to call all meetings, and it is clear what the quorum of meetings should be, how resolutions will be passed, and decisions recorded, and how many meetings should take place each year, subject to a minimum of six governing body meetings a year.		All RSL Rules/Articles of Association	Compliant
22. The governing body cannot act for longer than two months if its membership falls below seven. If at the end of that period it has not found new members then the only power it will have is to act to bring the governing body members up to seven.		All RSL Rules/Articles of Association	Compliant

23. There is a clear process to identify and address any conflicts of interest on the governing body.		All RSL Rules/Articles of Association	Compliant
24. The Chairperson's role is set out formally; the Chairperson is responsible for the leadership of the governing body and ensuring its effectiveness in all aspects of its role. There is a clear process to select the Chairperson, who cannot be an executive member, and must not hold office continuously for more than five years.		All RSL Rules/Articles of Association	Compliant
25. If the RSL pays any of its non-executive governing body members then it must ensure that: a) the governing body takes account of independent guidance in setting payment amounts and can demonstrate value for money; b) the payments are linked to specified duties and there is a clear process for assessing performance in carrying out these duties; c) details of governing body payments are published in the RSL's annual accounts; and d) where an RSL has subsidiaries it must ensure any payments and benefits to subsidiary governing body members are included in the policy. Charitable RSLs must comply with the Charities and Trustee Investment (Scotland) Act 2005 and any associated guidance from the charity regulator when considering payments or benefits to charity trustees.		All RSL Rules/Articles of Association	Compliant
26. The role and status of co-optees is set out. Co-optees do not form part of any quorum required for meetings of the governing body and may not vote on matters directly affecting the constitution and membership of the organisation or the election or appointment of its office bearers.		All RSL Rules/Articles of Association	Compliant
<b>With regard to the general membership of the RSL:</b>			
27. It is clear who is eligible to become a member of the RSL and who cannot, and it is clear how to become a member and how membership is ended. Names of the members must be accessible to any other member or anyone with an interest in the RSL's funds.	This is detailed through a combination of constitutions and membership policies	All RSL Rules/Articles of Association - Membership policies	Compliant
28. Membership of the RSL should reflect the purpose and objects of the RSL.	Members for GHA and WHG are the Board, so by definition reflect the purpose and objects as they set them - Other RSLs have membership policy which set out the membership. Membership primarily open to tenants, Board members and the Parent .	All RSL Rules/Articles of Association - Membership policies	Compliant
29. There is a clear procedure, including the quorum and voting procedure, for the membership of the RSL to meet and it is clear what business the membership can discuss and what decisions it can make, subject to a minimum of one annual meeting.	Clearly detailed within each constitution	All RSL Rules/Articles of Association	Compliant

## Report

**To:** Dunedin Canmore Housing Board

**By:** Hazel Young, Managing Director

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

**Subject:** Dunedin Canmore Corporate Risk Register

**Date of Meeting:** 12 November 2020

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### 1. Purpose

1.1 To provide a new integrated Dunedin Canmore Corporate Risk Register at **Appendix 1** for approval by the Dunedin Canmore Housing Board (the Board).

### 2. Authorising 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 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.

### 3. Risk appetite and assessment

3.1 The Group and Dunedin Canmore's agreed risk appetite in relation to Board Governance is "cautious", meaning that tolerance for risk taking is limited to events where there is little chance of any significant repercussion should there be a failure.

### 4. Background

4.1 Under its Terms of Reference, the Group Audit Committee is responsible for monitoring and reviewing the risk-management framework within the Group. The Wheatley Group Board approved changes to the Strategic Risk Register at its meeting in August 2020. These risks have been considered when updating the Corporate Risk Register.

### 5. Discussion

5.1 Key strategic risk areas have been identified through a high-level review of Dunedin Canmore evolving strategies, operational risks and the current operating environment. A full copy of the proposed Corporate Risk Register is

included at **Appendix 1**. This includes details of existing mitigating controls and residual risk scores.

5.2 The following table provides a summary of the Dunedin Canmore corporate risks including (i) added risks; (ii) changed risks, and (iii) unchanged risks.

<b>Risk Code</b>	<b>Risk Title</b>	<b>Summary of change</b>
<b>Added</b>		
DCCRR19	Customer Satisfaction	New risk added to reflect importance of customer satisfaction with our homes and services.
DCCRR20	Service remobilisation post Covid-19	New risk added to reflect current challenges associated with remobilisation of services following lockdown.
DCCRR21	Ongoing threat of future waves of Covid-19	New risk added to reflect unknown business environment associated with future waves of Covid-19.
DCCRR22	New Operating Model Implementation	New risk added to reflect risks associated with planned organisational change delivery.
<b>Changed</b>		
DCCRR01	Rent arrears including Universal Credit	Title changed from 'Welfare Reform' and description amended to reflect risks associated with loss of income and updated controls in place. Aligned to Group Strategic Risk.
DCCRR04	Business Continuity and Disaster Recovery	Controls revised to remove reference to Group systems and add Group Assurance monitoring progress and robustness of plans.
DCCRR05	Political & Policy changes	Risk description and controls updated to reflect Brexit risk and the Group's policy of not building homes for sale.
DCCRR06	Laws and Regulations	Risk description and controls updated in line with revisions to the Group Strategic Risk Register.
DCCRR07	Failure to recruit, develop, retain and succession plan	Inherent risk score reduced from 25 to 16 in line with Group Strategic Risk Register.
DCCRR11	Building Safety	Title changed from 'Fire Safety'. Risk and controls descriptions updated to focus on measures in place to protect health and safety of customers and staff, in line with Group Strategic Risk register.
DCCRR12	Brexit Trade Deal	Risk title changed from 'Supply Chain' and risk description updated to reflect Brexit risk in line with Group Strategic Risk register.

<b>Risk Code</b>	<b>Risk Title</b>	<b>Summary of change</b>
DCCRR13	Securing new funding and adverse market changes	Risk title changed from 'Funding Availability' and updated risk and controls to reflect latest position, consistent with Group Strategic Risk Register. New inherent and residual risk scores.
DCCRR14	Compliance with funders' requirements	Risk title changed from 'Loan Security' and updated risk and controls to reflect latest position, consistent with Group Strategic Risk Register. New inherent and residual risk scores.
DCCRR16	Pension Contributions	Risk title changed from 'Pension funds' and risk description reviewed to widen risk to cost of all pension contributions, in line with Group Strategic Risk Register.
DCCRR18	Post-2021 Housing Policy and Grant availability	Minor updates to risk description and control to reflect Group Strategic Risk Register.
<b><i>Unchanged</i></b>		
DCCRR02	Development Program	No Change
DCCRR03	Stock Condition	No Change
DCCRR08	Board Governance	No Change
DCCRR09	Property Services	No Change
DCCRR10	NETS services within DC	No Change
DCCRR15	Group Credit Rating	No Change
DCCRR17	Cyber Security	No Change

## **6. Key issues and conclusions**

6.1 The updated Risk Register **Appendix 1** is presented to the Board for approval.

## **7. Value for money implications**

7.1 There are no direct implications arising from the requested approval of the Corporate Risk Register.

## **8. Impact on financial projections**

8.1 No direct financial implications result from the management and review of the Corporate Risk Register. Any actions taken by management to mitigate risks, which have financial implications, would be presented to the Board separately.

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

9.1 The effective management of risk satisfies the Scottish Housing Regulator's Regulatory Standards of Governance and Financial Management, which requires governing bodies to identify and mitigate risks to the organisation's purpose.

## **10. Partnership implications**

10.1 There are no direct partnership implications arising from this report.

## **11. Implementation and deployment**

11.1 Whilst responsibility for implementing the Group Risk Management Framework rests with the Group Board, the Board has responsibility for the management and monitoring of Dunedin Canmore's corporate risks. However, it is incumbent upon all management teams and employees to embrace "good practice" risk-management principles at all times.

## **12. Equalities impact**

12.1 There is no impact to equalities arising from this report.

## **13. Recommendation**

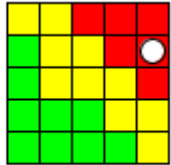
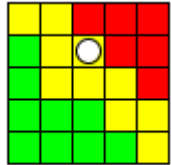
13.1 The Board is asked to approve the revised Corporate Risk Register to confirm it appropriately captures the current corporate risks.

## **List of Appendices**

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



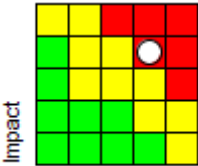
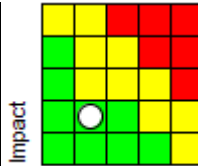
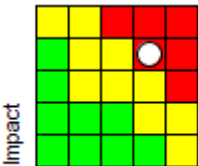
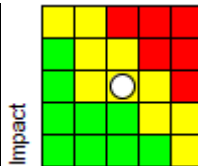
Dunedin Canmore Corporate Risk Register November 2020

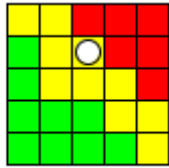
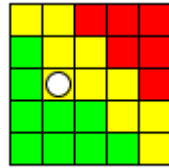
Code & Title	Description	Original risk score (with no controls in place)	Existing Controls / Monitoring & Check	Current Risk score (with mitigating controls in place)	Risk Appetite
<p>DCCRR01 Rent arrears including Universal Credit  <del>Welfare Reform</del></p>	<p>The impact of Covid-19, as well as 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><del>Proposed Welfare Reforms reduce guaranteed income stream from Housing Benefit and rental payments which may adversely impact Dunedin Canmore's cashflow, leading to a reduction in lenders' confidence and increase poverty and affordability issues for our customers.</del></p>	 <p>Impact</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>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. The Group business plan also contains a significant buffer within its assumptions for risk in relation to bad debts and rent arrears.</p> <p><del>Group Universal Credit team formed, which is providing support and analysis as follows:</del></p> <ul style="list-style-type: none"> <li><del>– Understand customers better, target resources to weaker areas</del></li> <li><del>– Tenancy sustainment funding in place</del></li> <li><del>– Understand Universal Credit customers and impact on arrears</del></li> <li><del>– Detail UC dashboard in development.</del></li> <li><del>– Improved reporting to Board on UC.</del></li> <li><del>– Use of GoMobile to help assist customer with UC</del></li> <li><del>– Training and resource at Dunedin Canmore to help customer get online</del></li> </ul>	 <p>Impact</p> <p>Likelihood</p>	<p>Open</p>

Code & Title	Description	Original risk score (with no controls in place)	Existing Controls / Monitoring & Check	Current Risk score (with mitigating controls in place)	Risk Appetite
DCCRR02 Development Program	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: - Inability to attract new customers - Loss of confidence by stakeholders - Reduced income stream	 Impact Likelihood	- Political lobbying and support - Good design and cost plan - Delivery record - Bid on the right sites - Review Dunedin Canmore's geographical footprint for potential development opportunities. - Implementation of Group Development Committee to oversee Development Programme	 Impact Likelihood	Open
DCCRR03 Stock Condition	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: - Further deterioration of stock - H&S incidents due to falling stonework or roof tiles - Lack of demand for properties by customers	 Impact Likelihood	- 3rd party public liability insurance - Disposal strategy - Financial planning - Stock condition surveys - Asset strategy	 Impact Likelihood	Open
DCCRR04 Business Continuity & Disaster Recovery	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.	 Impact Likelihood	- Plans in place and have been tested recently - Replication to Bilston - Back up lines - Third party specialist used to carry out audits on specialised areas/activity <del>Group Systems</del> - Group Assurance continue to monitor progress and robustness of plans.	 Impact Likelihood	Minimal
DCCRR05 Political & Policy Changes	The risk that <u>political and policy changes</u> (within Scotland and the UK) affect the ability of Wheatley Housing Group to deliver strategic objectives resulting in significant adverse reputational impact.  For example: Brexit will result in the withdrawal of EU grant funding which will affect the Group's total income.	 Impact Likelihood	The current policy and national political environment (e.g. Brexit) brings a degree of uncertainty. 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. This includes an existing plan to raise additional capital to provide further risk mitigation for the Group. The Group's policy of not building homes for sale also mitigates potential property market risk.	 Impact Likelihood	Minimal

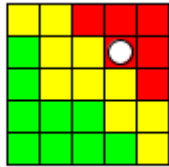
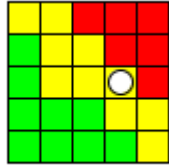
<p>DCCRR06 Laws &amp; Regulation</p>	<p>Non-compliance with statutory <u>laws and regulations</u>, including but not limited to: (i) Scottish Housing Regulator and Care Inspectorate regulations, (ii) Financial Conduct Authority (FCA) regulations, (iii) compliance with Health and Safety Building Regulations, (iv) <b>Freedom of Information (Scotland) Act</b>, and (v) <b>General Data Protection Regulations</b> resulting in adverse feedback and loss in confidence from Regulator, the Scottish Information Commissioner, <del>Freedom of Information Act</del>, <del>compliance with General Data Protection Regulation (2018)</del>, funders, customers and potential partners, as well as potential fines and penalties.</p>	<p>Impact</p> <p>Likelihood</p>	<p>A Group wide Scottish Housing Charter Assurance process is established supported by the Strategic Scrutiny Panel reviewing outcomes.</p> <p><del>The Group has on-going relationship management with Regulator. FOI and GDPR programme in place across Group to ensure compliance with new legislation. Care Inspectorate regulations: Loretto Care provides support to DC with advice, policy design and review of activities. Annual assurance statement provides a source of assurance for non-compliance.</del></p> <p><b>FCA regulations are considered when new products and services are developed.</b></p> <p><b>Qualified personnel undertaking capital improvement works as well as suitable sign off and compliance checks of new installations (e.g. external wall coverings), to ensure these meet relevant building standards.</b></p> <p><b>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.</b></p> <p><b>Legal and financial advice is obtained for all financial offerings to customers.</b></p> <p><b>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.</b></p> <p><b>Group wide approach to how the Group manages information.</b></p> <p><b>Privacy Impact Statements to be implemented across the Group.</b></p>	<p>Impact</p> <p>Likelihood</p> <p>Minimal</p>
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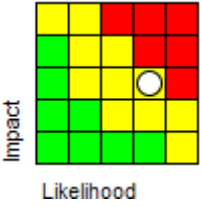
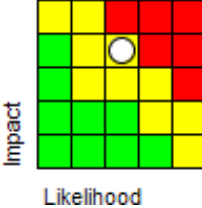
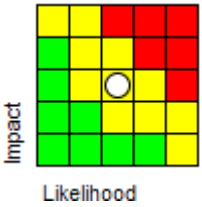
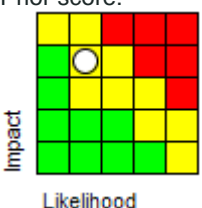
Code & Title	Description	Original risk score (with no controls in place)	Existing Controls / Monitoring & Check	Current Risk score (with mitigating controls in place)	Risk Appetite
			Changes to existing legislation are identified and implemented by identified responsible officers across the Group.		
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><b>New score:</b></p> <p>Impact</p> <p>Likelihood</p> <p><b>Prior score:</b></p> <p>Impact</p> <p>Likelihood</p>	My Contribution in place for all staff / Training Logs for all staff / Training courses at the Academy and online / Leadership Development programme / Succession Planning and talent management programme / HR policies on recruitment and selection / Employee satisfaction surveys. Working with schools via career days to promote careers with environmental services and care.	<p>Impact</p> <p>Likelihood</p>	Cautious
DCCRR08 Board Governance	DCH Board members or Senior Officers leave and cannot be replaced leading to: - Loss of knowledge, experience and reduced effectiveness of Board. - Potential Notifiable Event to the Scottish Housing Regulator if membership falls under 7. - Lack of effective Governance	<p>Impact</p> <p>Likelihood</p>	<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>	<p>Impact</p> <p>Likelihood</p>	Cautious

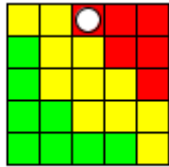
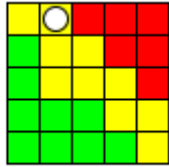
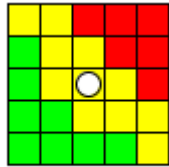
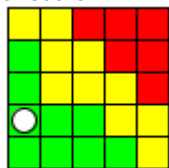
Code & Title	Description	Original risk score (with no controls in place)	Existing Controls / Monitoring & Check	Current Risk score (with mitigating controls in place)	Risk Appetite
DCCRR09 Property Services	<p>Failure to actively manage contractors in the Workshop results in interruption of services to customers with potential consequences as follows:</p> <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>	 <p>Impact</p> <p>Likelihood</p>	<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>- Support from Wheatley Director of Investment, Repairs and Compliance</li> </ul>	 <p>Impact</p> <p>Likelihood</p>	Open
DCCRR10 NETS services within DC	<p>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.</p>	 <p>Impact</p> <p>Likelihood</p>	<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>	 <p>Impact</p> <p>Likelihood</p>	Open

Code & Title	Description	Original risk score (with no controls in place)	Existing Controls / Monitoring & Check	Current Risk score (with mitigating controls in place)	Risk Appetite
DCCRR11  Building safety  Fire 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.</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><del>Changes to building safety/fire safety regulations/Fire Service advice results in financial costs in terms of potential penalties as well as costs to comply with new regulations. Impact of Scottish Government review of fire standards and increase for social rented standard to meet PRS standard.</del></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 existing LD2 upgrade programme</p> <ul style="list-style-type: none"> <li><del>-Business Planning to provide for any additional costs</del></li> <li><del>-External review of our Fire Safety arrangements</del></li> <li><del>-Community Improvement Partnership focused on fire prevention and education</del></li> <li><del>-Existence and review of Business Continuity Plans</del></li> <li><del>-Group Fire Mitigation Strategy and Framework</del></li> <li><del>-New H&amp;S arrangements for fire launched</del></li> </ul>		Averse

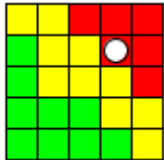
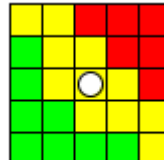
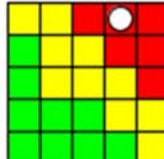
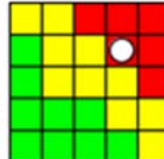


Code & Title	Description	Original risk score (with no controls in place)	Existing Controls / Monitoring & Check	Current Risk score (with mitigating controls in place)	Risk Appetite
DCCRR12 Brexit trade deal Supply Chain	<p>The absence of a Brexit trade deal could result in restrictions to free trade, which could adversely impact the Group and its contractors' supply chains. Specific risks relate to availability / cost of materials and / or availability of trades.</p> <p>This could result in increased costs for new build and property investment works.</p> <p><b>Supply Chain</b>  <del>A potential no-deal Brexit and/ or poor Brexit deal could result in the end of, or service restrictions to trade, which could adversely impact the Group and its contractors supply chain. Specific risks relate to availability / cost of materials and / or availability of trades.</del>  <del>This could result in;</del>  <del>(i) <b>Repairs service</b> – delays in completions;</del>  <del>(ii) <b>Investment programme</b> – delays / cost increases</del>  <del>(ii) <b>New build</b> – delay to meet delivery targets / increased costs;</del>  <del>(iv) <b>Operational Supplies</b> – delays in delivery / cost increases</del></p>	 <p>Impact</p> <p>Likelihood</p>	<p><b>General</b>            Procurement procedures include assessment of suppliers' financial health. Proactive monitoring of supply chains by Operational leads with regular contract management meetings.            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>            Manage stock levels of components and materials.            Engagement with key suppliers.            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>            Procurement with fixed tender costs for 2019/20 site starts. New framework in procurement to maintain competitiveness.            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. Monitor availability of trades on site – consider increased 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>Impact</p> <p>Likelihood</p>	Cautious

Code & Title	Description	Original risk score (with no controls in place)	Existing Controls / Monitoring & Check	Current Risk score (with mitigating controls in place)	Risk Appetite
<p>DCCRR13</p> <p>Securing new funding and adverse market changes</p> <p>Funding Availability</p>	<p>Wider economic and/or political conditions could cause <u>deterioration in the funding market</u>, 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 <u>we do not have enough available cash</u> to meet our commitments or achieve our business plan objectives.</p> <p>The Groups new £185m EIB loan has a clause that means it may no longer be available should the EIB's treaty privileges and immunities not be continued post-Brexit. These are contained in the draft Withdrawal Agreement so may be at risk in a no-deal scenario.</p>	<p>New score:</p>  <p>Prior score:</p> 	<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 15 months + 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> <p><i>Legal mitigations agreed in contract</i> – cancellation of the loan is not automatic, EIB has the right to negotiate alternative mitigations if it wishes. The Group have drawn £85m of the £185m facility. The Group consider the risk to cancellation of availability to be higher than cancellation of drawn funds.</p> <p><i>Maintenance of strong relationship with EIB</i> – we maintain regular contact and support EIB widely, eg in events in other member states, to cement our status as potentially a special case/relationship and our new relationship manager is known to the WHG Finance team.</p> <p><i>Significant alternative funding streams put in place late 2018 to provide a liquidity buffer</i> – this includes €£150m of new funding to provide c2 years of cash requirement even without EIB. This funding boost was a key determinant in the S&amp;P upgrade from negative to stable outlook.</p>	<p>New score:</p>  <p>Prior score:</p> 	<p>Averse</p>

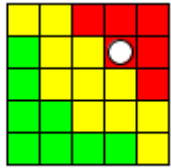
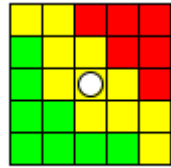
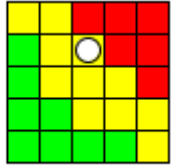
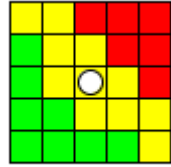
Code & Title	Description	Original risk score (with no controls in place)	Existing Controls / Monitoring & Check	Current Risk score (with mitigating controls in place)	Risk Appetite
<p>DCCRR14</p> <p>Compliance with funders' requirements</p> <p>Loan Security</p>	<p>Failure to meet/maintain the requirements 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> <p><u>Loan security</u> In the event of a significant housing market downturn, the value of our assets held as security for our loans could fall. This principally affects properties valued at the Market Value – Subject to Tenancy (“MV-ST”) basis. We have £794m of security valued at MV-T, and £1,135m at the lower, discounted cash flow basis of Existing Use Value – Social Housing (“EUV-SH”).</p>	<p>New score:</p>  <p>Impact</p> <p>Likelihood</p> <p>Prior score:</p>  <p>Impact</p> <p>Likelihood</p>	<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. 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 credit rating agencies in order to mitigate the risks of unexpected rating changes.</p> <p>The Group currently have £128m of unencumbered stock on an EUV-SH basis available to charge as additional security (which would take 6-9 months to legally secure). MV-T stock requires a higher asset cover ratio than EUV-SH stock, so depending on any fall in value we may “flip” some stock to an EUV-SH basis. We continue to discuss any valuation impacts with our valuer JLL and have run a number of scenarios which show that we could reallocate existing stock and secure unencumbered stock (albeit with a time lag) to mitigate even the Bank of England's no-deal downside case of a 26% fall in house prices.</p>	<p>New score:</p>  <p>Impact</p> <p>Likelihood</p> <p>Prior score:</p>  <p>Impact</p> <p>Likelihood</p>	<p>Averse</p>

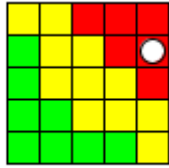
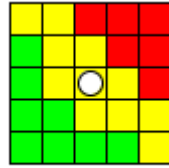
Code & Title	Description	Original risk score (with no controls in place)	Existing Controls / Monitoring & Check	Current Risk score (with mitigating controls in place)	Risk Appetite
DCCRR15 Group Credit Rating	<p>The Group's <u>credit rating</u> is downgraded, adversely impacting our ability to raise funds on the capital markets or potentially impacting on the cost of debt to the Group.</p> <p>External factors such as a no-deal Brexit 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>Impact</p> <p>Likelihood</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>	<p>Impact</p> <p>Likelihood</p>	Averse
DCCRR16 Pension contributions Pension fund	<p>Increases in the <b>required pension contributions (including pension deficit contributions)</b> for all pension funds <b>may</b> lead to potential cost pressures for Dunedin Canmore. <del>if additional contributions to these funds are required.</del></p>	<p>Impact</p> <p>Likelihood</p>	<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, except where prior approval of the RAAG Committee is received.</p>	<p>Impact</p> <p>Likelihood</p>	Averse

Code & Title	Description	Original risk score (with no controls in place)	Existing Controls / Monitoring & Check	Current Risk score (with mitigating controls in place)	Risk Appetite
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.</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:</p> <ul style="list-style-type: none"> <li>• Overall Information security policy for Group</li> <li>• Staff engagement and training across 5 key learning themes.</li> </ul> <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 <del>that a reduction in the availability of grant (both in terms of availability and allocation levels) resulting from a change in Scottish Government Housing Policy after 2021, results in a failure to fully deliver the new build programme and other investment objectives set out within the</del> 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>Financial scenario planning in place to understand potential impact <del>on our investment programme on the new build programme and other investment requirements of a variety of reduced grant allocation scenarios</del> under a variety of grant scenarios.</p>	 <p>Impact</p> <p>Likelihood</p>	Cautious

Code & Title	Description	Original risk score (with no controls in place)	Existing Controls / Monitoring & Check	Current Risk score (with mitigating controls in place)	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 Dunedin Canmore's 2015-20 strategy, with annual customer satisfaction surveys to help us understand customer views and detailed action plans to address feedback every year. This will continue as part of our 2021-26 strategy, augmented by a range of new approaches to improve satisfaction among particular target groups such as young families.</p> <p>Small housing officer patch sizes of 1:200 allow housing staff to deliver personalised services under the ThinkYes approach.</p> <p>Our housing stock investment programme includes provision for addressing customer priorities.</p>	<p>Impact</p> <p>Likelihood</p>	TBC



Code & Title	Description	Original risk score (with no controls in place)	Existing Controls / Monitoring & Check	Current Risk score (with mitigating controls in place)	Risk Appetite
DCCRR20 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>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>Likelihood</p>	Minimal
DCCRR21 Ongoing threat of future waves of Covid-19	The risk of future waves of Covid-19 along with the risk of a second period of lockdown; potentially through winter months.	 <p>Likelihood</p>	<p>Through lessons learnt from previous lockdown and remobilisation, services are planning for future waves.</p> <p>In addition, business continuity plans are being revisited to plan for future waves.</p>	 <p>Likelihood</p>	Minimal

Code & Title	Description	Original risk score (with no controls in place)	Existing Controls / Monitoring & Check	Current Risk score (with mitigating controls in place)	Risk Appetite
<p>DCCRR22</p> <p>New operating model implementation</p> <p>Risk Owner: Group CEO (Martin Armstrong)</p>	<p>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>	 <p>Impact</p> <p>Likelihood</p> <p>Detailed description: A 5x5 grid with Impact on the vertical axis and Likelihood on the horizontal axis. The top row is red, the second row is yellow, and the bottom three rows are green. A white circle is located in the second row, fourth column.</p>	<p>A detailed implementation and communications plan will be developed prior to starting any change process.</p> <p>Trade union partners will be consulted in detail and changes will only proceed with their support.</p>	 <p>Impact</p> <p>Likelihood</p> <p>Detailed description: A 5x5 grid with Impact on the vertical axis and Likelihood on the horizontal axis. The top row is red, the second row is yellow, and the bottom three rows are green. A white circle is located in the second row, second column.</p>	<p>Open</p>



## Report

**To:** Dunedin Canmore Board

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

**Subject:** Assurance Update 2020/21

**Date of Meeting:** 12 November 2020

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### 1. Purpose

1.1. This report provides the Dunedin Canmore Board (“the Board”) with a status update on the delivery of Group’s Internal Audit work for 2020/21.

### 2. Authorising context

2.1. In accordance with the Group Authorising Framework, the Board is responsible for managing and monitoring Dunedin Canmore’s compliance arrangements and operational performance. The activities undertaken by the Assurance team provide the Board with independent assurance to support this role of the Board.

2.2. The Group Audit Committee has responsibility for instructing and keeping under review the long-term plan for internal audit within the Group, approving the annual Group Assurance Plan (the Plan) and monitoring results as presented in the annual internal audit report and assurance statement.

### 3. Risk appetite and assessment

3.1. The Board’s agreed risk appetite in relation to Board Governance is “open”, meaning that there is appetite to take decisions that might expose us to additional scrutiny, but only where appropriate steps have been taken to minimise any exposure.

### 4. Background

4.1. As a result of the COVID19 lockdown in March 2020, the Group Audit Committee agreed to the suspension of the 2020/21 Internal Audit Plan. As a result, the Internal Audit Team was temporarily furloughed.

4.2. There were two reasons for this:

- At the time of a crisis the internal audit plan was not a priority. Continuation of core services was the paramount consideration.
- The Group was best served by internal audit stepping back temporarily and giving business units breathing space to get on dealing with the crisis.

4.3. This was an approach taken by many internal audit functions across the UK.

- 4.4. To respond to the increased Cyber Security risks associated with COVID19 and our new working practices, an external health check of this area was completed by Scott Moncrieff in July 2020. A summary of the findings are detailed in **section 5** of this report.
- 4.5. At the August Group Audit Committee, it was agreed that Internal Audit would be remobilised and that the audit approach would be revised to reflect the current working environment. This is detailed in **section 6**.

## **5. Cyber Security Review**

### Report Summary

- 5.1. Scott Moncrieff's overall conclusion is detailed below.
- 5.2. *"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. Cyber Security is an organisation wide challenge, and it is important that processes exist to ensure that cyber security risks are being managed across the enterprise, and specifically beyond the areas for which IT is operationally responsible."*
- 5.3. This report has not been graded as it was a health check.

### Scope of Review

- 5.4. Due to COVID19 restrictions this review was conducted remotely. Information was gathered via a series of detailed interviews. Documentation was provided for review remotely.
- 5.5. The scope of this work was restricted to the Cyber Security control environment over services provisioned to Group staff by the IT function. As such, a number services which are not provisioned by the IT function were outside the scope of this review. These services include Payroll, MyHousing, LMS, Capita Payments, AllPay – DirectDebits and Alertacall and are subject to external testing (eg penetration testing) as part of their contract.
- 5.6. The objective of this review was to provide an independent assessment of the Cyber Security controls in place, understand important changes in this control environment arising from the COVID response and post-COVID planning, and feedback on planned future developments. To support this assessment, control objectives were drawn from the National Cyber Security Centre's Cyber Assessment Framework ("CAF"). Scott Moncrieff assessed controls over the following areas:

#### A. Managing Security Risk

- Governance
- Risk Management
- Asset Management
- Working from home policies and procedures

## B. Protection Against Cyber Attack

- Service Protection Policies and Procedures
- Identity and Access Control
- Data Security
- System Security
- Resilient Networks and Systems
- Staff and Customer Awareness and Training

## C. Detect Cyber Security Events

- Security Monitoring
- Proactive Security Event Discovery

## D. Minimising Impact of Cyber Security Incidents

- Response and Recovery Planning
- Lessons Learned

5.8 Due to the high-level nature of this review, no testing of the control environment was performed. The objective of this review was to provide feedback on control design as reported by the individuals interviewed. Documentation provided was reviewed to aid the auditor's understanding of the controls discussed, it was not used to support testing of controls.

### Findings

5.9 The review highlighted the following areas of good practice:

- For an organisation of this size and complexity, 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.
- There are IT security policies and processes in place covering areas such as Server Hardening, Patch Management, Back-ups, Disaster Recovery and User Identity and Access Management. There is also a bi-annual National Institute of Standards and Technology (NIST) cyber security review to identify areas for improvement, and external and internal penetration testing of critical services is commissioned. IT security measures are regularly assessed and externally audited with improvements driven by these assessments.
- Anti-malware, firewall, network, desktop and server monitoring software is in place to detect security events and potential security issues.
- A Cyber Security Incident Response Plan (CSIRP) and a defined cyber response team area in place, the CSIRP includes escalation paths and is reviewed annually.
- The IT function reviews security requirements on an ongoing basis and is in the process of considering or implementing a number of initiatives designed to enhance the security control environment. These include, for example, the Security Incident and Event Management Project, engaging with the business in the development of the IT Security control environment and implementing enhanced tools and services to manage Cyber Security threats.

5.10 Scott Moncrieff made three key recommendations to further enhance the Cyber Security control environment across the Group in relation to:

- Introduce a Group wide Cyber Security Oversight to ensure that cyber security risks are being managed across the enterprise, and specifically beyond the areas for which IT is operationally responsible. For example, across the supply chain, within services commissioned and delivered without IT oversight, and across the digital transformation programme.
- Engage wider business leads in Cyber Security decision making to identify and assess security risks arising from across the Digital Programme. The process for identifying and sequencing risk management activity should be set out, and the process for identifying people to be involved in these assessments should be defined.
- Develop further remobilisation planning Cyber Security relating policies and procedures (eg Payment Card Industry Data Security Standards and working from home) to assist staff in the new way of working.

*These actions will be considered as part of the Group's wider review of the operating model. Dates for delivering these areas will be agreed as part of that exercise. The agreed dates will be reported to the Group Audit Committee in due course.*

## 6. Post COVID-19 Group Internal Audit Approach

6.1. The August Group Audit Committee agreed the Group's remobilisation plan for Internal Audit services. To prepare for reinstating internal audit work, the Director of Assurance has been working with the Institute of Internal Auditors (IIA) to see how the sector is responding to the "new norm". The agreed approach reflects the sectors current thinking. The following summarises the new approach.

1) Identify high risk–high priority issues to support management determine the most pressing issues that need to be addressed.

2) Tell management internal audit are here to help

3) Become a real-time control adviser to become an active and agile participant in the Group's continuity and recovery actions by providing real-time advisory and control services.

4) Take off our internal audit hat to help the Group with whatever needs to be done; even if that means stepping into roles and tasks that take away internal audit independence.

***In summary, the IIA are recommending changes in the previous ways of working and that this is the opportunity to modernise how work is done to make it timely, more relevant and more efficient.***

### Implementation of the new methodology

6.2. The remobilisation of Internal Audit commenced from 1 August and a number of assumptions were agreed with the Group Audit Committee, as follows:



- The previously agreed **2020-21 Internal Audit Plan** will no longer apply. The Plan will be reviewed in early 2021.
- **Agility** is key – the planned areas of work will be subject to ongoing review and will be revisited quarterly and agreed with the Group Audit Committee.
- **Internal audit outputs will be different** – our usual reports (with gradings) will change to real time and shorter outputs. Findings will not be graded at this time, as we do not want to be seen as criticising people. Instead, we need to be supportive in setting up systems that are appropriate for this challenging time.
- Our **initial 3 months** work will focus on supporting Directors developing an appropriate control environment for new systems that are required immediately (eg health and safety and fire safety).
- More focus will be on **data analytics** to provide assurance on key cycles (we will use our IDEA software) initial areas will be on expenditure and staff payroll exception reports.
- Most work will be done **remotely**.
- **Follow up** of outstanding recommendations will be done later on in the year.
- **Streamlined Audit Committee reporting** – to focus in on key areas during recovery stage.

6.3. The agreed workplan up to 30 November focuses on the following areas:

- Fire Risk Management Arrangements
- Post COVID19 Gas Safety Arrangements
- Post COVID19 Health and Safety Arrangements (including PPE arrangements relating to Care and Emergency Repairs)
- Supporting Managing Directors in updating their Risk registers

6.4. The findings of these reviews, along with the proposed rolling 3 month Internal Plan, will be reported to the November Group Audit Committee. A summary of these reviews will be reported to Subsidiary Boards in early 2021. If there are any significant findings, these will be reported to the relevant Subsidiary Board Chair when they arise.

## 7. Value for money implications

7.1. Through more focused, responsive planning activity, the Assurance team's work can be directed to those reviews which are more complex, resulting in greater added value to the Group to support the value for money objectives.

## 8. Impact on financial projections

8.1. There are no financial implications as delivery involves a redirection of resources within the Assurance Team.

## 9. Legal, regulatory and charitable implications

9.1. The SHR Regulatory Standards require RSLs to have an internal audit function. Undertaking Assurance activity satisfies the Scottish Housing Regulators' Regulatory Standards of Governance and Financial Management which requires governing bodies to identify and mitigate risks to the organisation's purpose.

## **10. Partnership implications**

- 10.1. There are no direct partnership implications identified within this report. In 2020/21 we will continue to work in partnership with Glasgow City Council's Internal Audit team and City Building Glasgow to provide the Group Audit Committee with comfort on the strength of City Building's control environment.

## **11. Implementation and deployment**

- 11.1. Implementation and deployment of the Plan will be led solely by the Group Assurance Team. Implementation of actions arising from Assurance activity will be the responsibility of the action owners identified within individual audit reports.

## **12. Equalities impact**

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

## **13. Recommendation**

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