



DUNEDIN CANMORE HOUSING

BOARD MEETING

Thursday 11 February 2021
BY VIDEOCONFERENCE

AGENDA

1. Apologies for Absence
2. Declarations of Interest
3. Minute of 12 November 2020 and matters arising

Main Business Items

4. Business update
5. Rent and other charges 2021/22
6. Stronger Voices, Stronger Communities – our new engagement framework
7. Operating model update: approach to service delivery
8. Group Homelessness Policy 2021-2026
9. Five year development programme
10. 2021/22 Financial projections
11. Transforming our rent payment methods

Other Business Items

12. Finance report
13. Delivery plan 2020/21 and quarter 3 performance
14. Scottish Child Payment
15. Governance update
16. Disposal of property at 435 Julian Court, Glenrothers, Fife
17. Gender pay gap (presentation)
18. AOCB

Report

To: Dunedin Canmore Board

By: Hazel Young, Managing Director

Approved by: Olga Clayton, Group Director of Housing & Care

Subject: Business Update

Date: 11 February 2021

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 business and customers. It outlines our current remobilisation status across key customer facing areas following the Scottish Government's move to tier 4 restrictions on 26 December and then to a lockdown from 5 January applying to the whole of the Scottish mainland.
- 4.2 Maintaining service delivery in line with restrictions, ensuring safety and providing the best customer service possible remains a challenging operation. Rapid changes in Scottish Government guidance and in local situations means our service planning and our staff have to be highly agile. We continually review our services in the light of guidance but also from our own learning, seeking to ensure that our approach and processes remain the best they can be.
- 4.3 Staff and customer communication is at the heart of this approach to ensure that they understand what we are doing, why and to be reassured that our processes keep them safe. Despite these challenges we have continued to meet the targets we have set for our remobilisation plans

5. Discussion

- 5.1 Over the latter part of last year we expanded from our essential services, scaling up delivery as restrictions have allowed. This allowed us to bring many services back to normal volume levels. Achievements included:
- Returning to a position where all gas services are being done on time after delays were caused by the first lockdown;
 - The number of voids properties returned to normal levels in January following increased numbers during the first lockdown when almost no letting was possible;
 - From 22 June 2020 repairs moved from essential only to Safety First (including for example repairs to showers, controlled entries, persistent leaks) and from 2 November 2020 to an extended repairs service which was closer to business as usual except for works which could not be done safely.
- 5.2 Our agility and rapid ability to scale up services has allowed us to create a much stronger position going into 2021 than would otherwise have been the case. However, the lockdown for the Scottish mainland means that we have had to review and amend our services in line with new restrictions. Our experience and agility means that we have strong planning mechanisms to help us consider service areas and move quickly to alternative models.

Letting

- 5.3 In line with our remobilisation plans we recommenced phase 2 of our lettings plan on 23 August. This involved letting homes that did not have major repairs. We have now also been able to undertake work on many homes with major repairs such as rot works and had returned to a normal level of voids. The level of voids increased slightly over Christmas and at the beginning of the new lockdown. This was expected as our repairs services were closed down for the period. There was also a slight delay in restarting letting as we clarified the new lockdown restrictions.
- 5.4 We have clarified the position on lettings and are able to continue what is effectively a business as usual position of letting homes in line with our remobilisation plans. This means that we are focussed on letting our homes to those in housing need – most often homeless households but also others who are in need due to medical priority or other issues. We expect that this level of letting will allow us to quickly recover from the increase in voids over Christmas and continue to meet our performance expectations.
- 5.5 Letting continues to take place using safe working procedures for viewings and sign ups. We are currently reviewing our position on applications to undertake a mutual exchange with a view to postponing those which are not essential in line with Scottish Government guidance.

Repairs

- 5.6 During the lockdown period we have reverted to “Safety First” repairs only. Guidance has been issued to all staff so that they are clear on what repairs can be done. Housing Officers and call centre staff can also use their own judgement to categorise something as essential based on customer circumstances, particularly where the customer is vulnerable.
- 5.7 We have contacted all customers who had reported a repair prior to lockdown which will now not be done due to restrictions to explain the situation. They will be kept updated by text throughout lockdown where they have this facility. Customers will not have to report the repair again at the end of the lockdown – we will process and book in repairs as soon as we are able to do so. A similar approach is taken for those who call in to report repairs which are non-essential. Customers have been understanding of the situation and have appreciated the fact that we are keeping them up to date.
- 5.8 We are currently developing a text messaging service for customers who require an essential repair. This will provide both them and our operatives with further reassurance during this period. It will advise the customer of what they should do before an operative visits and what we will do. For example, that they should open the windows, wipe down surfaces, wear a mask and wherever possible stay out of the room the operative is working in. Similarly, our staff will be wearing all appropriate PPE and will wipe down surfaces they have touched once they are finished.

- 5.9 In line with Scottish Government guidance that only essential repairs should be carried out inside someone's home, internal capital investment work has been put on hold. Customers who had a planned date for work to start have been contacted and informed of the situation. This mainly affects planned bathroom upgrade work which we had hoped to start in January. External investment works continue with appropriate safety procedures in place.
- 5.10 We continue to monitor our supply chain for repairs and investment following Brexit. So far there have been no major issues but there remains the potential for disruption, particularly around engineered parts which mostly come from Europe.
- 5.11 We are working through the backlog of medical adaptations which built up during earlier restrictions. Prior to undertaking work, we contact customers to assess with them whether it is appropriate to do the work at this time. This decision will depend on the urgency of the requirement and the ability to do the work while maintaining safe distancing. Some adaptations are crucial in enabling hospital discharge or avoiding admission to care homes and where possible we will always seek to do these projects.
- 5.12 Where a customer does not wish the work to be done at this stage we will contact them again as restrictions ease to plan the work. After a period of very few applications due to restrictions on occupational therapy assessments, numbers had begun to increase again. However, the new lockdown may reduce this again.
- 5.13 Repairs to voids continue with safe working practices in place. This supports our letting to households in need in line with the Scottish Government guidance that house moves, while allowed, should only be undertaken where essential.
- 5.14 Gas safety compliance has been consistently 100% since September 2020 and will continue to be a priority.

Rental income

- 5.15 Maintaining our rental income to fund our services and supporting our customers 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. This has enabled us to provide support and advice to customers at the point they need it most. It has been backed up by easy digital methods to pay which avoid unnecessary contact, with Housing Officers again providing support to help customers through the process.
- 5.16 We suspended home visits for rent issues on 5 January in line with lockdown restrictions. However, our Housing Officers continue to use all other methods to support our customers and collect income. Visits to customers will now only take place where there are acute welfare concerns.
- 5.17 The 6-month notice period for Notice of Proceedings and evictions has been extended by the Scottish Government until 31 March 2021. We have therefore developed a revised escalation process with a new set of escalation 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.

- 5.18 The escalation process includes clear messaging for customers, stakeholders and staff. This will make it clear that only customers who repeatedly will not 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 will not evict anyone who falls into difficulty as a result of the impact of Covid-19. However, it is important that those who purposely avoid 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.
- 5.19 As part of the pre-Christmas rent campaign we refocused our smaller rent action staff groups which were originally set up during the summer. The groups have focused on furloughed customers ensuring that digital is at the core of every conversation in supporting customers where possible. Use of the Wheatley crisis fund and the Christmas child voucher scheme has had a positive impact on supporting customers experiencing financial difficulties. Housing Officers are using the campaign message 'talk to us' with emphasis on the availability of our wraparound services.
- 5.20 We identified non-engagers as another area of focus. Prior to Christmas it involved physical door knocking visits and utilising CSC support to make outbound calls. Web Self Service and My DC registration has featured heavily in conversations from front line staff along with income and expenditure discussions to further understand customers' circumstances. The rent campaign action combined with the support we have been able to offer has meant we have avoided a spike in non-payment over the Christmas period, which we have experienced previously.

Staircleaning and environmental services

- 5.21 The decision was made to suspend staircleaning at the beginning of January. This was done in the light of Scottish Government guidance, the confined space available within stairs which makes it very difficult to distance if anyone needs to pass and the information on the increased transmissibility of the new Covid variant. Customers have been informed of the decision and the reasons for this. We will reinstate these services when it is safe and permissible to do so.
- 5.22 Wider environmental services continue as normal. Snow clearing and gritting has been a feature of recent weeks given the weather, and we have also been carrying out winter maintenance and lifting of abandoned items.

Fire safety, anti-social behaviour, Group Protection

- 5.23 Across the Group, the number of accidental dwelling fires is down from last year's levels. This is despite the fact that lockdowns and restrictions mean many people are spending more time at home. Fire safety visits for vulnerable households recommenced in the summer as part of our remobilisation plan. Over the last two years the team has visited over 1,000 priority customers providing fire safety products, advice and services and these have played an important role in reducing fires. Visits will continue for our vulnerable households during the current lockdown.

- 5.24 Our fire safety team have continued to undertake fire risk assessments for our care properties. These will also continue during the current lockdown. The addition of two new members of staff in February into the Group team will increase our capacity and resilience in this area.
- 5.25 The Group Protection Team continues its work broadly as normal except that contact with relevant agencies is digital. This ensures that we can deliver preventative and support services for our customers who are victims of domestic abuse. We work extensively through our partnership arrangements, participating in Multi Agency Risk Assessment Conferences (MARAC), Multi Agency Tasking And Co-ordination forums (MATAC) and Disclosure Scheme for Domestic Abuse Scotland (DSDAS) across a variety of Local Authority Areas. Our work with partner agencies also includes ensuring the appropriate action is taken against perpetrators; this includes delivering preventative and educational services with the aim of stopping the offending behaviour. In some instances, we can move the perpetrator so that the victim can remain in their own home avoiding further disruption.
- 5.26 There is particular concern for the victims of domestic abuse during lockdowns - they may be confined to a home that is not safe, and may have less opportunity to seek out support. Our staff across Dunedin Canmore and Wheatley Group are well trained on domestic abuse, having been provided with the opportunity to participate in bespoke training developed and delivered jointly by Wheatley Group and National Domestic Abuse Charity Safe Lives. This allows them the knowledge, skills and experience to best support victims and their families, and connect them with our internal Wheatley wraparound support services, or signpost to tailored bespoke Domestic Abuse advocacy support with partners such as Women's Aid. The Group Protection team possess a specialist level of knowledge on domestic abuse through their work on the operational forums, and are able to guide and assist our staff dealing with complex cases, to work towards achieving the best available options and outcomes for any customer affected and impacted.
- 5.27 Our Housing officers and the Group anti-social behaviour team continue their work through our adapted service model which uses telephone and digital methods of contact wherever possible. This is supplemented by the use of home visits where these are essential. We continue to see an increase in cases recorded. Most are in relation to low level noise and neighbour disturbance that are likely to be directly related to lockdown circumstances. Police Scotland have noted a similar trend in their figures.

Care services

- 5.28 The team at Dunedin Harbour has continued their proactive response to the pandemic in line with Scottish Government guidance with the management team attending Wheatley Care's bi weekly Covid Strategic Response Managers meetings. To date no individuals supported within the Hostel has tested positive for Coronavirus. Where the service has incurred additional costs for staffing, cleaning, travel and PPE directly linked to the pandemic, sustainability claims have continued to be collated and submitted to the City of Edinburgh Council for the purpose of reimbursement.

- 5.29 There are no staffing issues, an additional 6 relief staff previously recruited are now through their screening and have commenced in post. Challenges regarding access, by frontline staff, to online training materials have been resolved by accessing android phones allowing for training and development sessions to be accessed both at work and from home.
- 5.30 Minor improvement works in relation to fire safety have commenced, the Scottish Fire Service have granted approval for the renewal of the HMO licence on condition of improvements being completed. Health and Safety colleagues will carry out a further Fire Risk Assessment once works are done.
- 5.31 The Harbour were delighted to receive Christmas monies from the Wheatley Foundation. Coupled with other food donations, the Harbour used these to facilitate Christmas dinners and goodie bags containing gifts for each individual.
- 5.32 The Scottish Government has extended Lateral Flow Testing to staff within sheltered accommodation which includes our retirement complexes, and our retirement managers are now carrying this out weekly.

Other service highlights

- 5.33 A number of teams and individuals across Wheatley have been shortlisted for CIH awards. Our graduate trainee, Niamh Flannigan, who is currently working with us as a Housing Officer, has been shortlisted for the Inspirational Young Housing Professional award. Other shortlisted teams from Wheatley include the Neighbourhood Environmental Team for their work to support customers during the pandemic, Dumfries & Galloway Housing Partnership for their new approach to repairs in a rural housing stock and Wheatley 360 for their work recognising and responding to hate crime.
- 5.34 Over Christmas we provided £30 vouchers to families (one voucher for each child) to enable them to better face the financial pressures of Christmas. In total 391 households benefited with 683 vouchers being distributed by our staff. This has been very positively welcomed by our customers with one of our customers saying to us "I can't thank you enough, I have really struggled this year and this will mean so much to my children."
- 5.35 The Wheatley emergency response fund continues to help 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
- 5.36 An example of how we are able to support our customers is the recent allocation of a home to a homeless customer who had been sofa surfing for 6 years. He was finally able to move his belongings out of the shed they had been stored in, while we were able to arrange to keep the existing white goods in the tenancy so that he did not have to purchase any.

- 5.37 Another customer we rehoused had been homeless for about 2 years and was currently living on the floor at a friend's house. The Housing Officer arranged a call with our Money Advisor to assist with applying to the Scottish Welfare Fund for carpets /furnishings & white goods and also organised a food voucher so he could get some supplies at Asda to help him buy some essentials. The customer was already on Universal Credit for his living costs, the Housing Officer assisted him to update his 'change of circumstances' in his UC Journal to include his rent charge. The customer was supplied with a Dulux paint voucher and within days, he had already been to the Dulux store – picked up his paint kit and was busy giving the living room a fresh lick of paint. With the start-up assistance provided by the Housing Officer, the customer is delighted to finally have a place to call home.
- 5.38 As an example of our Think Yes culture, a Housing Officer had made a welfare call to an elderly customer and learned that he had no TV connection due to an issue with his aerial. We wouldn't normally repair private/domestic TV aerials, but the Housing Officer couldn't bear the thought of anyone who lives alone not having anything to pass the time during this difficult period where family members are unable to visit, so she arranged to have this repaired for the customer. The gentleman is 'over the moon' to say the least and so grateful that we even considered such a solution.
- 5.39 Finally, school closures have meant that some staff are juggling home schooling responsibilities with work. In such instances our flexible working arrangements and Think Yes culture have enabled staff members to adapt to these challenges and adopt varying work patterns. The leadership and support we have been able to provide has been well received to enable our people to work through the temporary lockdown.

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 This is covered in a separate paper on the 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, 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 We continue to utilise our strong relationships with Scottish Government, local authorities and national agencies to support delivery during the crisis but also to influence planning to the benefit of our customers and services.

10. Implementation and deployment

- 10.1 Co-ordination of all Group activity continues to be led by the Group Chief Executive and Executive Team, and by the Managing Director within Dunedin Canmore.

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: Hazel Young, Managing Director

Approved by: Steven Henderson, Group Director of Finance

Subject: Rent and other charges 2021/22

Date of Meeting: 11 February 2021

1. Purpose

1.1 This report:

- Provides feedback from our consultation on the 2021/22 RSL rent and charges increase; and
- Seeks Board approval for the 2021/22 rent charges increases.

2. Authorising context

- 2.1 The Group Board is responsible for agreeing the overarching rent parameters for rent setting. Thereafter each individual partner Board agrees their own individual rent increase proposals within the agreed parameters.
- 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 discretionary variation taking into account individual RSLs circumstances. The DC Board agreed to consult all tenants on a base increase of 1.7%
- 2.3 It also agreed that a second option, 0.5% above the base level, should be discussed, with tenants asked whether they would be prepared to pay these higher levels in return for additional local investment.
- 2.4 It was also agreed that tenants who had transferred from Barony through the stock transfer ballot would be consulted on a 2% increase, in line with the 3-year ballot commitment.

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 We mitigate this risk through a formal consultation process, writing to every tenants to seek their feedback on the rent proposals.

4. Background

- 4.1 The rent increase assumptions in our financial projections are subject to annual review. The annual review takes into account the key principles set out in our Group rent setting framework:

- 1) Financial viability;
- 2) Affordability;
- 3) Comparability; and
- 4) Consultation with tenants and service users.

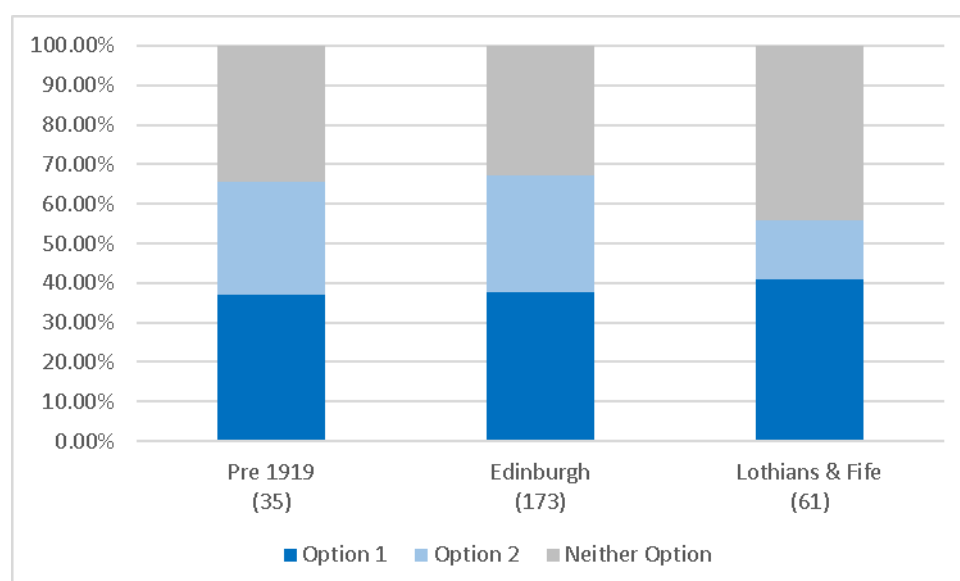
- 4.2 The Board considered the first three principles as part of agreeing the baseline consultation levels during discussions at the November 2020 meeting. The consultation with tenants is the final element of our rent setting process prior to formally agreeing rent levels.

5. Discussion

- 5.1 We received a total of 269 responses from tenants. In total **64% indicated they supported** one of the two options. There were no responses from tenants who had transferred from Barony following the stock transfer ballot. A further breakdown of the results is set out below:

Area/stock type

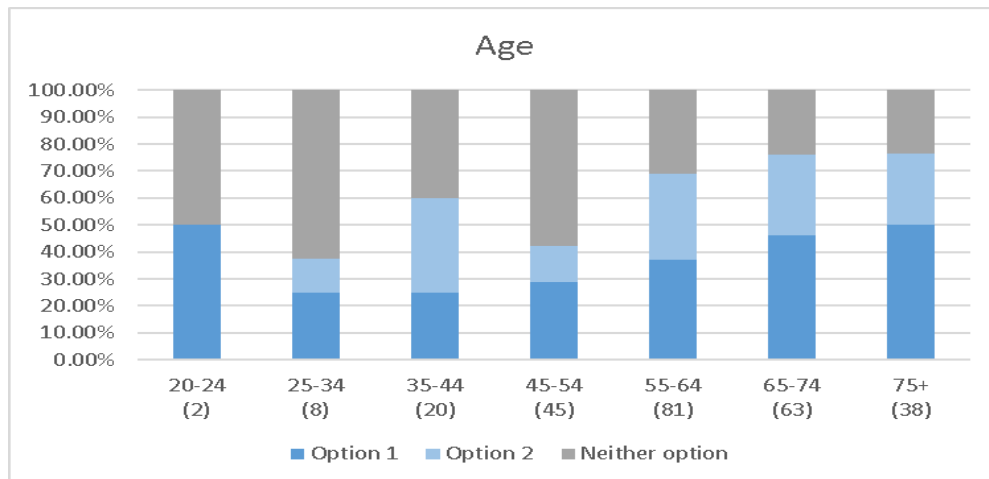
- 5.2 The breakdown by area and separating our pre 1919 stock is set out below:



- 5.3 The breakdown by shows that all three had a majority of tenants indicating support for one of the two options. A presentation with more detailed analysis will be provided at the meeting.

Age

- 5.4 The data identifies that return and support levels, as with the previous year, are generally correlated to age, with the level of support ascending with the age groups. The results are set out below:



Qualitative feedback

- 5.5 We invited respondents to provide feedback on why they elected to choose the option they did. Those who supported one of the options indicated that they selected this because they wanted the smallest available increase whilst maintaining their current service level (that they were happy with).
- 5.6 Those who selected the higher option showed a strong preference for additional investment being focussed on internal works such as skirting and doors or improvement to grounds such as outdoor communal spaces.
- 5.7 Those who did not support either option primarily indicated that affordability was a key consideration, particularly within the context of the pandemic.

6. Key issues and conclusions

- 6.1 The feedback from tenants indicates that the majority of tenants wish us to maintain current service levels and apply a rent increase accordingly. The proposed rent increases are consistent with our strategic objective to minimise rent increases and deploy our efficiencies, such as in operating and funding costs, into achieving this.

7. Value for money implications

- 7.1 The level of rent increase proposed during the consultation included detailed analysis in areas such as affordability and comparability. We know that overall rent levels are an element of how tenants perceive value for money. This is however set within the context of the services we provide, particularly repairs, through the rental income.

8. Impact on financial projections

- 8.1 The financial implications of our rent uplift are set out in the financial projections, which are subject to a separate paper.

9. Legal, regulatory and charitable implications

- 9.1 Consultation with tenants on any increases in rent or service charges is a requirement of the Housing (Scotland) Act 2001. The approach set out in this paper therefore discharges our requirement to consult under the Act.
- 9.2 The 2016 Scottish Housing Regulator Thematic Review of Rent Setting detailed a number of recommendations, including provision of options to tenants during rent setting consultations. The approach taken this year responds to these recommendations.

10. Partnership implications

- 10.1 There are no partnership implications arising from this report.

11. Implementation and deployment

- 11.1 Following approval of the 2020/21 rent and service charge levels, tenants will subsequently receive notification of the final decision in writing 28 days clear of a change in rent being applied.
- 11.2 In recognition of the increasing importance for tenants to notify the relevant authority of the change, we are undertaking additional communication to remind and encourage tenants to notify the change of circumstances as soon as possible.

12. Equalities impact

- 12.1 Feedback by age was analysed and set out in the report. The ethnicity element of our returns comprised 90% of the one category, White Scottish/British. It is intended that as part of our Equality and Diversity policy implementation and new engagement framework we will seek to increase the diversity of responses in future years.

13. Recommendations

13.1 The Board is asked to:

- 1) Consider the feedback received through the extensive consultation process with tenants on our 2021/22 RSL rent and service charge increase;
- 2) Approve a 1.7% rent and service charge increase for 2021/22, with the exception of heating/lighting, community alarms, laundry or lift services which are negotiated separately with the relevant contractor;
- 3) Approve a 1.7% occupancy and service charge increase for shared owners for 2021/22;
- 4) Approve a 2% increase for ex-Barony tenants in line with the 3-year commitment at ballot; and
- 5) Agree that we formally write to tenants and shared owners to confirm this subject to Group Board approval

Report

To: Dunedin Canmore Board

By: Hazel Young, Managing Director

Approved by: Olga Clayton, Group Director of Housing & Care

Subject: Stronger Voices, Stronger Communities – our new engagement framework

Date of Meeting: 11 February 2021

1. Purpose

- 1.1. This report presents the new Wheatley Group engagement framework, which supports the ambition in ***Your Home, Your Community, Your Future*** to transform our engagement approach and shift the balance of power towards our customers. It also presents the draft Dunedin Canmore customer engagement programme for 2021/22.

2. Authorising context

- 2.1. The Group Board has responsibility for setting the overall Group frameworks within which each partner organisation will operate. The engagement framework is a new approach which supports the delivery of the 2021-26 strategy. The Dunedin Canmore Board is responsible for deciding how this will be operationalised in the context of Dunedin Canmore.

3. Risk appetite and assessment

- 3.1. Our risk appetite for service improvement is “open”. This means we are prepared to take the risk of adopting the approach that is most likely to result in successful delivery of our service objectives.
- 3.2. Shifting the balance of power towards the customer brings some risk as we empower customers to take more decisions around priorities and resources. Creating an engagement plan to take this forward for our customers and ensuring this aligns with our strategic delivery plan to manage this transformation will help to mitigate any risks.

4. Background

- 4.1. Our 2021-26 strategy - ***Your Home, Your Community, Your Future*** – sets a clear ambition that “*customers will have increased control over their services, their communities, and their lives, with new opportunities for building skills and resilience*”.
- 4.2. A new Group engagement framework – ***Stronger Voices, Stronger Communities*** – has been developed to help support the delivery of this ambition. Through the deployment of this framework, we will seek to ensure that our customers and communities will feel more in control of their personal and collective wellbeing, inspired to raise their aspiration and able to realise their potential.
- 4.3. The Group framework (attached at Appendix 2) is designed to be accessible and flexible, enabling customers to engage with us at a time and in a way which suits them. Through this framework we aim to improve the opportunities for engagement which are available to our customers and widen the diversity of customers who are actively involved in shaping services. The table below sets out some key differences under the new framework.

Table 1

Previous framework	New framework
Subsidiary specific	Community and/or service specific
Membership requirements and official positions	Accessibility – anyone can volunteer for an activity without further commitment
Formal meetings at set times – physical presence required including requirement to travel	Flexible input eg express views at a time and in a way that suits - online, 24/7, from home, in person
Enabled skills development for those with formal roles	Focus on skills and capacity development with informal and formal development opportunities available
Small percentage of customers involved – less than 0.5%	Marketing to reach a wide range of customers, including quarterly Group-wide Stronger Voices newsletter – highlighting opportunities to engage and featuring how views have made a difference
Characterised by <ul style="list-style-type: none">• Unintentional exclusivity• Lack of diversity and wider opportunity• Focused on RSL customer to the detriment of other Group customers eg factored homeowners, care customers	Characterised by <ul style="list-style-type: none">• Improved diversity and opportunity• Group-wide approach which integrates with our care and support services and builds capacity• Connects and publicises our Foundation activities

- 4.4. An example of an approach to engagement which is community specific rather than subsidiary specific is the You Choose Challenge project that Dunedin Canmore and West Lothian Housing Partnership are carrying out jointly in Whitburn at the moment. Wheatley Foundation have provided us with a £5,000 Community Benefit grant and we have been consulting with both DC customers and WLHP customers in Whitburn to see how they would want to see this spent. In other communities this might also include Lowther customers or Wheatley Care customers. This project is also designed to test digital engagement and co-creation methods with our customers and to use a voting technique to find consensus on priorities.
- 4.5. Our current approach to engagement is strong and has been recognised as such by external assessments such as EFQM. For example, as well as the overall Scottish Business Excellence award in 2018 we were awarded a good practice award for “Adding Value for Customers”. Our Think Yes culture which has been embedded over a number of years means that any staff member engaging with a customer listens and responds to what the customer is saying to find a positive solution. Community groups/meetings are another way in which customers can raise issues which matter to them, as are our locality events where investment priorities are discussed, and pop-up sessions in local areas. Our customers can become involved in estate and other inspections and are able to provide feedback and agree actions for improving neighbourhoods and services. As the Board is aware, we currently have customers, involved in this type of activity through the Customer Panel. Our Customer Panel is also represented on the Wheatley Scrutiny Group, comprising tenants from across Wheatley Group, who meet regularly with senior officers to look at performance and service improvements.
- 4.6. Prior to the coronavirus pandemic we had carried out conversations with customers across Dunedin Canmore on their views about engagement. Customers welcomed having more varied channels for engagement, and valued being able to engage on improving services and their local neighbourhoods. Customers also liked the idea of more apps being available to assist engagement and access to services. Formal meetings were less popular but customers welcomed the opportunities for activities such as open days or pop-up events.
- 4.7. The Covid 19 pandemic has accelerated our digital strategy and both staff and customers have developed their digital skills. Engagement with customers has been taking place in a digital space both on a 1-2-1 basis with individual customers and with groups of customers. Through the Wheatley Foundation emergency response fund we have been able to provide some customers with tablets which have increased their ability to connect and communicate with us, with other providers and with their friends and families.
- 4.8. In developing the customer engagement framework we have sought to take advantage of the opportunities that a more digital environment can bring to our engagement approach in terms of accessibility and flexibility, whilst ensuring that face-to-face engagement remains an important part of our engagement and our service provision.

5. Discussion

- 5.1. Our vision is to support our customers to reach their potential. Our strategy for making this real will deliver an unprecedented shift in the balance of power and control towards our customers, empowering them to make their own choices about the services they want.
- 5.2. Each customer is an individual who will want and/or need different levels of engagement to feel empowered and in control. Our engagement approach is designed to support customers' choices for the experience they want. The emphasis will not be on expecting customers to form constituted groups, meeting in specified locations at set times. Instead the approach will be to encourage accessibility – anyone can volunteer for an activity without further commitment – and flexibility – people can express views at a time and in a way that suits - online, 24/7, from home, or in person.
- 5.3. The engagement framework consists of 4 pillars which support our engagement with customers, as illustrated in Figure 1 below.

Figure 1 – The Stronger Voices framework



- 5.4. The supporting processes; job roles; and outcomes which are sought for each pillar are set out within the framework document at Appendix 2. These cover the range of options which customers will have available to them, such as

- providing a single comment or piece of feedback;
- suggesting an idea for improvement;
- being involved in a focus group discussion;
- scrutinising our performance;
- assessing the standard of our estates;
- redesigning a customer service journey;
- testing a new product;
- making decisions on a budget or policy priority
- accessing learning or accreditation opportunities; or
- joining an apprenticeship programme

- 5.5. The **We Listen** pillar is a very open form of engagement which we would expect all customers can and will access at some point in their relationship with us. It enables customers to put forward ideas which are not driven by our agenda. Customer conversations carried out by Housing Officers are an example of this – where the customer can bring up anything which is important to them, and the Housing Officer listens to understand what our role might be and how we can help. Often this will be about opening service options for customers, but it might also be about supplying information, or developing insight which will help for example to create a community project or influence a service change. The main outcomes from this pillar are increased customer satisfaction; faster complaints resolution; lower levels of waste demand, better customer relationships.
- 5.6. The main purpose of the **We Consult and Co-create** pillar of engagement is to test and consult on proposals; identify what doesn't work in current processes or policies; co-design new services or products; and challenge our collective thinking in order to improve. The outcomes are increased customer satisfaction; fewer complaints; lower levels of waste demand; and better value for money as resources are deployed in accordance with customer priorities.
- 5.7. The **We give power...** pillar focuses on ways in which we can safely empower our customers to make decisions on their own homes and environments, and to make decisions on priorities and resources. Our development of on-line, self-service tools help to promote this for the individual customer - for example, they can decide and track when and where they want a repair carried out; use a budget calculator to make a decision about whether they can afford their own tenancy; or use a Wheatley MyCommunity app to seek consensus with neighbours to improve a shared garden area or other neighbourhood improvement ideas. Increasing the proportion of our budgets that customer have a direct say over is an important outcome from this pillar.
- 5.8. The main purpose of the **We Support** pillar of engagement is to support people to develop their potential and build capacity and resilience in our communities. We have experience of using approaches which support this already, especially within Wheatley Care and other support services provided throughout the Group. Encouraging volunteering in our communities; encouraging individual expression through music and art; and supporting youth development projects are all ways in which we can support people to develop their potential. Working closely with our Wheatley Foundation colleagues will maximise the opportunities for using grant funding to support these activities and integrate them with our engagement approach.

- 5.9. The Group framework sets out the commitment to create a programme of engagement activity which is linked to the Group strategic delivery plan and to recruit 100 customers across our partner organisations in Group to become *Customer or Community Voices*. This will be attractive to customers who would like the opportunity to be more involved in discussion and co-design with us, and will be supported by a learning and development programme. The programme will ensure customer involvement at an early stage within all appropriate strategic delivery projects, with business leads having the responsibility for leading this engagement as part of project development. The performance target for this will be that 50% of Group strategic delivery projects will have customer engagement as an early milestone.
- 5.10. In Dunedin Canmore we will use this approach to re-energise our customer involvement. Some of our currently engaged customers are likely to be interested, for example Customer Panel members, and it will provide an opportunity to recruit a wider range of our customers. Increasing the diversity of actively engaged customers is something the Board, the Customer Panel and officers are very keen to take forward, and the Customer and Community Voice programme provides an ideal opportunity and support to do this. This will enable our customers to engage not only around local community issues but also to be involved in co-creating and improving Group-wide services such as repairs, environmental services, 24 hour customer service etc.
- 5.11. As we change the engagement environment to strengthen the customer voice and shift more power to our customers the approach of our staff will need to change to support this. Table 2 below uses some examples to illustrate this for different job roles, showing how over time the customer role becomes more pro-active and the staff role becomes more enabling.

Table 2 – changing the engagement environment for staff

Roles in 2020	Roles in 2026
I am a Housing Officer and I contribute to the Connect newsletter which is sent quarterly to our customers.	I am a Housing Officer and every day I review the posts on our MyCommunity app to keep in touch with customers and respond to issues.
I am Head of Housing and I present performance reports to the Customer Panel for their information	I am Head of Housing and yesterday my local Community Voices presented their Keep Scotland Beautiful assessment findings/recommendations for my action
I am Director of Development and I negotiate with developers, contactors and partner agencies.	I am Director of Development and I work alongside our current and future customers to ensure our development programme meets customer and community needs
I am Group Director of Repairs and Assets and I work with the Joint Venture and our in-house contractors to ensure a customer-focused and efficient repairs service across Group	I am Group Director of Repairs and Assets and I meet regularly with Customer Voices to discuss their recommendations on the repairs service

- 5.12. The customer engagement environment will also feel different for Boards as we increase the involvement and empowerment of our customers. Table 3 provides some illustrations as to how this could develop for Boards.

Table 3 – transforming the customer engagement environment for Boards

Roles in 2020	Roles in 2026
I am a Board member and I receive an annual report on customer satisfaction which we consider when developing our strategy.	I am a Board member - we receive quarterly reports on customer feedback and regular recommendation reports from our local Customer and Community Voices. This helps me ensure our strategies and services are responsive to our customer needs.
I am a Board member and when we receive a Board paper on a new product it always covers what this will deliver for the customer	I am a Board member, and when we receive a paper on a new product it includes a video presentation from Customer Voices explaining how and why they have co-created it with officers
I am Chair of the Board – we have 4 tenant Board members to ensure the customer voice is heard strongly as part of the decision-making process	I am Chair of the Board - we have a board portal which tells us what customer engagement activities are taking place in Dunedin Canmore and the outcome of these, including where tenants have voted on options

- 5.13. The framework document also sets out how we can build a suite of digital engagement tools which will enable a wider diversity of customers to become involved both in Dunedin Canmore communities and at a strategic Group level depending on their personal preference. The concept of a *MyCommunity app* will provide a flexible easy tool for our customers to engage with us and with each other. It will enable us to reach out to customers with information and opportunities such as volunteering, apprenticeships, grants and benefits. Customers and other agencies who work with us will be able to interact with the app and share information and insight.
- 5.14. As we develop our online service offering and encourage self-service by customers we will ensure that feedback is sought from customers at relevant points in the service journey. This could range from a simple text message after a repair is carried out to a more qualitative phonecall or webchat after a customer has been in a tenancy with us for one year. Integrating feedback opportunities within service journeys will provide better insight for improving the customer experience.
- 5.15. Our 2021-26 strategy emphasises co-creation with our customers and promoting their ability to be in control and self-direct their services. By 2026 we hope that our customers will be empowered to make their own choices about the services they want, be properly equipped to do things for themselves and involved in the design of products and services from start to finish. Through this journey with our customers we hope that our communities will become stronger; more resilient; and able to make their voices and their expectations heard more widely.

6. Key issues and conclusions

- 6.1. The new engagement framework *Stronger Voices, Stronger Communities* is designed to support the delivery of the ambition in *Your Home, Your Community, Your Future* and shift the balance of power and control towards our customers, empowering them to make their own choices about the services they want.
- 6.2. The link between the engagement framework, budget setting and our strategic delivery plan will ensure that the voice of the customer is fully embedded in our plans and priorities, driving change and innovation throughout Wheatley. Through strong engagement with our customers we will support them to develop potential and build stronger communities.

7. Value for money implications

- 7.1. Ensuring that the customer voice is at the heart of our activities and our strategic planning will help to drive increased value for money.

8. Impact on financial projections

- 8.1. The 2021/22 financial projections include a provision of £2.1m over the five-year period for customer directed investment. In 2021/22 alone investment priorities to be decided by tenants equate to 16% of the overall core programme allocation. Within the Wheatley Foundation, £0.8m of funding has been set aside to support the You Choose Challenge project across the Group's RSLs.

9. Legal, regulatory and charitable implications

- 9.1. There are no legal implications arising from the proposed engagement framework.

10. Implementation and deployment

- 10.1. The deployment of this framework in Dunedin Canmore will be supported by our Community Engagement Officer who will oversee our annual engagement programme which supports the customer voice. A draft programme is included at Appendix 1 to illustrate the programme of activities which will take place for Dunedin Canmore customers in 2021/22. This will be updated with more detail when the Board approves the strategic delivery plan in May 2021.
- 10.2. The 2021/22 Group strategic delivery plan will include customer engagement as an early milestone in at least 50% of the projects.

11. Partnership implications

- 11.1 All partner organisations will adopt the framework set out in Appendix 2, tailored to their own customer profiles and contexts.

12. Equalities impact

- 12.1. The proposed framework seeks to expand the opportunities available to customers to engage with us. By adopting a blended digital/off-line approach and increasing accessibility and flexibility it is intended to increase the diversity of customers who are involved in providing feedback and shaping our services.

13. Recommendations

- 13.1 The Board is asked to

- 1) Note the new Group engagement framework set out at Appendix 2
- 2) Note and make any comment on the Dunedin Canmore draft engagement programme set out at Appendix 1

Dunedin Canmore draft engagement programme – 2021/22

Month	Activity	Outcome	Supporting pillar
April	Discussion with Customer Panel on the new engagement framework	New opportunities for involvement	You influence and co-design
May	6 monthly performance is published on line and customer scrutiny invited through MD webinar	Customers are involved in scrutiny and improvement ideas	You influence and co-design
June	Programme for Customer and Community Voices is developed based on Board's strategic delivery plan	New opportunities for involvement	You influence and co-design
June	Recruitment drive for Customer and Community Voices launches	New opportunities for involvement	You influence and co-design
June/July	Summer gala days/outdoor events	Publicise services, publicise feedback loop, community consultation, local investment priorities, apprenticeship programme	You are heard
August	Apprenticeship programme launches	Young customers are supported into the labour market, building skills and resilience	Your voice is stronger
August	Learning and development programme to support the Customer and Community Voices	Customers are supported to develop knowledge and skills	Your voice is stronger

October	Rent consultation <ul style="list-style-type: none"> - Face-to-face focus groups (balanced for age/gender) - MD Webinar - Interactive email and Website feedback 	Consultation informs budget setting	You are heard
November	6 monthly performance is published on line and customer scrutiny invited through MD webinar	Customers are involved in scrutiny and improvement ideas	You influence and co-design
January	Annual Group You Choose Challenge launched	Ideas are crowdfunded, innovation is supported	You decide
February	Co-creation session with staff and Customer Voices identify 3 ideas to take forward	3 ideas are identified	You decide
March	Group Delivery plan approved	At least 50% of projects have specific milestones covering customer engagement – which helps develop the Customer and Community Voice programme	You influence and co-design
April	The 3 “You Choose” ideas are marketed on-line and voting takes place	Customers decide on policy	You decide
April	Customer and Community Voices annual Group conference – presenting their findings	Confidence building and skills development – showcasing achievement	Your voice is stronger

	to senior staff, Boards and other stakeholders, including interested customers		
May	Customer ideas and feedback are incorporated in Board strategy sessions for Board consideration	Customer input informs strategy development	You influence and co-design

Stronger Voices, Stronger Communities

Customer Engagement Framework

December 2020

Stronger Voices, Stronger Communities

Vision

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

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

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

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

I feel in control and have choices

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

I shape the services I receive

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

I have access to the information I need

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

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

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

The Framework

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

Figure 1 – The Stronger Voices framework



1. We Listen **You are heard**

Processes

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

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

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

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

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

Key Roles

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

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

Outcomes

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

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

Another outcome is the ideas and innovation that customers can bring to our business. Insight gathered through this form of engagement is collected and

structured through the locality planning process, complaints analysis and survey feedback.

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

Processes

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

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

We will introduce the concept of **Customer and Community Voices**. These will be customers who will work alongside officers to inspect, advise on and design how we deliver services and projects. We will design an annual programme for our Customer and Community Voices which will be informed by our Group strategic delivery plan so the customer voice is at the heart of our strategic projects. There will be a recruitment and training programme for customers to encourage and support involvement in this and to help build capacity. An early example of this type of involvement is the programme we have to train customers as Keep Scotland Beautiful (KSB) assessors – so that they can carry out joint estate inspections with our staff and contribute to how we can jointly improve our environments.

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

On a more individual basis, our Health & Wellbeing Assistants work with individual care customers using an **Outcome Star method** which supports the people we work

for to identify the aspects of their life they want to improve and how to go about it.

Key roles

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

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

Outcomes

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

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

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

Processes

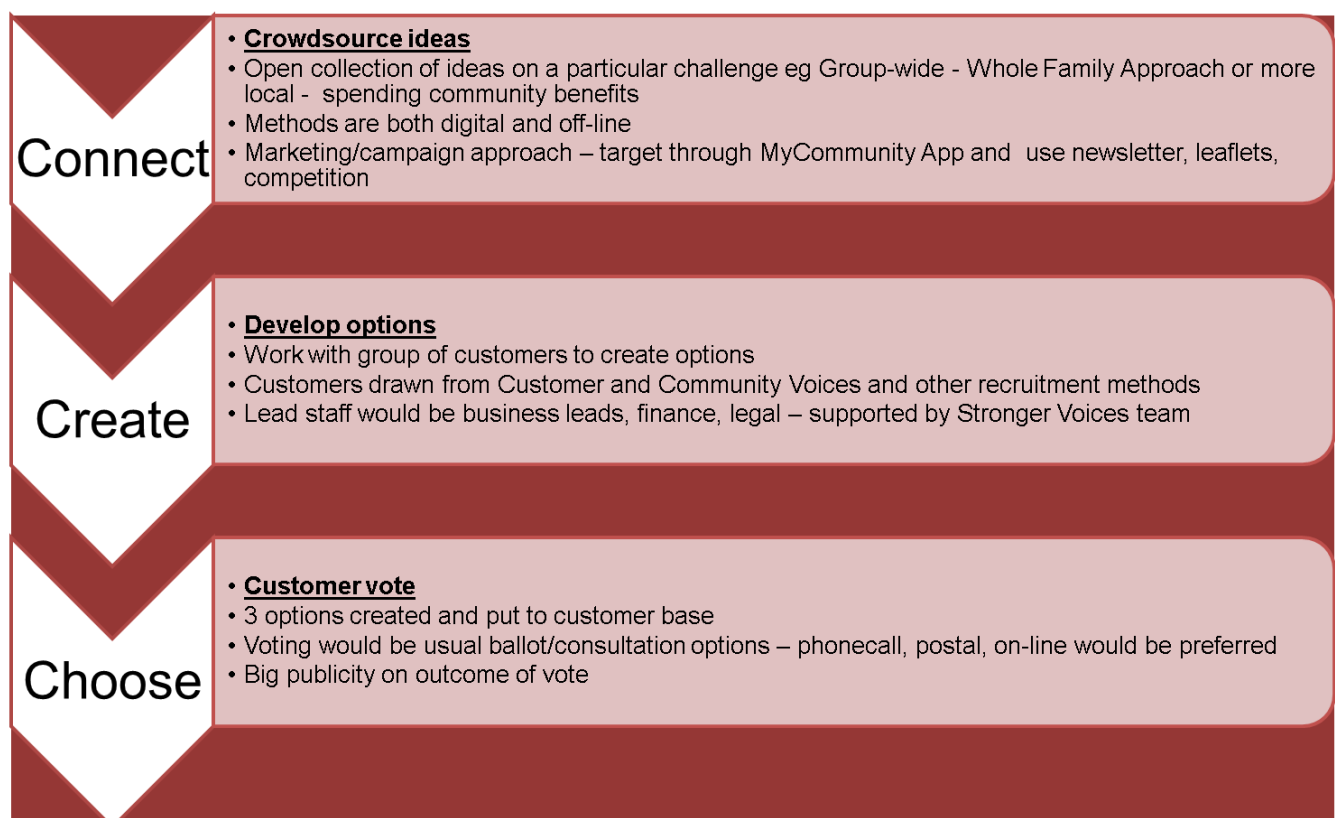
The processes for this pillar focus on ways in which we can safely empower our customers to make decisions on their own homes and environments, and to make decisions on priorities and resources. Our development of on-line, self-service tools help to promote this for the individual customer - for example, they can decide and track when and where they want a repair carried out; use a budget calculator to

make a decision about whether they can afford their own tenancy; or use the Wheatley MyCommunity app to seek consensus with neighbours to improve a shared garden area or other neighbourhood improvement ideas. The LivingWell model for older people uses supportive technology to give people more control and independence in their homes and communities.

An example of further empowerment for the individual customer is **Your Homechoice**. This will provide an allowance for customers taking up their new home with us to choose some work to be done that helps turn the house into a home for them. For example this could be the installation of additional power points which helps them to create a home office environment, or the installation of additional shelving or a kitchen unit which assists with storage solutions.

The **You Choose Challenge** will be one of the key methods we use to engage customers to make collective decisions about priorities and resources. This method is illustrated in Figure 2.

Figure 2 – You Choose Challenge



You Choose Challenge can be used to support a Group-wide decision, for example how to make a policy more family-friendly. But it can also be deployed more locally for example to decide on community projects or local investment decisions.

Key roles

The key staff roles involved in this pillar will be those which carry budget responsibility and decision-making power as this power will need to be appropriately devolved

- Executive Team
- Director of Finance
- MDs
- All Directors

Outcomes

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

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

4. *We support*

Your voice is stronger and people listen to you

Processes

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

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

Key Roles

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

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

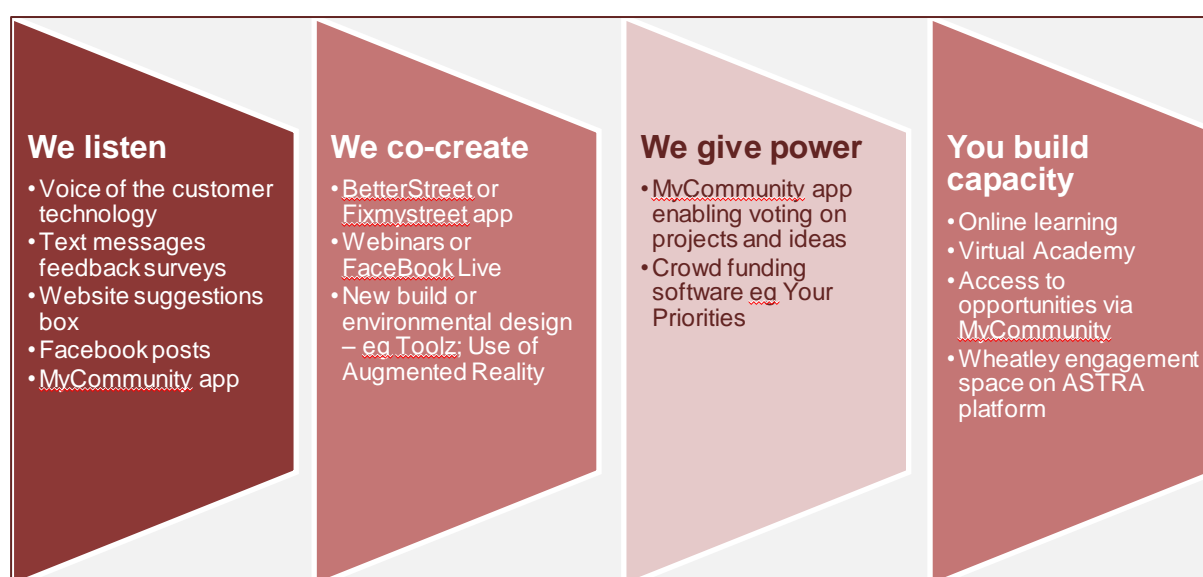
Outcomes

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

Digital Engagement

The engagement framework is based on a blended approach which understands the value of face-to-face interaction but also the opportunities that can come through digital methods of engagement. We will develop digital engagement tools which will support the different pillars of the engagement framework as illustrated in Figure 3.

Figure 3 – Digital tools to support engagement



The development of the **MyCommunity app** will be the key mechanism to support digital engagement. This will enable customers to join a local neighbourhood digital engagement forum where they can engage with their Housing Officer or other key staff on community issues. We will be able to share local information specific to each community and also Group-wide information where appropriate eg to promote benefit take-up campaigns. Customers will also be able to promote activities or information and support which is available locally, as will other partners with whom we work.

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

Other digital methods which we will develop include the **integration of feedback within the customer service journey**. The opportunity to provide feedback will be

available at different points in the service journey – for example to provide feedback on-line through text, web or app feedback after ordering a repair; then again after receiving the repair. This can also be developed for example to contact a customer after they have completed their first year of tenancy with us, to seek feedback on their experience.

We will develop our **digital toolkit** to seek opportunities to make engagement more fun and engaging for our customers. This may be through working with our partners eg new build contractors on video technology so that customers can take a visual on-line tour of a development. There are also apps available such as BetterStreet which can help engage residents in assessing their neighbourhood environment and providing comment on what works for them, what makes them feel safer etc.

Staff resources

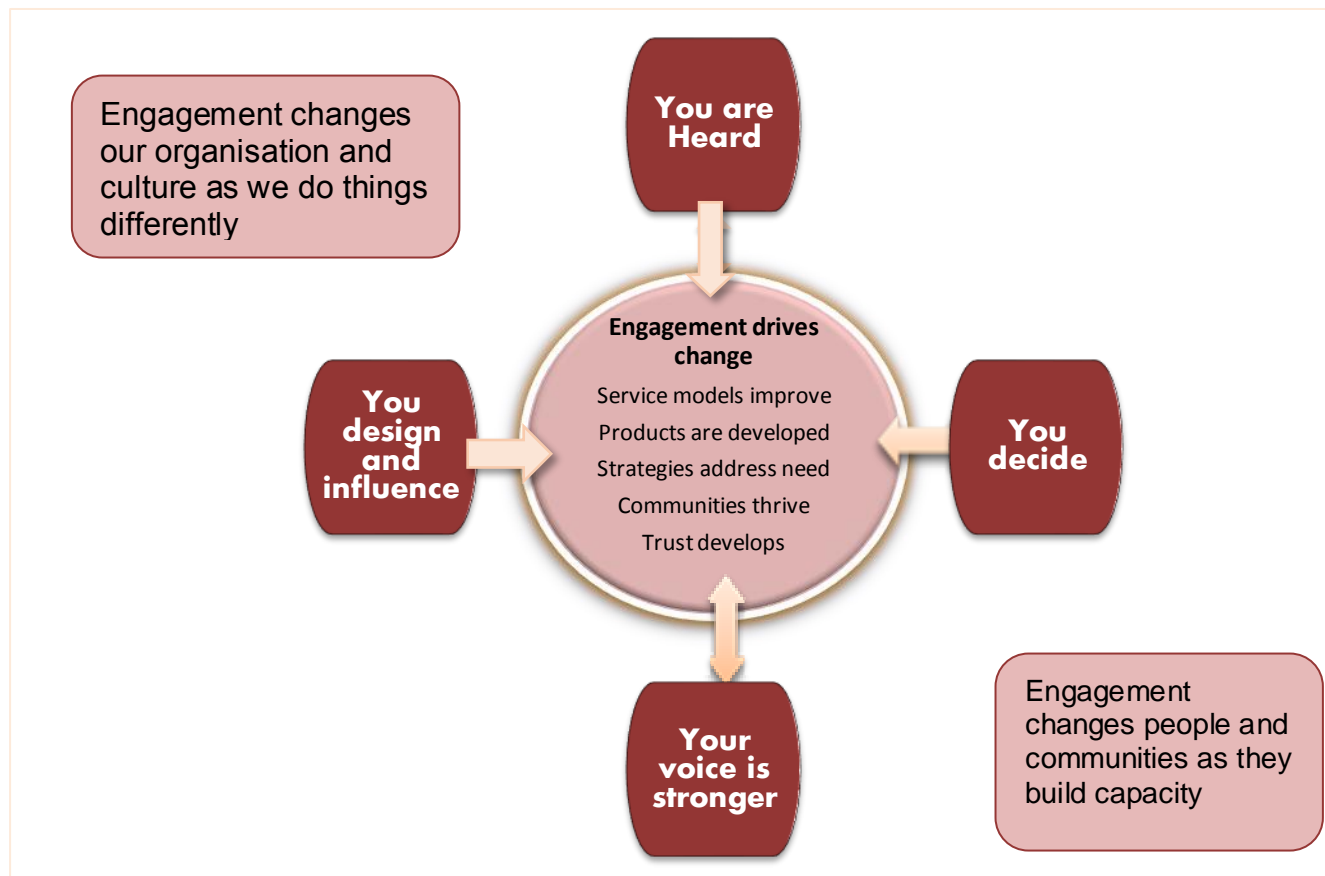
Every member of staff in Wheatley Group has a role in promoting engagement and responding to the customer voice in all our activities. The Stronger Voices team will support business leads to ensure this happens and will oversee the annual engagement programme which supports the customer voice throughout our strategic activities. A sample programme is attached at Appendix 1 of this document.

The team will include Digital Officers who will be responsible for exploring digital opportunities for engagement and supporting customers to develop their digital skills.

Framework outcomes

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

Figure 4 - Framework outcomes



KEY PERFORMANCE INDICATORS

- Overall customer satisfaction above 90%
- Over 90% of Care customers satisfied with the overall service
- Overall satisfaction amongst households with children improved to 90%
- 90% of customers feel they can participate in the landlord's decision making
- 95% of customers actively engaged in shaping services feel they participate in decision making
- 50% of strategic delivery plan projects include customer engagement as an early milestone
- 100 Customer and Community Voices recruited in 2021
- 25% of customer-facing budgets will be controlled by customers by 2026

Wheatley strategic engagement - sample programme

Month	Activity	Outcome	Supporting pillar
March	Group Delivery plan approved	At least 50% of projects have specific milestones covering customer engagement	You influence and co-design
March	Annual programme for Customer and Community Voices is created	Annual programme of activity is identified	You influence and co-design
April	6 monthly performance is published on line and customer scrutiny invited through MD webinar	Customers are involved in scrutiny and improvement ideas	You influence and co-design
May	Analysis of integrated service feedback is provided as part of quarterly performance report to Boards	Customer feedback drives improvement activity	You are heard
May	Recruitment drive for Customer and Community Voices launches	New opportunities for involvement	You influence and co-design
June/July	Summer gala days/outdoor events	Publicise services, publicise feedback loop, community consultation, local investment priorities, apprenticeship programme	You are heard

August	Apprenticeship programme launches	Young customers are supported into the labour market, building skills and resilience	Your voice is stronger
August	Analysis of integrated service feedback is provided as part of quarterly performance report to Boards	Customer feedback drives improvement activity	You are heard
September	CEO webinar	Provides early context for rent consultation and shows how customer views drive strategy and budget setting	You are heard
October	Rent consultation <ul style="list-style-type: none"> - Face-to-face focus groups (balanced for age/gender) - MD Webinars - Interactive email and Website feedback 	Consultation informs budget setting	You are heard
November	6 monthly performance is published on line and customer scrutiny invited through MD webinar	Customers are involved in scrutiny and improvement ideas	You influence and co-design
November	Analysis of integrated service feedback is provided as part of quarterly performance report to Boards	Customer feedback drives improvement activity	You are heard
January	Annual Group You Choose Challenge launched	Ideas are crowdfunded, innovation is supported	You decide

February	Analysis of integrated service feedback is provided as part of quarterly performance report to Boards	Customer feedback drives improvement activity	You are heard
February	Co-creation session with staff and Customer Voices identify 3 ideas to take forward	3 ideas are identified	You decide
February	Budget process is finalised	Agreed % of customer facing budgets is decided by customer priorities	You decide
March	Group Delivery plan approved	At least 50% of projects have specific milestones covering customer engagement	You influence and co-design
April	The 3 “You Choose” ideas are marketed on-line and voting takes place	Customers decide on policy	You decide
April	Customer and Community Voices annual conference – presenting their findings to senior staff, Boards and other stakeholders, including interested customers	Confidence building and skills development – showcasing achievement	Your voice is stronger
May	Winning idea is incorporated in the strategy review and taken forward	Publicity of process and winning idea – customers see that they have decided on policy	You decide
May	Other ideas and feedback are incorporated in Board strategy sessions for Board consideration	Customer input informs strategy development	You influence and co-design

Report

To: Dunedin Canmore Board

By: Hazel Young, Managing Director

Approved by: Martin Armstrong, Group Chief Executive

Subject: Operating model update: approach to service delivery

Date of Meeting: 11 February 2021

1. Purpose

- 1.1. To present, for Board information, how our approach to service delivery will develop during the 2021-26 strategy period.

2. Authorising Context

- 2.1. Under the Group Authorise/Manage/Monitor matrix, the Group Board are responsible for approving Group Strategy and the Group Business Plan. Developing our approach to service delivery including through increasing the use of digital mechanisms is a stated objective, and the direction presented here is a key step in realising this. This report is presented to the Dunedin Canmore Board for information.

3. Risk Appetite and Assessment

- 3.1. The Group's risk appetite relating to operating models and modernising of services is hungry i.e. eager to be innovative and to choose options offering potentially higher business rewards (despite greater inherent risk).

4. Background

- 4.1. Our commitment to exceptional customer experience is a key theme in our strategy. Discussions with Boards across the Group as part of updating our strategy highlighted that *'Digital service delivery will be the norm, but we will ensure no-one is left behind. We will prioritise the introduction of new service models in the first year of the strategy based on our experience of working during the pandemic, blending digital and face to face service whilst maintaining a strongly personalised approach.'*
- 4.2. This recognition of the importance of digital is not new and has been a clear direction of travel and priority for our group and customers. However, also as noted in feedback on the strategy through all partner organisation Boards, *'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;*

- *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. ‘*
- 4.3. At our meetings in August and November the Dunedin Canmore Board considered and supported two key elements of our operating model that sit alongside our approach to service delivery. These were our new ways of working and our new corporate hub model. Agreed plans for our ways of working will see us adapt from a “traditional” office-based set-up, with the vast majority of staff working in 9-5 or fixed shift patterns, to a much more flexible approach. This will include a hybrid model, where staff would have the choice of how to achieve the best of both worlds – social contact with colleagues every week, but flexibility to work from home, with reduced travel time and cost.
- 4.4. Our corporate hub model makes clear that our future physical spaces will be places for collaboration, learning and inspiration. This fits with our local operational model and experience over the years. For example, we have low customer footfall in our office in New Mart Road, and it is effectively a staff base from which mobile working takes place to serve customers in communities, rather than a frontline service delivery asset.
- 4.5. The approach to service delivery discussed here is the final step in defining how we will apply the accelerant from how we have responded this year to realise key aspects of our already agreed strategy more quickly than would have been otherwise possible.

5. Discussion

- 5.1. We already have a reputation for delivering excellent services that meet customer needs. This has been achieved through continually refining our approach to service delivery. Our next development of our approach to service delivery will make a major contribution to many of the strategic outcomes we have set in the 2021-26 strategy, including:
- **Delivering Exceptional Customer Experience** - Our approach to service delivery will bring us close to customers in communities, provides direct customer input to our repairs and other services and positions Lowther as an online business;
 - **Making the Most of our Homes and Assets** - Our approach will reduce travel including to offices and the resources needed to operate them; thereby increasing sustainability and reducing carbon footprint
 - **Changing Lives and Communities** - Our approach to service delivery will concentrate our highly skilled, field based workers in communities where they can work with customer to create peaceful and connected neighbourhoods and support economic resilience
 - **Developing our Shared Capacity** - Our approach is built on collaboration, is innovative and focuses on strengthening the skills and agility of our staff
 - **Enabling our Ambitions** - Our approach to service delivery embraces digital platforms to support our activities

- 5.2. We expect all of our approaches to service delivery, albeit some to a greater extent than others, to develop through the accelerant provided by the Covid pandemic. Notable opportunities that will contribute to this include the ability to serve the customer more flexibly, move to hybrid working for staff, have non-customer facing hubs where staff can cluster and develop our digital and online approaches more rapidly than would have otherwise have been possible.
- 5.3. Services including Care, NETS, repairs and dealing with antisocial behaviour will, as now, continue to be built on skilled staff, providing high quality services to customers in their homes and communities. Services models in these area will be enhanced including through greater use of online, digital, video and developing automatic confirmation of appointments and progress/service delivery updates and the ability to anticipate customer actions and respond proactively. An essential aspect of these new service models will be providing customers with easy routes to let us know when we have not lived up to our commitments. In practice, this will be achieved through having mechanisms, as part of every service, that are focused exclusively on providing a customer with the ability to let us know quickly when they are not satisfied, and that are geared towards us taking immediate action to resolve the situation. Examples of this include:
- As part of every repair, pushing a text to the customer asking for them to rate the service, monitoring this in real time, calling every customer who does not rate the service highly and arranging immediately for necessary action to resolve the situation
 - Housing officers leaving cards as part of every customer interaction, with a dedicated helpline number for the customer to call if the experience or service had not met their expectation or resolved the issue
 - Introducing technology into the Customer Service Centre (“CSC”) where a customer is asked to remain on the line at the end of a call to rate the service. Again, any negative feedback would trigger an immediate call to the customer to identify and resolve the issue
- 5.4. The examples above are intended for illustration. In developing this approach multiple mechanisms will be deployed to ensure customers have choices in how they tell us their expectations of how we would meet our commitments were not met. This will ensure we do not require a customer to use an approach they are uncomfortable with (e.g. some might want to avoid providing negative feedback on the phone) or that is not available to them (e.g. not all customers will have access to a mobile phone) when they are taking the time and effort to feedback on where we could do better.
- 5.5. In-depth change will also happen in our housing service for staff as they work flexibly to meet the needs of customers at times that suit them in a hybrid environment spanning communities, our new hubs and their homes, and make even greater use of digital methods to keep in contact with customers. The greater strategic focus on knowing quickly where we have not met our commitments and acting will also mean that staff are required to be even more dynamic in their approach so they can get involved and fix the cause of any dissatisfaction, quickly.

- 5.6. The CSC will also develop, shifting from call handling to being a resolution centre that meets the customer need at point of contact, with no presumption or ability to pass it on. This will require significant change including not only having the key ThinkYes principle of meeting the customer need at point of contact embedded in our people, but also in our digital environments. Key to this will be designing customer journeys through webchat and web self-service that are natural for customers and that encourage the customer to express their needs, so it can be understood and resolved, rather than channelled through pre-determined pathways to pre-set outcomes.
- 5.7. Another significant change will be developing our resolution centre as a hybrid environment with staff working at home and in a more traditional physical contact centre. At present, the CSC has adapted well from working in a wholly office based environment to a completely virtual one. However, going forward we do not see staff working exclusively from home as the way ahead for the service or its people because of the work involved, the importance of having strong team connections for learning, development, performance and staff wellbeing and lack of connection quality and resilience over the public broadband infrastructure.
- 5.8. Wheatley Solutions will be another area where the approach to service delivery will develop as it changes to support a Group that is no longer predominantly 9 to 5 and office based. Our approach in Lowther will also change significantly as it becomes an online business where customer value is built around addressing the needs of its changing customer base.

Our platforms

- 5.9. Key to these and other changes will be being clear on the platforms that we will build our approach to service delivery on and their purpose. These platforms will be:
- **Web self-service** for simple transactions (such as making a payment) that the customer wants to complete quickly with minimal effort.
 - **Web chat** for transaction where the customer needs a little advice or guidance, such as querying a bill, and that can be completed in a few interactions.
 - **Phone** for more complex interactions, such as a wellbeing check or raising/responding to an issue, where we or the customer want to understand the situation.
 - **Face-to-face** for more complex situations where we need to investigate or the customer is vulnerable, and for high value interaction for the customer and us such as moving into a new home.
- 5.10. At present our **web self-service** offer is immature. We currently have over 44,000 registered customers across Group but the numbers transacting with us regularly is between 6,500 and 8,000. In Dunedin Canmore, 2,850 of our customers are registered with web self-service which is approximately 46% of our customers, but similar to the Group position only about 20% of those are transacting regularly. The main uses of this platform currently by customers is for payments, to register for MySavings, or to make service requests, such as a call back from their housing officer. The ability to raise a repairs was also available on a trial basis earlier in the year but it is not offered currently while we are working with a restricted service.

5.11. As part of developing this platform, priorities will include:

- increasing customer transactions (and registrations).
- resolving around 20% (roughly 200,000) of all customer service request through this channel, there and then.
- making it possible for customers to self-serve less complex repairs (e.g. fix leaking tap, replacing skirting).
- introducing the ability to book an appointment (e.g. with Housing Officer, for bulk uplift, for a repair) at a time that suits the customer.
- reflecting the greater speed and simplicity of requests on this platform through having differential service offers. These offers would be built on recognising that where we get a service request and/or we can resolve it more quickly, then the value of this should be available for the customer. An example of this would be making it possible for customers to book 2-hour appointment slots for a repair on this platform rather than a 4-hour slot by phone.
- building customer confidence and supporting use through offering web chat and a phone call if needed by a customer to complete their transaction.
- exploring the potential of a Wheatley App.

5.12. **Web-chat** is available on MyHousing at present with approximately 11,000 interactions last year. Maturity of this platform elsewhere in our business is low although the recent upgrade to our CRM system, Astra, means limited development is needed to deploy this capability across multiple service lines. Priorities for deploying this platform include:

- deploying it and promoting it as an alternative to phone for customers who are comfortable with this platform and way of interacting.
- Expanding the offer, including the existing 9-5 MyHousing service, to 24/7/365 to support around 10% of all customer transactions.
- training staff to converse with customers over chat.
- developing the ability to choose to speak with an advisor and pushing this to a customer when they appear to be struggling to use the platform effectively.
- exploring the potential of chatbots and automation for simple transaction.

5.13. Our **phone** based service through our customer service centre and customers being able to contact housing officers is well established and mature. Last year, there were over 800,000 calls across our hubs in Glasgow and Dumfries, including in excess of 250,000 for repairs. Other key areas of demand include general enquiries and making a payment. In addition, housing officers have made over 250,000 calls to customers including to support payment of rent this year. While this is a mature platform, significant change will be made as part of our new approach to service delivery including:

- moving from a traditional contact centre to a resolution at point of contact centre
- dealing with around 50% of all customer interactions through this platform and resolving well over 95% there and then.
- anticipatory interventions and proactive outbound calling to support business objectives (e.g. gas servicing), where needed for rectification (e.g. call to reschedule if we expect an appointment to be missed or this happens) and in support of scheduled customer wellbeing campaigns

- proving a helpline where customer can detail when a service did not meet their expectations and that has the authority to take the action needed to make this right
- bringing our Glasgow and Dumfries centres together as one, making the most of staff not being tied to geography and the flexibility that comes with working remotely at times that suit staff and customer demand.
- promoting and reinforcing our 24/7/365 service so customer know they can get full service at any time which will help smooth demand throughout the week and fit with more agile working among many of our customers.
- introducing automated text confirmation of appointments and the ability to see where the operative is when on route to the customer home.
- updating the IVR and adding virtual queuing so customer can request a call rather than waiting on hold when demand is high).

5.14. As now, **face-to-face** will be our most important platform going forward. This platform is mature and widely recognised as the main value component for customers, staff and our business across a wide range of activities in communities. These activities range from providing visible presence and routine service delivery every day through our NETS and repairs, to supporting our most vulnerable customers in complex situations including through Housing First, the work of the CIP and the day in, day out actions of Housing Officers and Care staff. Going forward, this platform will develop as part of our approach to service delivery through:

- maintaining our focus in communities, never forgetting that most of our staff will work in this way, delivering services and resolving 20% or so of our most complex customer interactions.
- scheduled welfare checks – building on the value this brought during lockdown - with customers to make sure they are ‘doing ok’ with the ability to act when not.
- continuing to use new technology (phone, video, WhatsApp etc.) where appropriate to interact with customers.
- exploiting flexibility from our new ways of working to serve customers at times, and in locations, that suit them.
- exploring the value of predictive analytics to anticipate requirements, guide actions and augment staff judgement. This, along with GoMobile and other planned developments in digital will maximise our ability to take action when with customers in their home to meet service needs there and then

5.15. In developing our approach to service delivery we also need to recognise the different demographics and segments we serve, and that particular experiences and skills will impact which platform customers are most comfortable using. To support this, we will look to market different options to different demographics. Examples of this might include recognising that some:

- older customers may prefer to use phone and face to face rather than web self-service or web chat, even for what we might regard as a simple transaction
- younger customers may tend to adopting non-voice platforms because it is their preference even when we think phone or face-to-face are more appropriate for the particular request

- 5.16. Our planned virtual patches - through which we will develop specific expertise in the needs of particular customer segments such as older people and asylum seekers - is also part of how our approach to service delivery will become more finely tuned and ensure no customer or group is left behind as we develop digital services.
- 5.17. We expect our approach to service delivery through these platforms and the planned development activities to bring many benefits for our customers and our business including:
- even greater flexibility to serve customers when it suits them.
 - staff no longer working 9-5 or fixed shifts, or from an office based environment.
 - far quicker and simpler resolution for the vast majority of customer service requests, at the first point of contact through web self-service, web chat and by phone.
 - complex, emotional customer interactions dealt with by skilled staff in the field or by other means that suit the customer.
 - much less dependency on geography - staff working remotely can serve customer wherever they are.
 - a more connected group with staff clustering in any location and leaders working across our geography.
 - simpler paths to rapid rectification, as we increasingly anticipate when things have not gone to plan.

Leadership

- 5.18. As highlighted in our strategy and reinforced through earlier Board consideration of the people and physical aspects that will shape our operating model, adaptive leadership in a more digital context will be key to our future service delivery. As now, we will look to our leaders to collaborate in bringing the approach to service delivery to life. The role our leaders play in developing staff and ensuring the quality of our services will, as now, be critical in our new approach. Achieving this will involve regular in person one-to-one sessions with staff, creating conditions for empowerment and providing clear authorising frameworks, albeit often in less formal settings than the office locations of our past.
- 5.19. Our new models will also require adaptive leadership that is comfortable in two contexts that come with our new operating model, namely:
- Leading when staff cluster in hubs, reflecting how important these physical spaces will be. and
 - Leading when many staff are working more remotely including at home at times through our hybrid model for people.
- 5.20. Our expectation is that leaders will lead by example, operating in a hybrid way spending their time across our various hubs, working from home and engaging stakeholders.

- 5.21. When leaders cluster in hubs with each other and/or their teams they will be expected to:
- champion the service model so it becomes established and we make the most of the opportunities it brings.
 - advocate for the customer to ensure our approach to service delivery meets need.
 - motivate teams and each other including nurturing and sustaining individual wellbeing.
 - innovate and bring new ways of working that benefit the customer, quickly.
- 5.22. Providing the leadership staff need as part of our approach to service delivery when they are working at home or spending time in communities with customers will also be essential. Here we will expect our leadership to:
- enhance performance in an environment where face to face contact is reduced.
 - communicate in virtual environments where this will be less natural and there are fewer visual indicators to go on.
 - be digitally literate, as Zoom, WhatsApp, social media, AI etc. become an ever increasing part of everyday life.
 - adapt to new challenges and ways of working that best meet customer needs.
 - be available when staff need them, especially when working at weekends and evenings is part of our more flexible approach.

Behaviours

- 5.23. As now, behaviours will be key to the success of our approach to service delivery. Our new approach will, amongst other things, require our people to be:
- committed to co-creation with customers and equipping customers to do the right thing for themselves and become self-reliant.
 - comfortable in an environment where 75% of staff do not routinely work 9-5 or fixed shifts.
 - able to balance working in communities and from home.
 - willing to take power to make the right decision and act quickly to resolve customer requests and to seek out and deal with any situation where the customer is not satisfied.
 - proactive in identifying customer/service issues and intervening to correct them.
 - collaborative in working across group and beyond.
 - accountable for their performance and career progress.
- 5.24. Currently staff bring many of these behaviours as demonstrated by their contribution in already providing an excellent service including during the pandemic. Staff commitment to their own development will be particular important especially given the hybrid nature of work for many and reduced face to face contact. Key to this in our new model will be our peoples' ability to:
- tap into peer-to-peer networks for ideas, support and sharing.
 - identify and own their development needs and be active in making sure these are met.
 - explore flexible career models and be open to opportunities as they develop.
 - be confident and assertive in dealing with a range of stakeholders.
 - look after their own wellbeing.

5.25. As mentioned above, staff wellbeing will, as it is currently, be a major consideration in ensuring the success of our approach to service delivery. Key aspects of this will include:

- continuing, as we have throughout, while the pandemic remains to have Covid secure workplace and to implement learning in terms of workplace hygiene and infection control.
- tackling staff isolation including through nurturing collaborative working, introducing tools to support this and retaining a strong focus on the team.
- making training and coaching sessions interactive with small numbers to encourage participation and establish relationships.
- developing specific induction and training programme to help younger and new worker adapt to Wheatley and our approach to service delivery.
- investing in the right technology so that staff are confident of delivering the new service model.
- ensuring staff have the right home working environment for applicable staff.
- Encouraging physical activity.
- Promoting positive mental health including through giving staff control and the ability to make a difference through a service delivery model with staff empowerment and clear authorisation frameworks at its core.
- Developing wellbeing package that support flexible working.
- Using our new hubs where staff cluster to make connections.

Wheatley Solutions

5.26. The focus in this paper so far has mainly been on our new approach to service delivery for customers. However, the platforms and approaches to service delivery discussed here will be equally applicable to Wheatley Solutions and how it supports colleagues across the group. In particular, staff in Wheatley Solutions will need to work in an agile way to support a Group that is serving customers when it suits them. The platforms discussed (WSS, web chat, phone and face to face) will be applicable to meeting the needs of internal colleagues and used in similar ways as for customers, with self-service and chat options developed for more straightforward transactions, and phone and face to face for complex matters. Opportunities created through our new approach such as staff being able to work in a hybrid way and not being bounded by geography will be key as Wheatley Solutions develops its approach to service delivery as part of our new operating model. Similarly, as with our RSLs and other customer facing partners, having a performance framework for Wheatley Solutions that allows group partners to be clear on the contribution made to their business objectives will be a priority.

5.27. The new approach to service delivery discussed here is expected to have a major impact in realising the ambition and strategic outcomes in our 2021-2026 strategy including to make digital service delivery the norm, while never losing the personal touch. Our new approach is also expected to deliver particular service outcomes including that:

- 85% of service requests will be fully resolved at first point of contact.
- 25% of customers will choose to transact with us at times that are convenient for them outside 9-5 weekday hours.
- 75% of our staff are working more flexibly.
- 90% of our complex, emotional customer interactions will be dealt with initially by skilled staff in the field or by means that suit the customer.

- Over 50% of customers will actively use their online account to transact with us.
- 100% of Lowther rental customers will have an online account
- Satisfaction with complaint handling will increase by 10%.

6. Key Issues and Conclusions

- 6.1 Consideration of our strategy by the Group Board and the Boards of our partner organisations agreed the accelerant that the on-going pandemic has had on reaching the operating model set out in our 2021-2026 strategy. The Board has agreed some elements of how this operating model will be achieved including hybrid, flexible working by staff, and our move from a 'traditional' office based approach to hubs. The final piece of our new operating model is the new approach to service delivery presented here. This approach is based on having platforms, with clear purpose through which customer interactions will take place, leadership approaches that support the approach and behaviours that will underpin its success.
- 6.2 The approach to service delivery discussed here will impact every aspect of our operations although some service areas including housing, the customer service and Lowther will change more than others.
- 6.3 Our approach to service delivery will provide the framework within which our platforms and core services will be developed at pace.

7. Value for Money Implications

- 7.1 Our new service model will impact each of our value for money drivers – having an effective repairs service, investment in customer homes and 24/7 customer service. Specific details of impact and benefit on each driver will be developed as part of taking forward approaches outlined here for these and other services.

8. Impact on financial projections

- 8.1. The investment needed to accelerate our new operating model was agreed by Wheatley Board at its October meeting.
- 8.2. Specific financial appraisal will be undertaken as part of making investment decisions for each platform.

9. Legal, Regulatory and Charitable Implications

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

10. Implementation and deployment

- 10.1. The approach to service delivery will be in place for summer '21 recognising our existing commitment to having new service models in place during the first year of our strategy, the accelerant impact from the Covid pandemic and most importantly, the value the new approaches to service deliver will bring for customers and staff. Specific implementation plans will be put in place for each of the platforms discussed here.

11. Partnership Implications

- 11.1 The consideration in this report applies to all group partners.

12. Equalities Impact

- 12.1 There are no equalities implications associated directly with this report. Appropriate arrangements will be developed for vulnerable customers, those with particular needs, and different demographics to ensure no one is left behind as part of implementing the new approach to services delivery.

13. Recommendations

- 13.1 The Board is asked to:

- 1) note the approach to service delivery set out here for the 2021-2026 strategy period; and
- 2) note that this approach to service delivery will form part of our operating model along with more flexible working by staff and development of corporate hubs that the Board has considered at its previous two meetings.

Report

To: Dunedin Canmore Board

By: Hazel Young, Managing Director

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

Subject: Group Homelessness Policy 2021-2026

Date of Meeting: 11 February 2021

1 Purpose

- 1.1 This report presents the new Group homelessness policy, which supports the ambition in ***Your Home, Your Community, Your Future*** to lead in the national agenda around rapid rehousing and Housing First, supporting the Scottish Government and local authorities in the delivery of their five year plans. The policy sets out our aims and objectives for RSLs within Group such as Dunedin Canmore.

2 Authorising context

- 2.1 Our work on homelessness is a key part of our Group Strategy “Your Home, Your Community, Your Future”. It expands across our housing, care and foundation activities. Our approach to homelessness, and the contribution we will make in terms of social housing provision, are strategic decisions. The designation of a policy as a Group Policy is reserved to the Group Board. The report is provided for information and comment to the Dunedin Canmore Board.
- 2.2 Dunedin Canmore will be responsible for operational delivery and the specific targets for its own services in relation to homelessness. The day to day operational work will be delegated to the Group CEO under the Group Standing Orders.

3 Risk Appetite and assessment

- 3.1 Our risk appetite for service improvement is “open”. This means we are prepared to take the risk of adopting the approach that is most likely to result in successful delivery of our service objectives.
- 3.2 Shifting the balance of power towards the customer brings some risk as we empower customers to take more decisions around priorities and resources. A robust framework within which we can support customers and use our strategic delivery plan to manage this transformation will help to mitigate any risks.

4 Background

- 4.1 The Group Strategy highlights some key actions that we will take in relation to homelessness:
- Housing 10,000 homeless households across the Group during the lifetime of the Strategy;
 - Strengthening the pathways of services and support for homeless households through working with those who have lived experience;
 - Creating an integrated Group value proposition through our expertise and resources across care, support, housing, advice, training, volunteering and employment.
- 4.2 It emphasises the work we have done over the past five years with customers and communities to ensure our neighbourhoods are places customers want to live. In the next five years we aim to future-proof this by an increased focus on resilience, skills and confidence. This aim is central to our new Homelessness Policy.
- 4.3 This Policy sets out in more detail how these commitments will be delivered. It builds on our existing strong record. As well as providing temporary and permanent homes to homeless households we have provided the most extensive range of additional support in Scotland including money advice, furniture, access to jobs and training and fire safety measures.
- 4.4 Our Care services are highly regarded across our footprint and we have recently been successful as part of the Glasgow Alliance to end Homelessness (GAEH) which will redesign commissioned services to provide a much faster and more effective support to those who have become homeless.

5 Vision and Aims

Our Homelessness Policy provides a key contribution to our Group strategic vision:

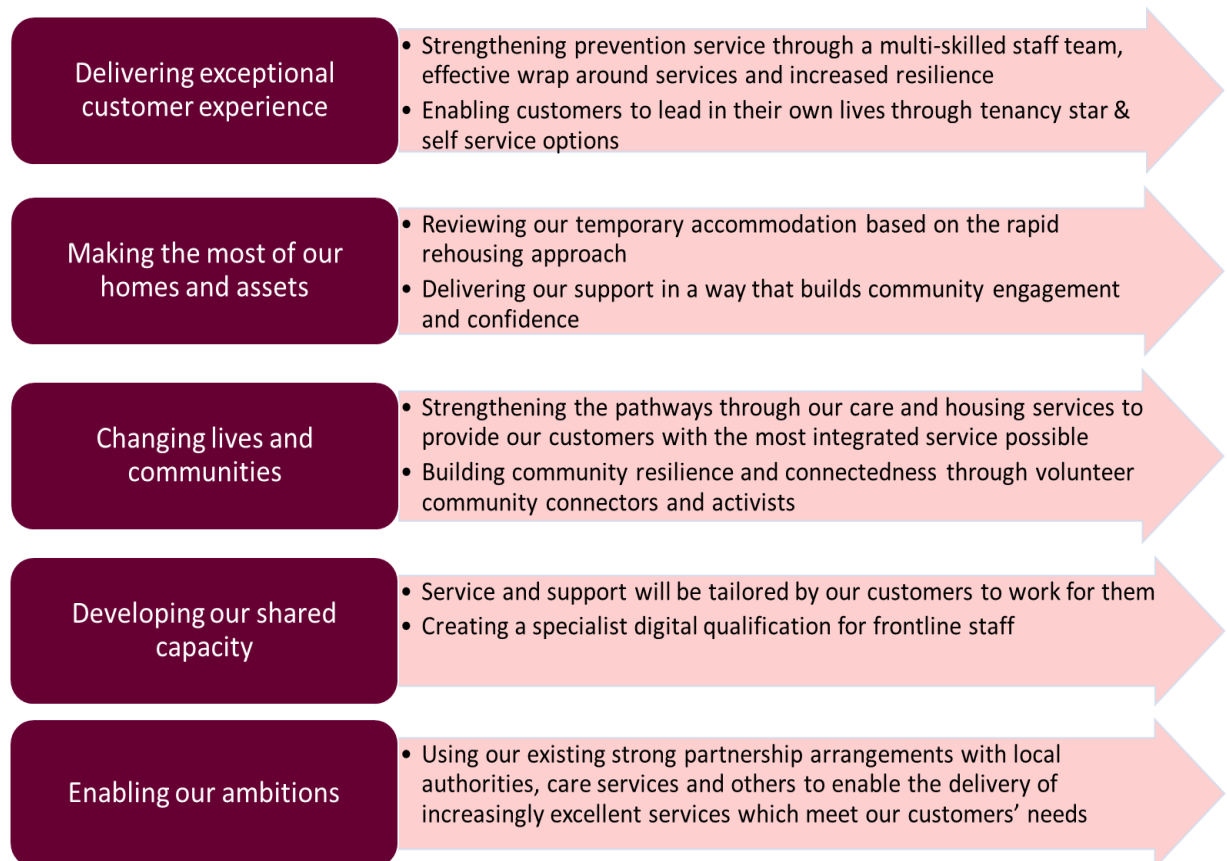
Customers have increased control over their services, their communities and their lives, with new opportunities for building skills and resilience.

- 5.1 It sets out how we will work with our customers and our key partners to reduce homelessness while creating balanced and peaceful neighbourhoods. We are also committed to working towards the UN's sustainable development goals and the Policy will have an important impact on most of these but particularly the goals related to poverty, health and wellbeing, reduced inequalities and sustainable cities and communities.
- 5.2 The key outcomes of the Policy are to:
1. **Create balanced communities** which are peaceful, welcoming and supportive in which people of all backgrounds want to live and can contribute;
 2. **Prevent homelessness** wherever possible so that more households avoid the trauma and stigma of homelessness;
 3. **Co-create** the services in this Policy with customers who have experienced homelessness or the threat of homelessness so that our services and

products are directed in the way that works best for the households that need them;

4. **Provide more homes for homeless households** who have become homeless and supplement this with access to our Lowther mid and private rented homes where these are suitable; and
5. **Develop a unique multi-skilled expertise** which ensures an understanding of all the impacts which can face those threatened with homelessness so that our staff can provide an empowering and supportive experience for our customers.

5.3 The actions within the Policy are aligned to our Group strategic themes. Some of the key actions are outlined in the diagram below:



5.4 We will measure the success of our delivery of these outcomes through the following key targets:

Measure	Target
Number of homes provided to households assessed as homeless by the local authority	10,000
% of lets provided to homeless households: <ul style="list-style-type: none"> - Glasgow - Edinburgh - Dumfries & Galloway 	65% 50% 50%
% of homes let through nomination agreement with local authority: <ul style="list-style-type: none"> - West Lothian - West Dunbartonshire 	50% 50%
Increase the number of Housing First tenancies across our footprint	500
% of Wheatley households at risk of homelessness who are helped to avoid homelessness	Baseline to be determined in 2021

Measure	Target
Increase the % homeless households very satisfied with the process of getting their new home	Baseline to be determined in 2021
Increase the supply of new build homes	5,500
Maintain tenancy sustainment levels for all households	Above 90%
Maintain tenancy sustainment levels for households who were previously homeless	Above 93%
Number of households whose temporary let is "flipped" to a mainstream SST (new)	500
Increase the percentage of our customers who live in neighbourhoods categorised as peaceful	70%
Number of jobs, training places and apprenticeships given to people affected by homeless	500

6. Context

- 6.1 Almost 37,000 homeless applications were received across Scotland in 2019-20. Around half of these households have a support need and many are families. As a result of the numbers, many households spend considerable time in temporary accommodation often with more than one move. Almost 12,000 households were in temporary accommodation in March 2020 across Scotland, most of them either young single men or families.
- 6.2 In Edinburgh, there were 3,355 households assessed as homeless in 2019-20 with 1,868 households housed in temporary accommodation at March 2020. This was an increase of 23% from 2018/19 of the number of households in temporary accommodation and this increased further in Edinburgh over 2020 due to the lockdown restrictions.
- 6.3 People who are homeless are often stigmatised by others, further compounding their sense of isolation. Communities which receive high levels of homeless households are also often stigmatised. Part of the work of this Policy will be to help to change the narrative of homelessness in our communities. We aim to create a more positive sense of how the right home and the right support can help people to become valued contributors to the neighbourhood they live in, whilst recognising the challenge this can sometimes bring.
- 6.4 Supply of affordable housing is a major issue in resolving the level of homelessness. Analysis done before Covid-19 showed that more than 50% of all local authority and RSL lets would have to go to homeless households for the next 5 years to address the backlog. In Edinburgh the figure was 84%.
- 6.5 However, there are other groups on waiting lists who also acutely require rehousing. These include those who are overcrowded, those with medical needs and separating partners. In many instances, failure to help these households through our waiting list would result in an increase in numbers who are homeless. This has been recognised by the City of Edinburgh Council who despite the pressures on homelessness in Edinburgh, have only asked RSLs to commit using 50% of their lets for customers assessed as homeless.

- 6.6 The Scottish Government has recognised ending homelessness as a key priority. It commissioned the Homelessness And Rough Sleeping Action Group (HARSAG) to look at ways to end homelessness in 2017. These included the introduction of a rapid rehousing approach and Housing First for the most complex cases. HARSAG recently updated the actions after it was reconvened to consider the actions required in the light of the Covid-19 pandemic. Our Group Policy takes account of these actions.

7. Our approach

- 7.1 Our Policy is underpinned by some key principles:

- Those with lived experience will be at the heart of the development and ongoing improvement of our services;
- Our approach will always be “housing first” – providing a home without having to wait until someone is “tenancy ready”;
- Households should have access to effective additional support to build resilience and reduce the risk of homelessness recurring;
- We will use our expertise to co-create new and innovative ways of working; and
- We will work with and influence our partners to deliver the best outcomes for our customers.

- 7.2 The Policy sets out a structured approach to addressing homelessness. In line with the Group strategy and the Dunedin Canmore strategy, it focuses on ensuring that our customers will be empowered to make their own choices about the services they want, be properly equipped to do things for themselves and involved in the design of products and services from start to finish.

- 7.3 We will help people avoid homelessness through actions such as housing options advice. Where people do become homeless, finding a new home quickly is important to avoid further disruption and trauma. We will also ensure people can settle quickly with wrap around services co-created with customers. Recently the Dunedin Canmore Foundation awarded us £35k to support homeless customers over the next year with Starter Packs (to help them settle into their tenancy) and, where appropriate, assistance with furniture. This will be an important addition to the wrap around support we already offer our homeless customers as they take up a tenancy with us.

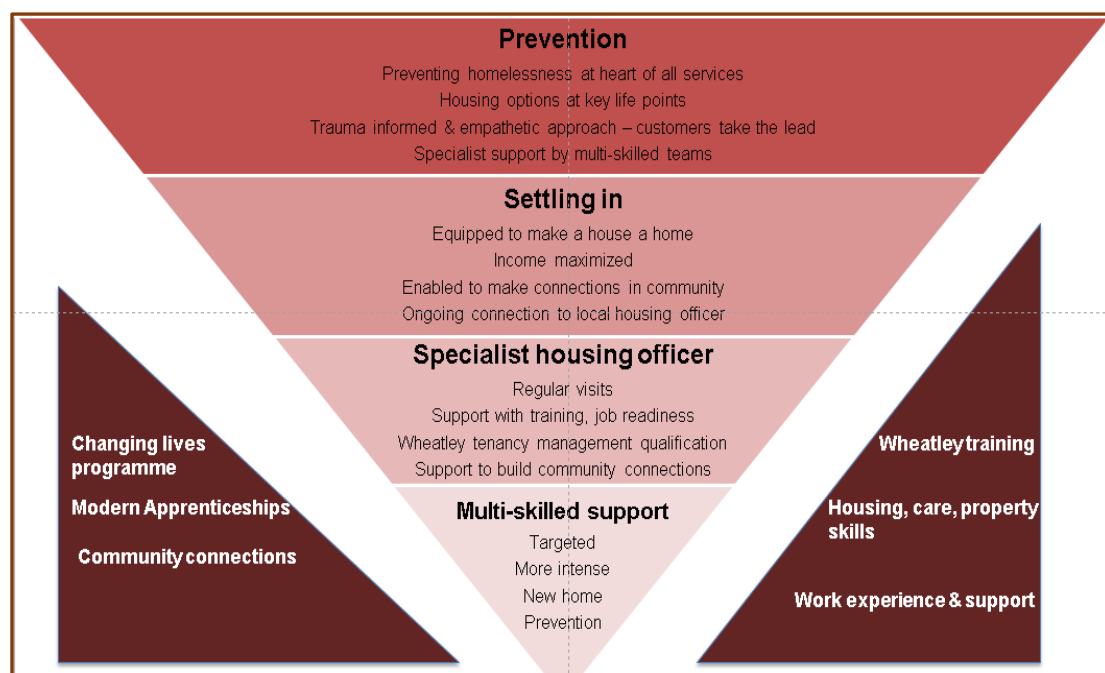
- 7.4 Across the Group, we intend to increase our level of lets to homeless households to approximately 10,000 over the lifetime of the Policy. Within Dunedin Canmore, the local authorities we work with are asking us to support the alleviation of homelessness by letting 50% of our permanent lets to homeless customers. This would equate to slightly over 1,000 lets for us over the lifetime of the Policy. We will keep this figure under review in discussion with the local authorities but hope to keep it to that level by preventing homelessness from happening wherever possible.

- 7.5 Increasing lets above this level would limit the amount of prevention work we can do (e.g. enabling those with medical needs, overcrowding and other priorities to obtain a home) and is likely to mean other households also have to go through a homeless route.

- 7.6 The table below shows our proposed targets for lets to homeless households in each strategic area across the Group. In West Lothian and West Dunbartonshire we have a nomination agreement with the local authority. These means that they nominate the household to be allocated to these homes from their waiting lists. They will choose who to nominate based on their priorities.

Local authority	Target lets to homeless
Glasgow City Council	65%
City of Edinburgh Council	50%
Dumfries and Galloway Council	50%
Target homes for nomination	
West Lothian Council	50%
West Dunbartonshire Council	50%

- 7.7 We know that many homeless households will require additional support to settle into a home so we will work with our partners to make sure that support is available. The diagram below summarises how we will do this:



- 7.8 Housing First provides the most extensive support in this spectrum. It helps those who have the most complex needs to take control of their lives and choices. It provides a home as soon as possible, avoiding the approach of waiting until someone is “tenancy ready”. The specialist support we provide at Dunedin Harbour would also be classed as extensive support, with our resettlement service assisting people to settle into a permanent home where a stepped approach is more appropriate.

- 7.9 Wheatley had provided homes and/or support for more than 201 Housing First cases to date, representing approx. 50% of the cases in Scotland. In Edinburgh, Dunedin Canmore have supplied a total of 53 Housing First homes, 30 of those during this financial year despite the restrictions in place. This represents approx. 56% of the Housing First homes in Edinburgh. A crucial element to the success of Housing First over the long-term will be the provision of high quality support that is available. We work closely with the City of Edinburgh Council; the Edinburgh Health and Social Care Partnership; and the EdIndex Board to highlight this imperative. Across Group we will use our influence in all health and social care partnerships and through the Glasgow Alliance to End Homelessness to promote this case.
- 7.10 The Policy recognises that resolving homelessness requires a partnership of many organisations. We will continue to support local authorities in their statutory role and to further strengthen relationships with support providers. Our teams across Group are supported and trained to think innovatively, to think yes together with their customers and to provide leadership in digital transformation. We will use this innovative style to help provide thinking which challenges and encourages a new approach to services internally and with partners.
- 7.11 Effectively supporting homeless people into settled accommodation is a vital part of our creation of sustainable communities. We recognise that other households also face acute challenges, whether they access housing through transfers, mutual exchange, medical priority or other routes. These households will also be able to access the full range of services we provide. We will continue to ensure strong links with other statutory agencies so that referrals can be made wherever appropriate.
- 7.12 Given the importance of this Policy the approach will be reviewed annually to assess progress and consider any changes which may be required. The key actions from the policy will be included in our annual Delivery Plan monitoring programme.

8. Key issues and conclusions

- 8.1 The Group Homelessness Policy will be a key part of the delivery our strategic aims over the next 5 years. It provides clear actions and measures to determine our progress. Given the importance, it will be reviewed annually to ensure it will still deliver our vision and aims.

9. Value for money implications

- 9.1 There will be costs associated with a number of the proposals. As they are developed, they will be considered via business case assessment and reported to the Group Board as appropriate. Most costs will be incorporated within the existing budgets.

10. Impact on financial projections

- 10.1 No implications

11 Legal, regulatory, and charitable implications

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

12. Partnership implications

- 12.1 Partnership working will be essential to the delivery of this Policy. This will include Scottish Government, local authorities, health and social care partnerships and third sector organisations. Most importantly, customers will help to co-create the services and approach that will work best.

13. Implementation and Deployment

- 13.1 Homelessness is an issue that matters across the Group. Part of this Policy will be to ensure that all our staff understand our approach to preventing and resolving homelessness. The main responsibility for implementation will lie with Wheatley 360 and Wheatley Care.
- 13.2 As part of our deployment, we will work with partners and stakeholders to ensure that they understand our Policy and help to inform the delivery of its aims. Co-creation with customers is a key part of the Policy and mechanisms to allow this will be developed in conjunction with the new Customer Engagement Framework.
- 13.2 Key actions within the Policy will form part of the annual delivery plan which allows the Board to review progress quarterly. A set of targets has been identified as part of the Policy to quantify success in some of the main areas and these will also be reported to Board as part of the Delivery Plan.
- 13.4 The Policy and the Equalities Impact Assessment (EIA) will be subject to review at least annually to consider progress and to identify whether any changes are required.

14. Equalities impact

- 14.1 A full equalities impact assessment has been carried out for this Policy. This assessment has been undertaken as the first pilot in developing a new approach within the Group. The assessment has been informed by a review of relevant data across each of the protected characteristics, knowledge gained from our partnership working with key local authorities and other stakeholders, and support from an external equalities expert.
- 14.2 The assessment has reviewed the impact of actions in each strategic theme against the nine protected characteristics identified in equalities legislation. This shows that the Homelessness Policy will have a positive or neutral impact on all characteristics because it will improve the supply of housing for homeless households, increase the effectiveness of support and improve prevention of homelessness.

15. Recommendations

- 15.1 The Board is asked to note the Group Homelessness Policy and its designation as a Group Policy.

LIST OF APPENDICES

Appendix 1: Group Homelessness Policy

Homelessness Policy 2021-2026:

Changing lives and communities

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Introduction

Our Group Strategic vision is that:

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

Our Homelessness Policy is a key contributor to this vision. It sets out how we will work with our customers and our key partners to reduce homelessness while creating balanced and peaceful neighbourhoods. It forms part of our contribution to the UN's sustainable development goals as laid out in our Group Strategy. In particular, it will have a positive impact on poverty, health and wellbeing, reduced inequalities and sustainable cities and communities.

The key outcomes of the Policy are to:

1. **Create balanced communities** which are peaceful, welcoming and supportive in which people of all backgrounds want to live and can contribute;
2. **Prevent homelessness** wherever possible so that more households avoid the trauma and stigma of homelessness;
3. **Co-create** the services in this Policy with customers who have experienced homelessness or the threat of homelessness so that our services and products are directed in the way that works best for the households that need them;
4. **Provide more homes for homeless households** who have become homeless and supplement this with access to our Lowther mid and private rented homes where these are suitable; and
5. **Develop a unique multi-skilled expertise** which ensures an understanding of all the impacts which can face those threatened with homelessness so that our staff can provide an empowering and supportive experience for our customers.

We have set out a range of targets which will help us to assess the impact of the policy in the table below.

Measure	Target
Number of homes provided to households assessed as homeless by the local authority	10,000
% of lets provided to homeless households: <ul style="list-style-type: none">- Glasgow- Edinburgh- Dumfries & Galloway	65% 50% 50%
% of homes let through nomination agreement with local authority: <ul style="list-style-type: none">- West Lothian- West Dunbartonshire	50% 50%
Increase the number of Housing First tenancies across our footprint	500
% of Wheatley households at risk of homelessness who are helped to avoid homelessness	Baseline to be determined in 2021
Increase the % homeless households very satisfied with the process of getting their new home (segmentation of existing indicator)	Baseline to be determined in 2021
Increase the supply of new build homes	5,500
Maintain tenancy sustainment levels for all households	Above 90%

Measure	Target
Maintain tenancy sustainment levels for households who were previously homeless	Above 93%
Number of households whose temporary let is "flipped" to a mainstream SST (new)	500
Increase the percentage of our customers who live in neighbourhoods categorised as peaceful	70%
Number of jobs, training places and apprenticeships given to people affected by homeless (new)	500

Ending homelessness is a key priority for our partners in the Scottish Government, local authorities and Health and Social Care Partnerships who have the statutory responsibilities in this area. We will work closely with them to help prevent homelessness from happening in the first place and to rapidly house people where they do become homeless.

The Wheatley Group (The Group) is Scotland's leading housing, care and property management organisation and one of the UK's best-accredited organisations. It is in a unique position to support these aims through its range of sector leading skills, its size and its geographic range. It owns or factors over 89,000 homes, provides care services to approximately 7,000 individuals each year and delivers award-winning services to over 250,000 people across Central and South Scotland.

Our care services are experts in support services to homeless households, in resettlement from temporary accommodation and in working with households with some of the most challenging support needs. We are able to combine this with our housing expertise where our housing officers have a patch size of 200 and know each of their customers well. They are increasingly skilled in support and trauma needs which they can use to help each of their customers.

Our approach to joint working has allowed our Care services to lead in the creation of a partnership to successfully bid for Glasgow's "alliance to end homelessness". This 10-year partnership will be focused on delivering innovative responses to redesign commissioned services in line with the rapid rehousing approach. Our joined up housing and care expertise places us well in the development of this new approach.

Our work has helped to support and strengthen communities across our geography. The people we house almost always stay in their home and neighbourhood and many go on to make significant contributions in their community or further afield. Some of our customers, including those housed from a homeless route, have gone on to become Board members, members of staff and key volunteers in the community.

Given the importance of this Policy it will be reviewed annually to assess progress and consider any changes which may be required.

Our organisation

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



Wheatley Care provides services to approximately 7,000 customers each year. The majority of these customers are in homelessness related services or have experience of homelessness. Its services cover prevention of homelessness, support through and after homelessness and specialised accommodation.

Wheatley Care is part of the Stirling, Edinburgh and Glasgow Housing First Pathfinders



Glasgow Housing Association, Scotland's largest social landlord, has 40,000 affordable homes in Glasgow, providing more than 3,000 lets to customers each year, 30% of them to households assessed as homeless by the City Council. In addition, GHA provides 1,000 homes to Glasgow City Council for use as temporary accommodation.

GHA was part of the first Housing First project to be piloted in the UK between October 2010 and September 2013. It is a core member of the Glasgow Housing First Pathfinder.



Dunedin Canmore provides over 5,000 homes in Edinburgh, the Lothians and Fife with almost 500 lets each year. Approximately 50% of these go to households assessed as homeless by the relevant local authority. Dunedin Canmore is a Housing First partner in the Edinburgh pathfinder



Cube Housing Association, has more than 3,500 homes across the West of Scotland and more than 500 lets each year. In addition, Cube leases over 100 properties to local authorities for use as temporary accommodation.

Cube is part of Glasgow's Housing First consortium.



Loretto Housing Association has more than 1,300 affordable homes in the central belt. Approximately 30% of lets are provided to households assessed as homeless by the relevant local authority. Loretto is renowned as a specialist in the provision of housing for those with support needs.

Loretto is a member of Glasgow's Housing First Consortium

West Lothian Housing Partnership, with over 700 affordable homes provides approximately 50% of all voids as nominations to West Lothian Council

WLHP is expanding with more than 100 new homes completed in the last 2 years.



DGHP joined Wheatley Group in December 2019 with 10,300 affordable homes from Dumfries to Stranraer. It provides the vast majority of the social rented stock in the area, Approximately 40% of its almost 1,000 lets each year are provided to households assessed as homeless by the local authority.

DGHP also provides 24 units of temporary accommodation with support, an out of ours accommodation unit in Dumfries and a specialist project for young people who have experienced care



Lowther Homes manages a growing portfolio of over 1,800 mid and full-market apartments.



Wheatley 360 is our wraparound support division changing lives from every angle. It incorporates Housing Advice and homelessness, Housing Options for Older People, Group Protection, Community Improvement Partnership, Fire Safety and Home Safety teams



Wheatley Foundation invests over £3million annually on improving the life opportunities of disadvantaged people in Wheatley's communities which includes funding our Home Comforts and Eat Well services to customers experiencing poverty.

Our track record

Our Group already has a strong track record in preventing homelessness and in supporting customers when homelessness does happen, working jointly with our partners. Over the last five years we have delivered a range of innovative and successful new services including:

- Development of the MyHousing on line application and allocation system;
- Leading on the Housing Options approach across Glasgow, using this to influence other areas in which we operate;
- Developing innovative protocols to help young care leavers access housing without needing to navigate the homelessness system;
- Taking a leading role in the implementation of Housing First;
- Progressing the development of a virtual home experience for young people in our housing support services;
- The creation of hub and cluster services for some of our vulnerable customers, bringing together housing, care and health services;
- Using our combined expertise in our Flexible Housing Outreach Support Service and Housing Access Team to remove barriers to settled housing for households in temporary accommodation;
- Co-production of the tenancy star approach;
- Creation of a tenancy support service which uses our Care expertise to support housing tenants;
- Development of our locations as hate crime and third party reporting centres; and
- Award winning training in relation to domestic abuse.

Our customers live in high quality, refurbished or new homes, but we also support them to have better lives. Our housing officers have small local patches and are on hand to welcome and support tenants in their homes. They are often the first or only contact in our customers' homes. Our housing management approach already helps to reduce homelessness through our work to reduce anti-social behavior and to mitigate the impacts of poverty.

Drawing on our care expertise, we have developed a Tenancy Support Service which helps customers to settle into a home or to navigate through a crisis. This builds on a long history of expertise and partnership working around housing support, resettlement and supporting those with complex needs.

Tenancy support expertise is increasingly integrated into the frontline of housing services through training, co-working and direct access to advice from care specialists. This means that we can link housing and support issues together in a way few other organisations can.

Our Changing Lives employability programme supports people living in our communities who have multiple barriers to work; including experience of homelessness. It provides a one year practical placement within our Neighbourhood Environmental teams. Trainees are given support by a dedicated Support Officer who works closely with them to build essential work skills and the confidence needed to help make the transition into work. This worker makes a huge difference to job sustainment, with subsequent positive impacts on tenancy sustainment.

Our care and housing expertise is supported by a specialist homelessness team which can liaise across all our services and ensure strong links with each local authority. This team not only works with customers once they are homeless, but has led on the design and implementation of a number of innovations.

The table below shows some of the ways in which we support different groups of homeless customers.

All households	My Great Start (package to assist in setting up a home) Welfare advice Fuel advice Eat Well Home Comforts Suicide and Mental Health support via signposting Fire Safety Referral Jobs and training opportunities including changing lives
Housing First	Specialist support integrated with housing provision Fire protection (LD1/stove guard)/ Fire retardant bedding Furniture package/ Eatwell Training & employment opportunities
Families	Modern apprenticeships for young tenants and children of tenants
Care leavers	Housing options and early intervention to prevent homelessness Additional meetings with SWS to do check-ins to pick up any issues early and address them
Domestic abuse	Access to tailored support, information and guidance from their Housing Officers and our specialist Group Protection Team Referral to MARAC forum where Wheatley are a key strategic partner Home Safety Service Bespoke signposting to Domestic Abuse organisations and agencies where Wheatley have a strategic partnership

We provide a proportion of our stock to local authorities to use as temporary accommodation in a more independent and “homely” environment. We also provide emergency accommodation to provide services and support to our customers at the point of need.

Our Dunedin Harbour Hostel delivers an integrated pathway into housing. The hostel provides 35 bedspaces alongside on site independent flats. Fordneuk supports those with complex needs, commonly with alcohol or other dependencies, who are often excluded from most or all other housing options in Glasgow. We also have temporary accommodation units in Dumfries and Galloway.

These strengths provide a positive basis on which to build our services of the future. Appendix 1 provides a current position statement of our work by local authority while appendix 2 provides some case studies.

Homelessness in Scotland

Homelessness has been a key priority for the Scottish Government and local authorities over many years. As a result, Scotland has some of the most progressive legislation to support those at risk of, or experiencing, homelessness. Appendix 3 outlines the range of statutory changes which have been made in the last 20 years.

The statutory duties for homelessness lie with local authorities. However, a whole system approach has been adopted in Scotland with RSLs at the heart of services. Our RSLs have the largest number of social rented homes in Scotland and Wheatley will continue to be at the forefront of these partnerships.

The number of households applying as homeless remains high and has increased in the last two years. Almost 37,000 homeless applications were received across Scotland in 2019-20. The dislocating effects of homelessness are substantial. These include the impact on health, relationships and educational outcomes. Often, homeless households face stigma across all aspects of their life, including as they move into a new neighbourhood. Similarly, neighbourhoods which receive high numbers of homeless households can also be stigmatised. Changing this narrative is an important part of our approach.

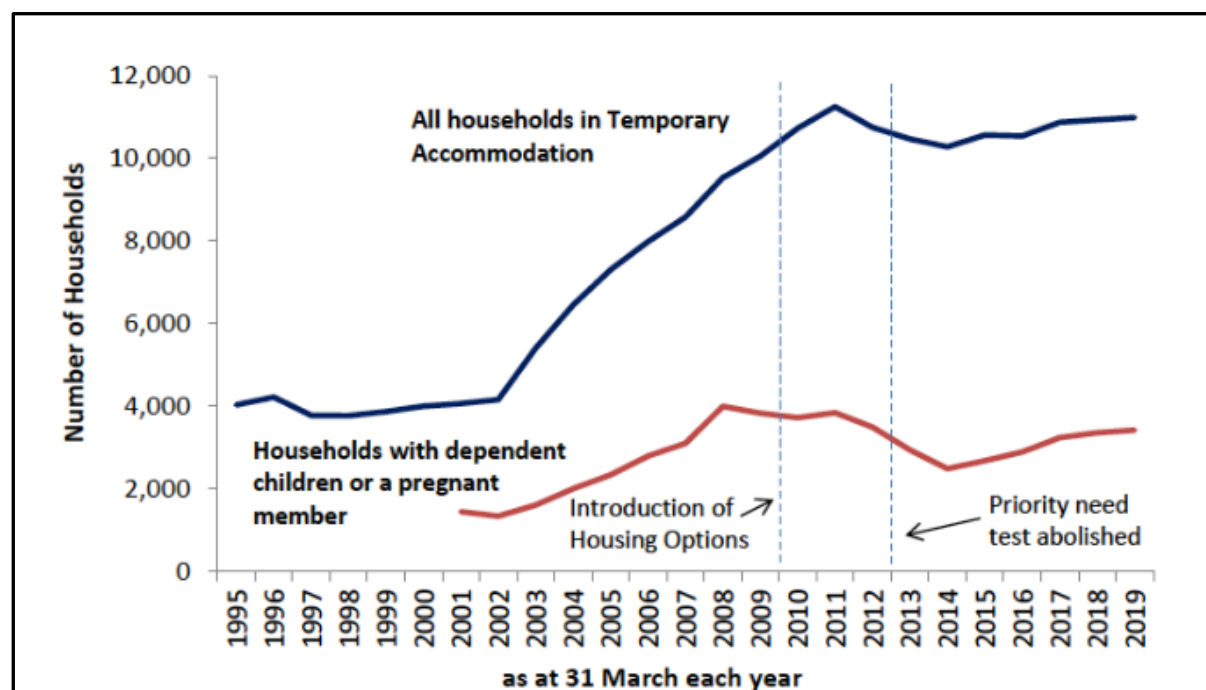
Homelessness can present in a variety of ways. For some households, the provision of a new home in the right place will resolve their issue and allow them to continue their lives. However, the shortage of supply across Scotland means that even the provision of a home in the right place is not always straightforward. In many of the areas in which we operate there is exceptionally high demand for limited numbers of social rented homes, particularly for smaller homes. In rural areas there are often no homes available in the areas of choice.

Families are the second biggest segment of homeless applicants after young single males. Supporting families is at the heart of our Group Strategy and where they have become homeless there is even more need for support. Many of these families have a single female parent and there are often particular issues around safety and/or domestic abuse which may need to be addressed. Support will enable families to settle in an area connecting well to schools, clubs and other networks. It is important that this support is delivered in a way which gives parents more confidence and allows them to parent rather than having things “done to them”.

For others, homelessness is in part a symptom of other issues. Those who experience poverty, childhood trauma, domestic abuse and mental health issues are often more likely to experience homelessness. Drug and alcohol issues can also compound the likelihood and impact of homelessness. For these households, the solution will generally require more than bricks and mortar. They will need additional support to settle into a home and may need more long term services to help avoid homelessness recurring. Creating opportunities such as training, employment and stronger community networks can be key to better life chances.

Almost 12,000 households were in temporary accommodation on 31 March 2020. The number of households in temporary accommodation increased by 6% in 2019/20 but is likely to have increased further in the first quarter of 2020/21 due to the suspension of

letting during the coronavirus lockdown. The chart below shows the trend in numbers in temporary accommodation.



The Scottish Government announced in September 2019 that it would extend the Homeless Persons (Unsuitable Accommodation) (Scotland) Order. This previously required local authorities to limit the time that pregnant women and households with children were placed in unsuitable temporary accommodation. The 2020 Order extends this requirement to all households. The extension of the order is likely to increase pressure on local authorities to move people out of certain types of temporary accommodation more quickly or to avoid the need for its use altogether.

We know that homelessness remains a key priority for the Scottish Government. In September 2017 it announced £50 million of additional expenditure for tackling homelessness over the next 5 years (the Ending Homelessness Together Fund). This was followed with the creation of a shortlife Homelessness and Rough Sleeping Action Group (HARSAG) in October 2017. HARSAG was tasked with identifying both short and long term solutions to end homelessness and rough sleeping in Scotland. The group's recommendations were brought together in "Ending Homelessness: The report on the final recommendations of the Homelessness and Rough Sleeping Action Group" published in June 2018. The report made 70 recommendations.

This resulted in the development of some key changes in the way homelessness is considered. The Government has required all local authorities to deliver **Rapid Rehousing Transition plans**. The aim of the Plans is to take a housing led approach, ensuring people get a settled housing option as soon as possible. This approach will require strong and agile support services that are commissioned and managed in new ways to ensure individual households build resilience and increase sustainment.

Research carried out prior to Covid-19 showed the scale of letting required to clear the backlog. The table below shows the results of this work. The Covid-19 pandemic will have increased the backlog.

Housing Option Hub	Current total lets in year to homeless SRS + PRS	Total annual lets needed for homeless annually for next five years **	Proportional increase in lets to meet annual new demand and backlog	Proportion of all social lets to homeless households IF SR was to meet ALL homeless need
Ayrshire and South	1,531	2,365	54%	40%
Edinburgh, Lothians and Borders	3,850	6,750	75%	84%
North & Islands	2,635	3,572	36%	54%
Tayside, Fife and Central	3,903	5,138	32%	54%
West Hub	5,766	9,485	65%	50%
Total Scotland***	18,871	27,310	45%	52%

An important element of the rapid rehousing initiative is the **Housing First** approach. This is designed to ensure that those who are homeless and have complex needs can also take control of their lives and choices. It ensures that settled accommodation is provided as soon as possible, avoiding the approach of waiting until someone is “tenancy ready”. Instead, customers are provided with the support they need at the same time so that they can successfully maintain that home. New models to deliver Housing First may need some smaller scale housing developments linked to support for those with the most complex needs. Our existing care services give us the experience to build and develop this approach.

As a consequence of the transition to rapid rehousing, the proportion of temporary accommodation required from our stock should reduce. Positively, this will increase the number of homes available permanently. However, it is likely to affect demand in some of our multi-storey stock where there tends to be more temporary accommodation.

Covid-19

Letting was suspended during lockdown but in many areas applications from homeless households have continued at a significant rate. This means the numbers awaiting housing have risen, particularly in Edinburgh and Glasgow. Many of these households are currently in temporary accommodation. Wheatley has assisted local authorities in meeting this challenge by providing more than 400 additional homes for temporary lets. Where possible we are now working with local authorities and customers to “flip” these to permanent lets where they are suitable.

Some of those in hotel accommodation were previously rough sleeping or had significant other issues. It is likely that enabling move on for some of these households may require a process similar to that used when decommissioning the large scale hostels.

In response to the Covid-19 pandemic the Scottish Government reconvened HARSAG to consider further recommendations. Their report was issued in June 2020 and contained 105 recommendations, followed by an action plan published in October 2020. The recommendations include:

- Increased new build supply;

- Increased use of the private rented sector;
- Extension of the emergency legislation delaying eviction processes; and
- That 80-90% of social housing lets should be made to homeless households.

These recommendations have been agreed in principle by the Scottish Government.

Our key areas

Although in total we have services in 18 local authorities, our care services and homes are focused in 5 key areas – Glasgow, Edinburgh, Dumfries and Galloway, West Lothian and West Dunbartonshire. We have strong relationships with the local authorities in each of these areas although the nature of the relationship varies.

In Dumfries and Galloway, DGHP was created from the transfer of all local authority housing stock and as a result we are the main provider of social housing in the area. In Glasgow we are the largest landlord in the city and have specific arrangements in relation to homelessness. These situations result in a unique partnership with the relevant local authorities. In other areas our homelessness services and homes provide part of a range of services in the area.

The table below shows some of the statistics across our key local authority areas. Unsurprisingly, Scotland's two largest cities have the highest levels of applications. The data also shows that approximately half of customers in most areas have at least one support need. This level has risen over recent years. The length of stay in temporary accommodation is also high, with the shortest average stay in our key local authorities still over 100 days.

	Scottish Figure	Glasgow	City of Edinburgh	Dumfries and Galloway	West Dunbartonshire	West Lothian
Total applications	36,465	5,679	3,229	910	1,037	1,516
Applications accepted	29,894	4,660	3,077	716	930	1,110
% assessed with at least one support need	14,506 (49%)	2,099 (45%)	1,286 (42%)	587 (82%)	475 (51%)	458 (41%)
Average length of days in temporary accommodation	180 days	204 days	268 days	107 days	159 days	179 days

The diagram below summarises some of the key issues in each authority.

Local authority

Challenges

Glasgow

- Access to temporary and settled accommodation
- Speed of process from application through to settled home
- Impact of Asylum Dispersal contract on homelessness and house size
- Large scale resettlement from hotels required post Covid-19

City of Edinburgh

- Cannot deliver rapid rehousing over 5 years as demand exceeds supply
- Long average time in temporary accommodation
- Propose major reduction in emergency accommodation and move to temporary furnished flats including homeshare and private sector leasing

Dumfries and Galloway

- High levels of support needs identified in homeless population
- Challenge of meeting housing need across a rural area with many individual towns and villages
- Support services & temporary accommodation concentrated in main towns

West
Dumbartonshire

- Highest rate of homelessness per 1,000 of the population
- High rate of youth homelessness
- High support needs

West Lothian

- High levels of youth homelessness
- Lack of supply of affordable housing
- Local authority nominates a lower proportion of homeless households to our stock

Our Wheatley Strategy

Our Strategy for 2021 -2026 sets out our vision for Wheatley, our customers and communities.

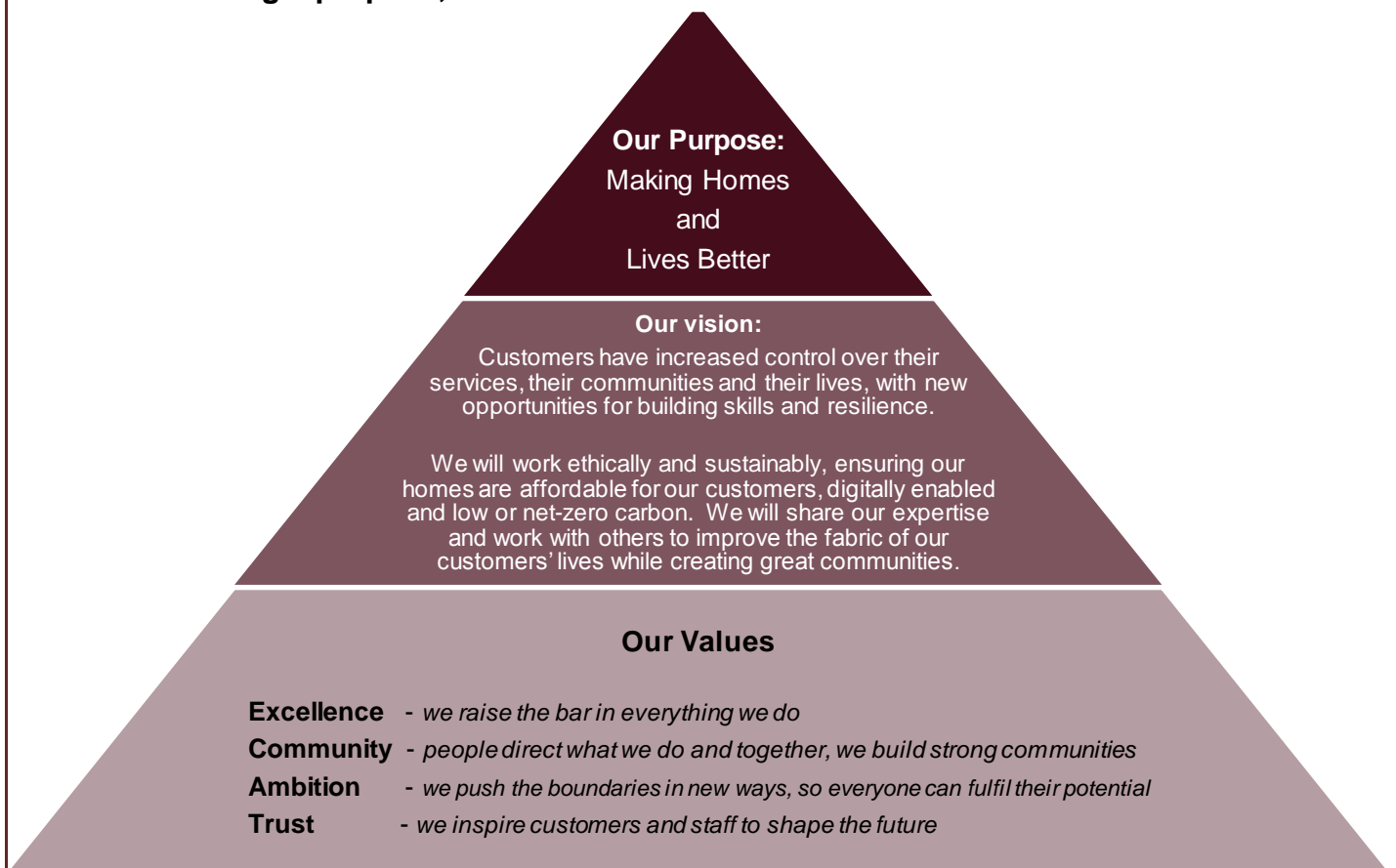
Wheatley in 2026

We want our customers to reach their potential for a brighter future for themselves and their families. We recognise the challenges our customers are facing in this post-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.

Our Strategy 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 continue to make a significant social impact by investing in our communities, supporting the lifelong health and wellbeing of our customers, creating job and apprenticeship opportunities and reducing the inequalities experienced by many of those living in our communities. We will deliver an ambitious Wheatley Green Investment Plan to accelerate our transition to net zero carbon, enhance our role in combatting the effects of deprivation and strengthen our role in tackling homelessness across Scotland.

Our strategic purpose, vision and values



Our Approach

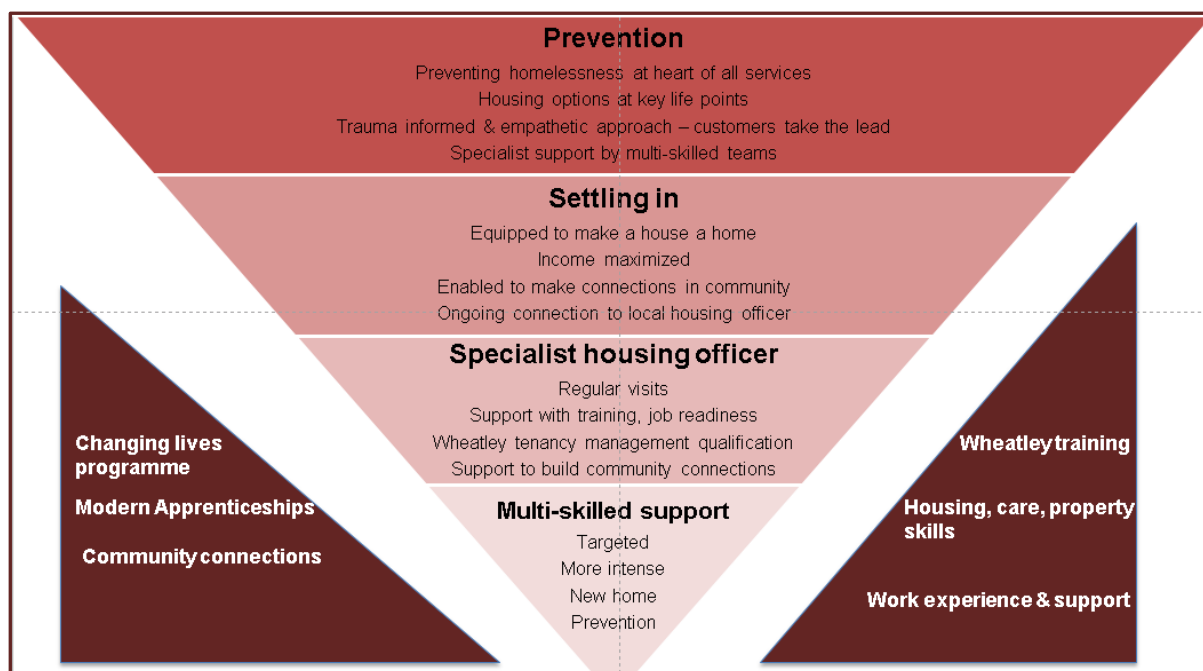
Our approach is to reduce homelessness by creating balanced, strong and peaceful communities. It will be shaped and developed by our customers who know best what they need and will help to build resilient, strong households and communities. Where people do become homeless our approach will help them to return to a home of their own as quickly as possible with the support and services they may need to help them stay in that home.

This approach is underpinned by some key principles:

- Those with lived experience will be at the heart of the development and ongoing improvement of our services;
- Our approach will always be “Housing First” – providing a home without having to wait until someone is “tenancy ready”;
- Households should have access to effective additional support to build resilience and reduce the risk of homelessness recurring;
- We will use our expertise to co-create new and innovative ways of working; and
- We will work with and influence our partners to deliver the best outcomes for our customers.

Our Policy sets out a structured approach to addressing homelessness. In line with our Group Strategy, it focuses on ensuring that our customers will be empowered to make their own choices about the services they want, be properly equipped to do things for themselves and involved in the design of products and services from start to finish. It will support digital provision of services where these are appropriate, recognising that it is important that “no-one is left behind”. In particular, we recognise that those who are homeless may have particular challenges in gaining access to or using digital services. Our communities will be key to the success of this Policy by providing safe, resilient and engaged places which people want to stay in or move too.

The benefit of having a home as soon as possible, irrespective of support requirements, is well evidenced. For that reason, we will always seek to provide a home as soon as possible. We also recognise that many homeless households will require additional support to settle into a home, to resolve or manage other issues and we will work with our partners to ensure the support required by the household is also in place at the right time and for the right length of time. The diagram below summarises how we will do this.



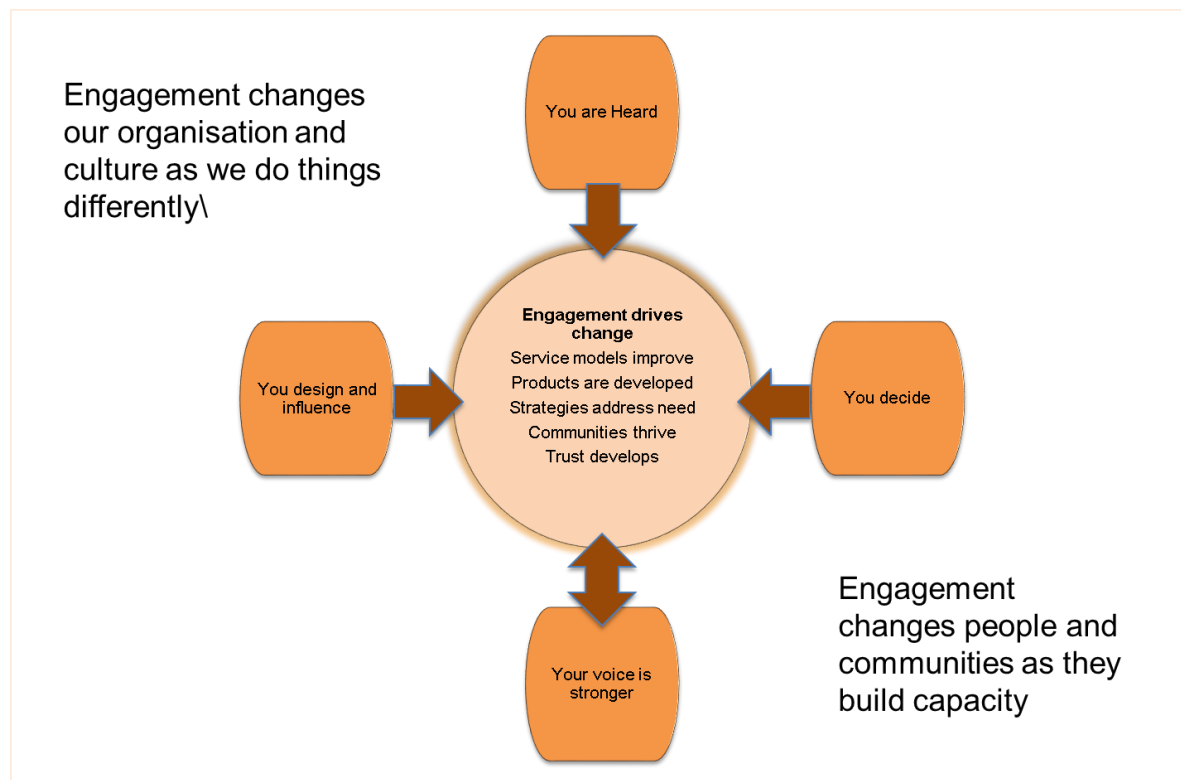
Excellence is embedded in the Wheatley DNA, so we will build on the innovative approaches that we have used to date. We will continue to push towards outstanding service, challenging our performance and outcomes in each area. As part of our new relationship with customers, we will measure this in different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

Homelessness is a vital part of our creation of sustainable communities but it is not the only part. Other households with acute needs will receive our services through different routes including transfers, mutual exchange and medical priority. These households will also be able to access the full range of services we provide. They can also be linked to other agencies for specialist support and care where this is required. This will help to increase the resilience within wider communities.

This Policy recognises that ending homelessness requires a partnership of many organisations. We will continue to support local authorities in their statutory role and to further strengthen relationships with support providers. Our people are supported and trained to think innovatively, to think yes together with their customers and to provide leadership in digital transformation. We will use this innovative style to help provide thinking which challenges and encourages a new approach to services. We will work with partners across the country to share innovation and best practice to deliver our aims.

Voice of the customer

In line with our Group Strategy, the process of refining and developing our services in relation to homelessness will be led by our customers. Wheatley customers already influence services through a wide range of engagement processes. Our new Engagement Framework “Stronger Voices, Stronger Communities” puts customers at the heart of decision making as shown in the chart below.



This Policy will take engagement to a new level for those customers who have experienced or are experiencing homelessness. A key part of this process will be mapping lived experience through the customers' journey in a range of areas. We recognize that our prospective and potential customers may have many issues in their lives and will ensure that our engagement approach makes it as easy as possible for people to talk to us and to become involved in directing service decisions. Our partners will also be working to engage with customers so we will work with them to ensure maximum joint benefit from each engagement. The diagram below sets out the key pillars of our approach.



Our engagement will look at a range of issues which will be directed by our customers but are likely to include:

- What do you need at the start of your new tenancy to help make your house a home?
- How can Wheatley help you to make the connections you want to make in your community?
- What are the key things your housing officer can do to help you?
- What have you learned from your journey that could be helpful for others who face the same situation?
- For those transferring to avoid homelessness – what are the key things that you need to know and the services you require to make that work?
- What else could we do to help you fully understand your housing options?

Some key items are shown in the chart below.



In addition to specific engagement related to homelessness, our customers can become involved in a range of Wheatley wide engagement forums which provide the opportunity

to come together around specific topics to help shape our products and services. They include:

- Becoming a tenant inspector to help improve the environment where they live;
- taking part in focus groups and surveys;
- one-to-one customer conversations in their home;
- sharing their views at engagement events;
- through social media, compliments and complaints; and
- Care engagement processes

Our key actions

The actions within the Policy are structured around the key outcomes from our Group Strategy as shown in the diagram below. All of these are relevant to the Policy, for example without funding and digital platforms we will not be able to progress the ground breaking services we aspire to achieve. However, those highlighted are those most relevant.

Strategic themes:				
Delivering exceptional customer experience	Making the Most of our Homes and Assets	Changing Lives and Communities	Developing our Shared Capacity	Enabling our Ambitions
Strategic outcomes:				
Progressing from Excellent to Outstanding	Increasing the supply of new homes	Shaping Care services for the future	W.E. Think – creating our “Thinking Yes Together” culture	Raising the funding to support our ambitions
Enabling customers to lead	Investing in existing homes and environments	Developing peaceful and connected neighbourhoods	W.E. Create – driving innovation	Maintaining a strong credit rating and managing financial risks
Developing a customer led repairs service	Setting the benchmark for sustainability and reducing carbon footprint	Supporting economic resilience in our communities	W.E. Work – strengthening the skills and agility of our staff	Evolving digital platforms to support our activities
Differentiating Lowther from its competitors	Building community voice, engagement and resilience			Influencing locally and nationally to benefit our communities

The following sections summarise the key actions we will undertake through this Policy.

Delivering exceptional customer experience	<p>Progressing from excellent to outstanding: our new models of service will be faster and more effective. We will:</p> <ul style="list-style-type: none"> Enhance our existing excellent prevention service through:
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- Developing a multi-skilled team to support those at acute risk of homelessness.
- Further strengthening the focus and effectiveness of our wraparound services
- Increasing resilience through community involvement skills, training and job opportunities
- Defining our contribution and approach to prevention at key life points where homelessness is an identified risk – for example when leaving prison, care or the armed forces)
- Using priority transfers for existing customers in immediate need who might otherwise become homeless (for example rehousing perpetrators of domestic abuse linked to the proposed new legislation from the Scottish Government, finding transfer arrangements for those whose relationships have broken down)
- Housing options advice and support for young family members in our tenant households include experience using our virtual home
- Identifying pathways of support for those at risk of repeated homelessness through anti-social behaviour
- Ensure a rapid rehousing model for all our customers by undertaking a customer led review of processes to minimise the time between application and housing, both in our own services and by influencing our partner local authorities.
- Provide at least 10,000 homes to homeless households
- Piloting a joint research approach with our partners to further enhance our understanding of the causes and prevalence of homelessness amongst particular groups
- Use our experience in award winning Housing Options development to benefit customers in other local authority partner areas.
- Further developing our Tenancy Support Service to help people settle in their home or stay in their home using early assessment of issues. TSS will also link customers to their community; expanding a virtual service where that will work for our customers
- Continue to enhance and evolve our commissioned support services to enable the rapid transition of homeless households from temporary accommodation into permanent accommodation

Enabling customers to lead: Customers will be at the forefront of the development of our new services.

- Our customers will drive the continued strengthening of our services through:
 - Detailed customer journey analysis by those who have lived experience of homelessness to improve our rapid rehousing approach and further increase the effectiveness of our sector leading support and advice services

	<ul style="list-style-type: none"> ○ Ongoing digital customer engagement across the range of our services from instant feedback to full scale review. • Customers will lead in their own lives through: <ul style="list-style-type: none"> ○ Using our innovative tenancy star to lead their discussions with our staff and direct their support resources to where they are most needed ○ Their involvement in the creation of a sector leading self-service model which allows them to draw down additional support and services through quick and slick digital options. These will include the use of our virtual home, virtual shop front and technology enabled living. Face to face discussions will still be used to support those who need them. ○ Developing the connections in their community which allow the level of active participation each household wants, enabling the increase in resilience and confidence which comes from linking with and helping others. ○ Having an organisation and its staff who understand their story and needs – equipped to ensure the story only needs to be told once through our digital care platform and other developments • Our communities will be supported to direct the future of their neighbourhood through informed co-creation of plans and the building of community connections, <p>Differentiating Lowther from its customers Lowther mid-market and full market rent homes will be an easy and quick option for some working households. We will:</p> <ul style="list-style-type: none"> • Use our housing options approach to maximise the potential use of our mid-market and full rent homes where these are appropriate • Creating an easy online tool to review full and mid-market housing rent options immediately at point of homeless application, housing options interview or before. • Creating rapid pathways to move into a selected home with advice and support available to help navigate any challenges and settle into the neighbourhood.
<p>Making the most of our homes and assets</p>	<p>Increasing the supply of new homes: Homeless households will have direct access to our high quality new build. New build will increase the supply of homes available but we will also use our existing stock to increase supply where we can. We will:</p> <ul style="list-style-type: none"> • Deliver 5,500 new build homes to provide one of the biggest contributions to social housing supply in the country • Ensure customer led design input to our new build including input in relation to the cultural needs of New Scots

	<ul style="list-style-type: none"> • Explore options to increase the availability of flexible, larger family homes and downsizing options through our new build and acquisition programme. • Explore the options for new types of temporary provision in partnership with HSCPs and other partners <p>Investing in existing homes and environments: We will make the best use of our existing assets by:</p> <ul style="list-style-type: none"> • Using the rapid rehousing approach to allow us to review our current temporary accommodation provision and develop a managed transition plan to move this into permanent accommodation where appropriate • Flip temporary accommodation leases into permanent lets where this is appropriate for the occupying household to minimise disruption • Deliver homes for 500 Housing First customers <p>Building community voice, engagement and resilience: Our customers will be supported to overcome challenges and create better lives for themselves and their families.</p> <ul style="list-style-type: none"> • Through our Alliance partnership in Glasgow, and our influence in other areas, ensuring that commissioned support services have a strong focus on building customers' community connections • Providing training in tenancy management for customers who want this • Using our customer engagement and housing officers to promote community networks for those customers who do not receive additional support • Working with our partners to develop options to end the repeat cycle of anti-social behaviour, eviction and homelessness that occurs in a small number of cases.
<p>Changing lives and communities</p>	<p>Shaping care services for the future: Services will be completely transformed to support the delivery of outcomes that matter most to our customers by:</p> <ul style="list-style-type: none"> • Ensuring our alliancing approach in Glasgow leads in innovation and new ways of working to provide the best outcomes for customers and is an exemplar for other areas • Reviewing the options to strengthen the pathways through our care and housing services to provide our customers with the most integrated service possible • Developing a DGHP specific proposal for Housing First using our own housing and care services • Developing a Group Housing First Action Plan • Working with partners to develop clear pathways to the right support services for all our customers

	<p>Developing peaceful and connected neighbourhoods: Settling in a welcoming neighbourhood will be a key element to sustaining a home and successfully ending homelessness:</p> <ul style="list-style-type: none"> • Our better lives focus will include connecting households to their neighbourhoods through support which encourages engagement including group activities, volunteering and other actions. • We will review the options to build community resilience and connectedness through volunteer community connectors and activists, building on the experience of others in the community who may once have been homeless or faced trauma, supporting communities where high turnover might result in a rapid change in demographics. • We will use our virtual spaces to create room for community discussion to help grow the understanding and support for newcomers but also to address the impacts or concerns existing tenants may have. • We will provide specific support to families to ensure that they are settled in new schools and activities • Using our expertise across Community Improvement and fire safety to ensure people can live in peaceful environments, safe in their own homes. <p>Supporting economic resilience in our communities: Jobs, skills and income are at the heart of sustaining a home and achieving the ambitions people have. We will help those who are in our most vulnerable communities and those who have been or are at risk of homelessness through:</p> <ul style="list-style-type: none"> • Using our changing lives and other Wheatley Foundation services to increase employment opportunities for those who have been homeless or threatened with homelessness. • Reviewing our Wheatley Foundation and other wider services to maximise the employment, training and skill building opportunities available to customers who have been homeless or are at risk of homelessness. • Using our expanded Wheatley Benefit to harness our size and buying power to get the best deals possible for our customers, providing them with a growing range of opportunities to save money and reduce the cost of running their home.
<p>Developing our shared capability</p>	<p>W.E. Think – creating our “Thinking Yes Together” culture:</p> <ul style="list-style-type: none"> • Our customers will tailor the service and support that works for them using sector leading self-service models to draw down what they need and innovative online engagement tools to shape the services of the future. <p>W.E. Create – driving innovation:</p>

	<ul style="list-style-type: none"> • We will examine the use of predictive analytics to target our tiered levels of prevention support to achieve the best results. • Testing, delivering and evaluating new service options will be core to the Policy. • Working with local authorities to find a more efficient way to deliver fast outcomes for our customers. • Working with our partners to examine options for integrated commissioning of support across homelessness, addictions, mental health, criminal justice and general health budgets in order to achieve a comprehensive and effective service for our customers • Enabling customers to access online learning to build up Wheatley Credits for housing, care and property management that will be a recognised part of Wheatley's Pathways into Work programme. <p>W.E. Work – strengthening the skills and agility of our staff:</p> <ul style="list-style-type: none"> • All our staff will be trained in our approach to preventing homelessness and building community resilience • Our staff will be trained in supporting community connections across all our services. • We will create a specialist digital qualification for frontline housing, care and other staff which develops an empowering approach to support and the skills to support customers through trauma and disruption. This will be complementary to the Scottish Government's national trauma training programme led by NHS Education for Scotland.
<p>Enabling our ambitions</p>	<p>Influencing locally and nationally to benefit our communities:</p> <ul style="list-style-type: none"> • We will use our existing strong partnership arrangements with local authorities, care services and others to enable the delivery of increasingly excellent services which meet our customers' needs. • Influencing our neighbourhood organisations to support new residents

How we will measure our progress

We will measure our progress using the following key measures

Measure	Target
Number of homes provided to households assessed as homeless by the local authority	10,000
% of lets provided to homeless households: <ul style="list-style-type: none"> - Glasgow - Edinburgh - Dumfries & Galloway 	65% 50% 50%
% of homes let through nomination agreement with local authority: <ul style="list-style-type: none"> - West Lothian - West Dunbartonshire 	50% 50%
Increase the number of Housing First tenancies across our footprint	500
% of Wheatley households at risk of homelessness who are helped to avoid homelessness	Baseline to be determined in 2021
Increase the % homeless households very satisfied with the process of getting their new home (segmentation of existing indicator)	Baseline to be determined in 2021
Increase the supply of new build homes	5,500
Maintain tenancy sustainment levels for all households	Above 90%
Maintain tenancy sustainment levels for households who were previously homeless	Above 93%
Number of households whose temporary let is "flipped" to a mainstream SST (new)	500
Increase the percentage of our customers who live in neighbourhoods categorised as peaceful	70%
Number of jobs, training places and apprenticeships given to people affected by homeless (new)	500

Innovation

Innovation is at the heart of our Group Strategy. It is no less important to this Homelessness Policy. Achieving our vision will require a completely new approach to each facet of what we do. Through our shared capability theme we have developed three key outcomes which will support our future innovation: W.E. Think, W.E. Create and W.E. work.

W.E. Think sets our organisation the challenge to “Think Yes together” with our customers as we consider the services that are needed and how we design them. It will support our people to work together with our customers and communities to design the outcomes that will work best for them as individuals and groups.

W.E. Create is our approach to stimulating innovation across our people and our communities. We will do this with new partnerships with academic and other institutions to inform our new Community Academy. Our training and skills development will be increasingly customer driven. It will include increasing use of community technology and crowdsourcing style approaches to inform our progress.

W.E. Work will develop new more agile work roles within a redesigned authorising environment. It will focus on rewarding talent and innovation from within our workplace and from our communities.

Legislation, planning and guidance

This Policy has been developed taking into account relevant legislation, strategic drivers and guidance:

Legislation

- Housing (Scotland) Act 2001;
- Homelessness etc (Scotland) Act 2003;
- Housing (Scotland) Act 2010;
- Housing (Scotland) Act 2014;
- Regulation of Care Act 2001;
- General Data Protection Regulation (Regulation (EU) 2016/679);
- The Data Protection Act 2018;
- Equalities Act 2010

Plans and Guidance

- Rapid Rehousing Transition Plan Guidance (June 2018)
- Local Authority Rapid Rehousing Transition Plans 2018/19 – 2023/24
- Social Allocations in Scotland: A Practice Guide (February 2019)
- Code of Guidance (interim update November 2019)

Complaints

Our aim is to get it right first time, however, where there is dissatisfaction with this Policy or its operation, customers can make a complaint.

A summary of our Complaints Policy and Procedure is available on our website and in local offices.

Appendix 1: Current position statement

Across all of our subsidiaries there is a commitment in everything we do to improve the fabric of customers' lives while creating great communities. Since 2015 the Group has continually evolved and improved its services with actions including:

- Creation of a centralised homelessness team to coordinate our operational response to homelessness;
- Commitment to provide 300 tenancies for Housing First customers over 2 years, participating in 3 Housing First partnerships in relation to housing and/or care;
- Leading Glasgow's award winning development of Housing Options across 55 RSLs covering 72% of the social rented stock;
- Increased supply of affordable housing of national significance with almost 3,000 new homes delivered in the last 5 years
- Launch of MyHousing – our Group online housing information, advice and letting service – to improve accessibility for customers;
- Allocations targets that prioritise homeless prevention and homeless applicants;
- Creation of Wheatley 360, our wraparound support division;
- Wheatley Care's creation of the Flexible Homeless Outreach Support Service (FHOSS);
- Creation of Wheatley Care's tenancy support service and more recently Tenancy Support Plus which provide short term reablement and support to tenants to help tenants through a crisis or to settle in a new tenancy; and
- Close working with City of Edinburgh Council to ensure that our Dunedin Harbour Hostel supports their objectives of prevention of homelessness and efficient move on to permanent accommodation

Across our 18 local authority areas we provide high quality social rented homes to our customers alongside the biggest programme of additional support and opportunities in the country. Our housing officers have an average patch size of 200 and are therefore able to be familiar with all their customers. As part of the approach to moving into a Wheatley house, we work with tenants to identify any support they may need. Using our Wheatley 360 division, we are able to provide support with access to specialist support to start a tenancy (My Great Start), benefits advice, financial inclusion services, fuel advice and specialist support in relation to Universal Credit. Where customers need it we can explore options for carpets, white goods, furniture and food vouchers. Our Eat Well package provides support with food packages in crises where tenants have no income to ensure they can at least have food on the table.

Where our housing officers identify a customer as needing extra support extra visits and calls can be arranged in addition to our standard new tenancy visits. Customers are also provided with access to our 24 hour call centre and encouraged to call at any point they might need to. Call centre staff are equipped with knowledge about our wrap around services and can also link effectively to housing officers.

Our specialist Tenancy Support Service provides support for tenants who are struggling with aspects of maintaining their tenancy. It works for 6-8 weeks to help tenants get back

on their feet and ensures the transition to other longer term services where these are required. The Tenancy Support Service Plus is designed specifically to support tenants through their transition onto Universal Credit. Housing officers are able to draw on home fire safety visits to ensure tenants are as safe as possible in their property.

Housing officers' expertise in the services we offer and their knowledge of their customers means they can quickly link tenants to support services they might need at any point. Housing Officers are often "first through the door" and can use this to identify early signs of crisis before it will impact the tenancy. Our staff have training in housing options, allocations systems, domestic abuse and hate crime which can all be used to support customers. They use this knowledge to work closely with our partners in social work, police and fire to link tenants to the services they may require from these agencies.

In addition to wrap around services, being a tenant of the Wheatley Group provides a range of opportunities. Over 2,500 jobs, training places or apprenticeships have been created either within the organization or through our work since 2015/16. More than two thirds of these go to our customers. A further 50 customers each year are supported with bursaries for further education. We also run programmes to support child literacy, tenant internet skills and sports and cultural engagement.

Our co-ordinated support to provide both better homes and better lives ensures that across Group more than 90% of our tenants who have been homeless sustain their tenancy for at least a year.

We provide specialist care services across our priority areas through Wheatley Care. Almost 1,000 people are provided with housing related support at any one time. These services include outreach housing support in Glasgow, Stirling, South Lanarkshire, Falkirk and Fife, some of which specialize in services for young people. We provide a specialist alcohol and accommodation unit in Glasgow, together with a related outreach service. We also deliver the care and support element of Housing First in some of the earliest projects in the country in Edinburgh and Stirling.

Glasgow City

Our housing provision in Glasgow City Council is led by GHA and supported through Cube and Loretto Housing Associations. Together they provide almost 43,000 social rented homes. A significant proportion of our care services are located in Glasgow, managed by Wheatley Care. These support approximately 1,000 customers at a time through tenancy support, outreach housing support and building based services. Through Wheatley Care we have been successful as part of the partnership to deliver the Council's "Alliance to end homelessness" which will take the lead in the City's move to rapid rehousing. Much of our new build programme is contained within Glasgow and since 2015/16 this has added 1,700 new homes in the local authority area.

Glasgow City Council receives the largest number of homeless applications in the country, with over 5,500 each year (16% of the total). It faces particular challenges in providing temporary and permanent accommodation for the scale of applicants it receives. Glasgow City's draft Rapid Rehousing Transition Plan states that resources will be focused on:

- The fastest possible journey through temporary accommodation to settled housing; and
- The provision of flexible, person-centred support that follows the household from temporary to settled housing to enable successful sustainment.

The City Council expects this to result in a systemic change to the current systems. This will include a focus on person centred rather than accommodation-based services and a strong focus on partnership working. This will include partnership working with people with lived experience of homelessness in the development of new services.

Wheatley receives 70% of all homeless referrals in the City (although many will also be referred to other housing associations) and it housed 46% of all section 5 lets in 2018/19. It already provides a person centred approach to those it houses with extensive wrap around services and tenancy support.

A key area of focus will be the 63% of refusals which are the result of multiple referrals being made and another RSL then housing the applicant and the referral therefore being withdrawn. These referrals will already have generated work within the system and possibly even offers of accommodation. There is significant scope to reduce this wastage and use the resources to better meet the needs of homeless households.

Wheatley currently provides a range of services to help homeless households and support GCC in its statutory obligations. These include:

- 30% of all lets provided to homeless households, and homeless households given priority through Covid-19 pandemic period.
- Housed 46% of all section 5 lets in GCC in 2018/19.
- An assisted bidding process through MyHousing for those who need it on behalf of the GCC section 5 team.
- A new matching process to help homeless households quickly move to a suitable home following the Covid-19 pandemic.
- Additional support to customers where English is not their first language.
- A choice based letting system for applicants in Glasgow providing access to a much wider range of homes by allowing them to bid for homes across GHA, Loretto and Cube irrespective of which RSL they may have been referred to.
- Integration with GCC to allow MyHousing system for GCC to allow instant access to our MyHousing system to use online housing options and application forms and to directly upload the section 5 referral.
- Leasing over 1,000 homes to Glasgow City Council for temporary accommodation and flipping these to permanent lets for households where this is suitable as part of our Covid-19 support;
- Support to over 400 customers at any time through our specialist Wheatley Care services at the Flexible Homelessness Outreach Housing Support Service and Wheatley Accommodation and Alcohol Support Services (Fordneuk).
- Provision of housing options advice as an integrated part of the application system
- Provision of 120 homes for Housing First by October 2020.
- Development of the MyHousing system to allow customers to use a digital application and allocation process.
- Provision of robust performance information to support policy development and decision making, enhanced by the development of MyHousing.

- Participation in key GCC partnership arrangements including the Housing Access Board, Strategic Homelessness Group and Housing First consortium
- Participation in the Council's Housing Access Board.
- Participation in a range of working groups including the Council's operational, temporary accommodation, prevention/tenancy sustainment and review and development homelessness working groups.
- Monthly liaison meetings with the Council's Homelessness Management Team, Temporary Accommodation Management Team and MAPPA processes.

City of Edinburgh

Our provision in Edinburgh is led by Dunedin Canmore Housing Association. This amounts to just over 4,500 houses in the City. Our new build programme has added over 400 homes in the City since 2015/16.

As Scotland's capital, Edinburgh faces high pressure on affordable housing. Demand and costs for the private rented sector are also high. The Council receives a large number of homelessness applications (just over 3,000 in 2018-19). The Edindex partnership made a commitment to let an additional 275 homes to statutory homeless households during 2018/19. This target was met and exceeded with an additional 305 lets to homeless households during this period. The current Edindex business plan is committed to increase the proportion of lets to homeless households. The rapid rehousing transition plan commits the Council to looking at a range of innovative options for accommodation including shared housing and supported lodgings.

Wheatley Group currently provides a range of services for homeless households and supports City of Edinburgh Council in the delivery of its homelessness duties through:

- Participation in the Edindex choice based letting system and Edindex Board.
- Participation in Housing First in Edinburgh with 38 tenancies already provided by October 2020.
- Providing approximately 50% of all lets to homeless households (including first lets of new build homes).
- A 25 room/35 bedspace hostel providing temporary accommodation and support in helping homeless applicants to move on to permanent accommodation.
- Dunedin Hostel Resettlement Flats providing supported accommodation to customers including veterans experiencing homelessness, with a pathway to permanent housing.
- Leasing of properties to City of Edinburgh and West Lothian Council for use as temporary accommodation.
- Provision of tenancies for the Syrian Vulnerable Persons Resettlement Scheme.
- Training Flat project with Four Square – provision of 18 flats for young people age 16-21 experiencing homeless to move in to supported accommodation with a pathway to permanent housing.
- Membership of the Edinburgh Affordable Housing Partnership

Dumfries and Galloway

Dumfries and Galloway Housing Partnership is the largest provider in the Council area with 10,300 units. The Partnership joined the Wheatley Housing Group in December 2020 and will in future be able to draw on new build development to extend supply in the area.

There are particular challenges in Dumfries and Galloway in relation to the rural nature of the area. More than 100 miles separate one end of the local authority area from the other. Providing temporary and permanent accommodation in the locality of choice for homeless applicants is more difficult than it would be in a more urban area. The level of repeat homelessness is relatively high. Applicants in Dumfries and Galloway are also much more likely to have one or more identified support need than in many other areas and this has implications for the additional services required by customers.

Wheatley Group supports Dumfries and Galloway Council through:

- Providing approximately 40% of all lets to homeless households (almost 500 lets in 2018/19)
- 24 units of temporary accommodation with support
- 73 units leased back to the Council for temporary accommodation
- Out of hours accommodation to support DGC in provision of its statutory obligations.
- Support to Dumfries and Galloway Council in delivering improvements in their homelessness service.
- Reducing the level of tenancy failure through the use of the DGHP Housing Support Team before any court actions are undertaken to ensure all options are explored to maintain the tenancy.
- Support to those housed through the refugee resettlement programme in DGHP homes and those of other RSLs.
- Management of a specialist project that supports care experienced young people to transition into main-stream accommodation (linked to prevention of homeless of a vulnerable group).
- DGHP leads the Common Housing Register including monthly liaison with the lead officers for Strategic Housing & Homelessness, covering performance policy and the un-met need list for the region (this has been a success story).

West Dunbartonshire

Cube is our main provider in West Dunbartonshire with Loretto Housing Association providing a small number of homes. Together they have just under 550 homes in the area.

West Dunbartonshire received approximately 1,000 homelessness applications last year. This is the highest rate per 1,000 in the country. The rapid rehousing transition plan for the area identifies youth homelessness as a particular issue together with rising numbers of applicants with multiple and complex needs. The transition plan identifies four key priorities which are to:

- Deliver a whole systems approach to the prevention of homelessness;
- Enable service users with no or low support needs to access settled housing quickly;

- To develop interim housing options which enable independent living and housing sustainment; and
- Implement a Housing First model which enables the most excluded users to achieve housing sustainment.

The Wheatley Group currently provides the following services for homeless households in West Dunbartonshire:

- Review of referred homeless households against all void properties as soon as they are available for letting, with a secondary check to local authority staff if no suitable household is found to ensure any newly homeless households are also considered.
- Participation in the Council's quarterly section 5 meeting and housing providers forum

West Lothian

Wheatley provides almost 1,000 social rented houses within the West Lothian Council area through West Lothian Housing Partnership, Dunedin Canmore Housing Association and Barony Housing Association.

The West Lothian RRTP identifies that applicants are largely in low need of support, tend to be homeless as a result of being asked to leave existing accommodation and are mostly younger people. Sofa surfing is more common than rough sleeping. The level of demand for social housing is high across the area.

Wheatley Group supports West Lothian Council through:

- Providing more than 30% of all lets to homeless households (including first time lets of new build homes).
- Nomination arrangement with West Lothian Council for 50% of all lets.
- Development of 140 new homes in the area in 2018-19 and 2019-20.
- Partnership working with the Council to deliver housing support & temporary accommodation, Housing Options and homeless prevention.

Appendix 2: Case Studies

Case Study 1: Building resilience to create independence

The **Sandyhills** multi-storey flats were constructed in the late sixties and comprise of more than 500 flats, the majority of which are 2 apartment. Given the size of many of the properties we have a significant number of properties being allocated to single people, including those who have come to GHA via a section 5 referral.

There are a substantial number of the customers in the Sandyhills area where financial literacy is likely to be poor and households are struggling on relatively low incomes as well struggling with debt. Many households are also struggling with social isolation and feel they have no-one to turn to in a crisis. These customers are particularly vulnerable and more susceptible to lack the ability to manage a tenancy. They may also require significant support to sustain their recovery from addictions or deal with multiple issue such as poor mental health and addictions .

The Welfare Reform Act 2012 has introduced a raft of changes to the benefit system which has had an adverse effect on our customers' income; in particular Universal Credit. The ethos underpinning this benefit is that recipients should take more responsibility for their finances including paying their rent. In theory this position is sound however in reality we have many customers who have very poor budgeting skills and have never had the responsibility of paying their rent in the past. A prerequisite to claiming this benefit is a bank account as this is the only method of payment that the DWP will consider. This is a particular barrier for many of our customers and many have encountered various challenges when trying to open an account. The closure of local branches has exacerbated their difficulty in accessing banking services.

Our approach at Sandyhills is to see the individual and discuss with them using the tenancy star how they see themselves ensuring we have a full overview of the customers' circumstances. This includes any named support organisations or individuals that we can start to build relationship with as this is essential to ensure everyone is clear about their role and expectations.

We use our bespoke Tenancy star to work with customers to track their progress in a range of areas. The customer agrees the support they want and this is provided at the right time and right pace for the customer. This helps households become more confident and less dependent on our services.

Within Sandyhills, the housing team have developed strong partnerships with a number of agencies including DWP and Barclays Bank who were involved in regular sessions within the community facilities. These included advice, information on bank accounts that are easy to set up and options for volunteering, further education and employment.

By assessing and agreeing with customer what support they want and offering this at the right time and at pace that is suitable to the Customer. Our aim is that the customer becomes more confident and less dependent on our services .

Case Study 2: Building resilience to create independence

M moved into one of our furnished flats in 2016 as a young single parent with a new baby. She had no real support from any other family members or the baby's father. Initially she had support issues and accrued arrears.

When she initially moved in she became quite low when she realised she did not have the resources to make the house into the home she wanted. GHA staff helped her by getting a decorating team in through community payback and through assistance from the concierge. Local staff helped out with some baby equipment and clothes and ensured she was well linked in to local groups.

Her confidence built as she established her home and local connections and she became determined to create a better life for herself and her daughter. She was able to repay her arrears, go into training and learn to drive. Ultimately she obtained a job in a nursery with an aspiration to go on to become a social worker.

Case Study 3: Building resilience to create independence

This customer moved into one of our temporary accommodation units have suffered repeat homelessness and with pending charges for threatening behaviour in another property. The erratic and threatening behaviours continued on moving in and were heightened by the influence of alcohol. Although there appeared to be mental health issues no diagnosis had been made and therefore no mental health support was available. Ongoing support was provided to our customer to help her to understand that the occasions she was struggling were linked to alcohol. She continued to be derogatory and verbally aggressive to staff and others and this meant it took some time to build up a productive relationship. Initially, the majority of support was to de-escalate behaviours to prevent the need for intervention from police or other emergency services; to help our customer remain housed and safe and to ensure the safety of others in the same accommodation and neighbourhood. Social Work became involved quickly after moving in and also assisted with de-escalation. During her stay the covid-19 lockdown was put in place and this exacerbated the situation. She would frequently call emergency services, often reporting covid symptoms when these were not present, and was a frequent attender at hospital emergency services.

An interim ASBO was sought and obtained while the customer was in temporary accommodation to continue once permanent accommodation was found. This was in order to help her see that their behaviours were putting her accommodation at risk and affecting others significantly and also to ensure others in the surrounding area could be protected.

A partnership approach between Wheatley Group, the local authority homeless team and social work was put in place to ensure that the customer could maintain the accommodation and successfully move into a tenancy. A core group of officers was put in place and maintained close contact throughout the process. This approach improved the ability to support the customer to move on successfully and to ensure that everyone was updated at all points of the process.

An Adult Support and Protection assessment was carried out. This identified new support and allowed for a smooth transition through good communication. Our customer was able to be involved in the meetings. A referral to our welfare benefits advisor enabled full benefit income to be restored.

With the support and joint working our customer was able to move into a home with a Scottish Short Secured Tenancy. Properties were assessed to ensure that the home chosen maximised the chances of a successful tenancy. A full ASBO was now in place to help to prevent and address any further issues. The property was fully furnished through funding from the Scottish Welfare Fund and support from a local homelessness charity. Ongoing support has been provided from social work and the local authority homeless team. The customer continues to do well in her new home.

Case Study 4: Building resilience to create independence

A is a middle aged male who has been in the homeless system for 15 years, including nights spent sleeping rough on the streets. He is alcohol dependent, has mental health issues which deteriorate during times of non-engagement with services and has a history of reoffending. In October 2019, A was required to move on from the latest in a series of supported accommodation placements due to his erratic behaviours and fire raising. By this time he was excluded from almost all support services in the area. After intensive multi-disciplinary reviews it was agreed to move him into a temporary furnished flat with support from our Glasgow Flexible Homeless Outreach Support Service with 2 weekly reviews and updates as he was at high risk of eviction. His choice with support is to enable him to live independently in his home, improving confidence, supporting re-enablement and therefore reducing reliance on paid services.

The Outcome Star Assessment tool, Homelessness Star was used as a baseline for A's outcome plan. This measures the distance travelled within the outcome plan, using strength based approach to recognise skills, and see results, building leadership in making positive choices, improving self-awareness, therefore confidence and resilience.

After 15 years of being in the homeless system A has settled into the temporary accommodation which is his first independent tenancy in over 15 years. He has continued to engage with other agencies including mental health agencies and is no longer required to attend the challenging behaviour medical clinic as he is no longer classed as a risk to others as he has built trust with services. He has now been in the temporary accommodation for 1 year and is preparing to be discharged from homeless services once the process has been completed for temporary accommodation to now become a secure tenancy. Over the last 12 months with the support and innovation A has been able to challenge his own history and remove the barriers to become independent and live in his own home.

A talking points approach was used with A, which resulted in conversation around the benefits of independent living. He expressed a desire to live in his own home after years of living in supported accommodation and many long stays on mental health hospital wards. The benefits of independent living in his own home are:

- Reduced direct supports
- More independence
- More regular contact with close family
- Pride and sense of achievement for himself
- Being able to cook his own meals
- Make his own choices

Appendix 3: Legislative changes in relation to homelessness

The Housing (Scotland) Act 1987	As amended, sets out the powers and duties of local authorities in dealing with applications from people seeking help on the grounds that they are homeless or threatened with homelessness. Since the 1987 Act, there have been a number of changes to legislation, some of which are described in legislation referred to below
The Housing (Scotland) Act 2001	Established the right to review a homelessness decision and amended other aspects of homeless applicants rights and definitions. It also introduced a duty on registered social landlords (RSLs) to assist local authorities in rehousing homeless people.
The Homeless Persons Advice and Assistance (Scotland) Regulations 2002	Prescribed the types of advice and assistance that local authorities must provide under Section 31(3)(b) and 32(3) of the Housing (Scotland) Act 1987 to homeless applicants and applicants threatened with homelessness
The Homelessness etc. (Scotland) Act 2003	Amended the Housing (Scotland) Act 1987 and the Housing (Scotland) Act 2001 and primarily affects how local authorities carry out their homelessness functions, strengthening people's rights to support when they are facing homelessness. The 2003 Act also improved the housing rights of people experiencing domestic abuse and provided a mechanism for the abolition of priority need. It also placed a duty on mortgage lenders and landlords to notify local authorities when they raise repossession proceedings
Housing Scotland Act 2010	Introduced a duty on local authorities to conduct a housing support assessment for applicants who are unintentionally homeless or threatened with homelessness and who they have 'reason to believe' need housing support services as prescribed in the regulations.
Equalities Act 2010	Prohibits discrimination (whether direct or indirect) against people who possess one of the protected characteristics
Welfare Reform Act 2012	Introduced changes to the UK benefits system, including under occupancy charges for social rented sector and Universal Credit.
The Housing Support Services (Homelessness)(Scotland) Regulations 2012	Makes provision in relation to the duty of Local Authorities to assess whether some persons found to be unintentionally homeless or threatened with homelessness need housing support services.

The Homelessness (Abolition of Priority Need Test) (Scotland) Order 2012	Abolished the priority need test for homeless households so that all unintentionally homeless households are entitled to settled accommodation.
The Homeless Persons (Unsuitable Accommodation) (Scotland) Order 2014	Revoked The Homeless Persons (Unsuitable Accommodation) (Scotland) Order 2004 and prescribes accommodation which may not be used to fulfil the duty on local authorities to provide interim accommodation under Section 29(1) of the Housing (Scotland) Act 1987 in relation to applicants who are pregnant, or whose household includes either a pregnant woman or children. Article 7 of the 2014 Order provides two particular circumstances where such accommodation may be used and this was time limited to 14 days.
Housing (Scotland) Act 2014	Introduced the abolition of right to buy, and changes to social rented sector tenancy rights including changes to assignments and successions.
Private Housing (Tenancies) (Scotland) Act 2016	Introduced a new private residential tenancy for the private rented sector in Scotland to replace the short assured tenancy and assured tenancy for all future lets.
The Homeless Persons (Unsuitable Accommodation) (Scotland) Amendment Order 2017	For families with children or pregnant women, amends the time limit in article 7 of the 2014 Order from 14 days to 7 days
The Homelessness etc. (Scotland) Act 2003 (Commencement No. 4) Order 2019	Commenced on 7 November 2019, brings into force sections 4 and 8 of the Homelessness etc. (Scotland) Act 2003 ("the 2003 Act") <ul style="list-style-type: none"> • Commencing the provisions in Section 4 gives local authorities the discretion to investigate for intentionality rather than it being a duty as previously. • Commencing the provisions in Section 8 allows Scottish Ministers by order made by statutory instrument to modify the operation of Section 33 of the 1987 Act, which allows local connection referral of a homeless applicant to another local authority in certain circumstances. Within 12 months of commencing the Section 8 provisions, Scottish Ministers must publish a statement setting out the general criteria by reference to which modifications would take place, and are obliged to consult before making or modifying this statement. Following the Ministerial Statement, the statutory



Report

To: Dunedin Canmore Board

By: Elspeth Lang, Development Manager

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

Subject: Five year development programme

Date of Meeting: 11 February 2021

1. Purpose

- 1.1 To advise the Board of the proposed five year development programme.
- 1.2 A presentation on the five year programme will be made at the meeting.

2. Authorising context

- 2.1 The overall strategic direction and associated priorities of the Group are reserved to the Wheatley Housing Group Board. In relation to the development programme, this includes the geographical areas in which we operate.
- 2.2 The responsibility for governance oversight of the Group development programme and the approval of new projects now rests with the Group Development Committee, in line with the Committee's terms of reference approved by the Wheatley Housing Group Board. This is in the context of the Dunedin Canmore Housing's approval of the five year development programme.
- 2.3 A copy of the Group five year development programme was presented to the Group Development Committee on 4 February 2021 and will be presented to the respective RSL Boards and to the Wheatley Housing Group Board in February 2021.

3. Risk Appetite and assessment

- 3.1 The Board's risk appetite in respect of the new build development programme is "open", which 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 Our future strategic direction envisages an ongoing development programme, beyond the assumptions in our current strategy. At Group level this is in the order of 800 units per annum. Our development programme represents a significant element of the Group's expenditure, in the form of borrowing to fund construction. In the coming year we anticipate spend of over £100m, inclusive of Grant funding, on the Group development programme.
- 3.3 The income from the construction of new homes represents a correspondingly significant element to increasing rental income to continue to service borrowing. Additionally, the development programme plays a key role in reducing unit management costs for developing RSLs, as overheads are spread over a greater number of units.
- 3.4 A key risk is that we do not identify a pipeline of development opportunities to realise our assumed development programme at Group and in the Dunedin Canmore Housing programme. This could lead to us not constructing enough units to repay our borrowing levels or achieve assumed reductions in management cost levels. To mitigate this risk we have brought together a strong programme of named sites in the proposed five year programme. In addition, we have a further 'lifeboat' list of additional sites, that are subject to regular dialogue with local authorities, housebuilders and developers.
- 3.5 A further headline risk is Grant availability. This is a major focus for all developing RSLs and local authorities. It will be February 2021 before the TMDF budgets for City of Edinburgh and City of Glasgow are confirmed. Based on initial announcements by the Scottish Government in their Infrastructure Investment Fund it is understood that there is likely to be real terms growth in the housing allocation to 2025/26, from the £3Bn allocated in the last parliamentary term to May 2021.

4. Background

- 4.1 Since joining the Group DCH has completed 747 new affordable homes, an increase of 162 units since February 2020. We have a further 124 units currently on site and 128 units due on site. In addition we have progressed our acquisition and planning applications for 300 units at West Craigs, Edinburgh. Our current Group business plan assumes DCH will complete 831 units of affordable housing new supply units over the five financial years from 2021/22.
- 4.2 Table 1 below sets out the DCH programme by year to 2025/26.

Table 1 – DCH programme

RSL	21/22	22/23	23/24	24/25	25/26	Total
DCH	79	162	208	160	222	831

5. Discussion

Development Footprint

- 5.1 Our future development pipeline is shaped by our understanding of the regeneration and housing development opportunities that are currently agreed, or may emerge, in our operational local authority areas. For DCH this will be driven by the respective local authority housing strategies and the Strategic Housing Investment Programmes that flow from them.
- 5.2 The Wheatley Group Board in February 2020 when approving the five year development programme agreed that:
- we maintain the overarching East, West and now South programmes;
 - Cube and Loretto development programmes should focus outside the City of Glasgow in the surrounding local authorities;
 - **DCH** to continue to be the principal developer in the City of Edinburgh and the Lothians;
 - WLHP should retain its development footprint in West Lothian only; and
 - GHA will be our principal developer in the City of Glasgow.
- 5.3 Under the proposals, our own strategic footprint would expand to include Stirling. We would develop in West Lothian alongside West Lothian Housing Partnership. In totality this would see our development footprint cover:
- City of Edinburgh
 - East Lothian
 - Midlothian
 - Stirling
 - West Lothian
- 5.4 Wheatley Care has identified a small number of potential re-provisioning requirements associated with former Barony housing stock in Fife that could generate the need for a small number of new build homes in the Fife authority area, circa 15 units. It is intended that DCH will undertake a limited development role in Fife to deliver this requirement if new build provision is required.
- 5.5 The planning of our development programme involves discussions with City of Edinburgh Council and East, Mid and West Lothian Councils, in their role as strategic housing and planning authorities. We also engage with City of Edinburgh and the Scottish Government as Grant funders. This is in addition to our work with a network of private sector developer contacts. A presentation on the five year development programme and the key strategic housing drivers, will be made at the Board meeting.

Development appraisal criteria

- 5.6 The Board in May 2019 approved the criteria as set out in Table 2 below, that forms the basis for assessing new development opportunities for inclusion in DCH's five year development programme.

- 5.7 The Group Development Committee in October 2019 approved the criteria that forms the basis for assessing new development opportunities. On the basis that proposed projects are included in the respective RSL's approved five year development programme, the following criteria must also be met for any new development project to be eligible for approval:

Criteria	Measure/Test
Local Housing Strategy	Contribute to the Local Housing Strategy of the respective local authority. The project appraisal should detail which of the LHS outcome(s) the project will contribute.
Building and strengthening strategic partnerships	Contribute to strengthening our relationship with local authorities and developers. The appraisal will identify the strategic partnerships and/or relationships to which the project will contribute.
Improving customer choice	The housing mix will be developed in consultation with DCH Housing Management and respond to known and anticipated housing need for social rented housing and in conjunction with Lowther Homes for our future mid-market rent programme.
Housing Market Areas	Within the agreed local authority areas unless otherwise agreed with the Group Board and DCH Board.
Internal Rate of Return	The Internal Rate of Return shall be a minimum of 5.7% over 30 years.
Debt	Borrowing required would not exceed total assets.
Borrowing	Borrowing will be repaid within 30 years.
Valuation Growth	Projects will be valuation positive on our balance sheet and assumed to deliver valuation growth within 3 years.

- 5.8 Accordingly, the Group Development Committee has the authority to approve projects where they meet the agreed criteria. This allows a balance between a strategic programme role, and the ability to set clear parameters for projects to proceed.
- 5.9 Where any of these criteria are not met the project may be referred by the Group Development Committee, where it considers there to be an exceptional reason for proceeding, to the DCH Board for consideration.

5 Year Development Programme

- 5.10 Attached at appendix 1 is DCH's draft five year development programme. All RSL Boards will consider their own programmes during the February 2021 cycle of meetings.
- 5.11 Unit numbers are slightly lower across the 5-year period from last year. However significant progress has been made across the programme with a number of future opportunities having the approval of the Group Development Committee to proceed or will go to the Committee for consideration in 2021/22. The DCH 'lifeboat' contains projects which are live and allocated to DCH in the respective local authority SHIP and represent deliverable opportunities in the event that capacity exists for them to move forward.

- 5.12 The 2021/22 five year plan reflects a re-emergence of development projects in Midlothian as well as a continuation of our development programme in East Lothian. Development in the City of Edinburgh is the largest component and the plan includes for completions at West Craigs, a long time development opportunity for DCH which is due to achieve a main works site start in 2021/22.
- 5.13 In addition to the projects included for completion in the plan period, we are also exploring the potential acquisition of a further 200-unit development opportunity in West Edinburgh in 2021, that would generate completions from 2026/27.
- 5.14 We plan to deliver our opportunities with a range of private developer partners including Persimmon Homes, Cala Homes, Springfield, Taylor Wimpey and Dandara amongst others. The development at West Craigs will be procured through Wheatley's contractor framework.

6. Key issues and conclusions

- 6.1 DCH's five year development programme sets out an ambitious and challenging programme that would continue to see both DCH continue as a key delivery partner for Scottish Government in the provision of new supply affordable housing.
- 6.2 The Covid-19 pandemic has impacted significantly on our development programme in late 2019/20 and across 2020/21. The cessation of construction activity during the initial lockdown, followed by new procedures agreed between the construction industry and the Scottish Government for safe site operations, has enabled construction activity to continue but productivity has been impacted. We have taken on board remaining uncertainty linked to Covid-19 when considering the planning and Business Plan implications of the DCH five year programme.
- 6.2 The national Infrastructure Investment Programme, announced by the Scottish Government in late 2020, proposes that funding for new affordable housing will continue to be a priority beyond 2021. Full details of the national funding for housing will not be clear until after the Scottish Parliamentary elections in May 2021.

7. Value for money implications

- 7.1 Value for money will continue as a key focus in the programme. This can be achieved via both our use of Group and external contractor frameworks and our consultant frameworks, combined with seeking to extend developer partnerships giving rise to more development opportunities.
- 7.2 This combination will allow us to achieve tangible benefits for tenants as increased efficiency can enable us to deliver better value for money.

8. Impact on financial projections

- 8.1 Our business plan assumes circa £137m of development over the next five years for DCH. Spend for 2021/22 is expected to be circa £21.2m. The successful delivery of the development programme helps us to realise the wider assumptions within DCH's financial projections. The summary of the development costs and grant over the next five years is presented in the table below:

	2021/22	2022/23	2023/24	2024/25	2025/26
DC	£'000	£'000	£'000	£'000	£'000
Gross Cost	21,213	28,533	23,405	30,885	33,035
Grant	14,314	8,793	8,875	13,653	17,336
Net	6,898	19,740	14,530	17,232	15,699

9. Legal, regulatory and charitable implications

- 9.1 On a regular basis details of the Group development programme are shared with the Scottish Housing Regulator.
- 9.2 The Wheatley Solutions Property Legal Team continues to provide support to the programme through provision of advice supporting procurement, contracts and site acquisition.

10. Partnership implications

- 10.1 We seek funding agreements with the Scottish Government and the local authorities through inclusion of our projects with their Strategic Housing Investment Plan. Progress on the current year's grant programme is monitored through quarterly meetings with the Scottish Government, City of Edinburgh and the relevant local authorities.
- 10.2 DCH is a key partner in the delivery of affordable housing in Edinburgh. The council has made a commitment to deliver 20,000 new affordable homes between 2017-2027. We have 574 units either complete or under construction towards this target, with a further 409 Edinburgh units included for completion in the five year development plan.

11. Equalities impact

- 11.1 Within the programmes, all new build units are designed to Housing with Varying Needs (Part 1). The inclusion of wheelchair units on a number of sites is a standard funding requirement.

12. Recommendations

12.1 The Board is asked to:

- approve the DCH five year development programme as summarised in this report; and
- note that the five year development programme will be reviewed annually and presented for approval to the Board, in conjunction with the presentation of the DCH Business Plan.

List of Appendices

Appendix 1 – DCH five year development programme



Five Year Development Programme

DCH Board – 11 February 2021

Elsbeth Lang

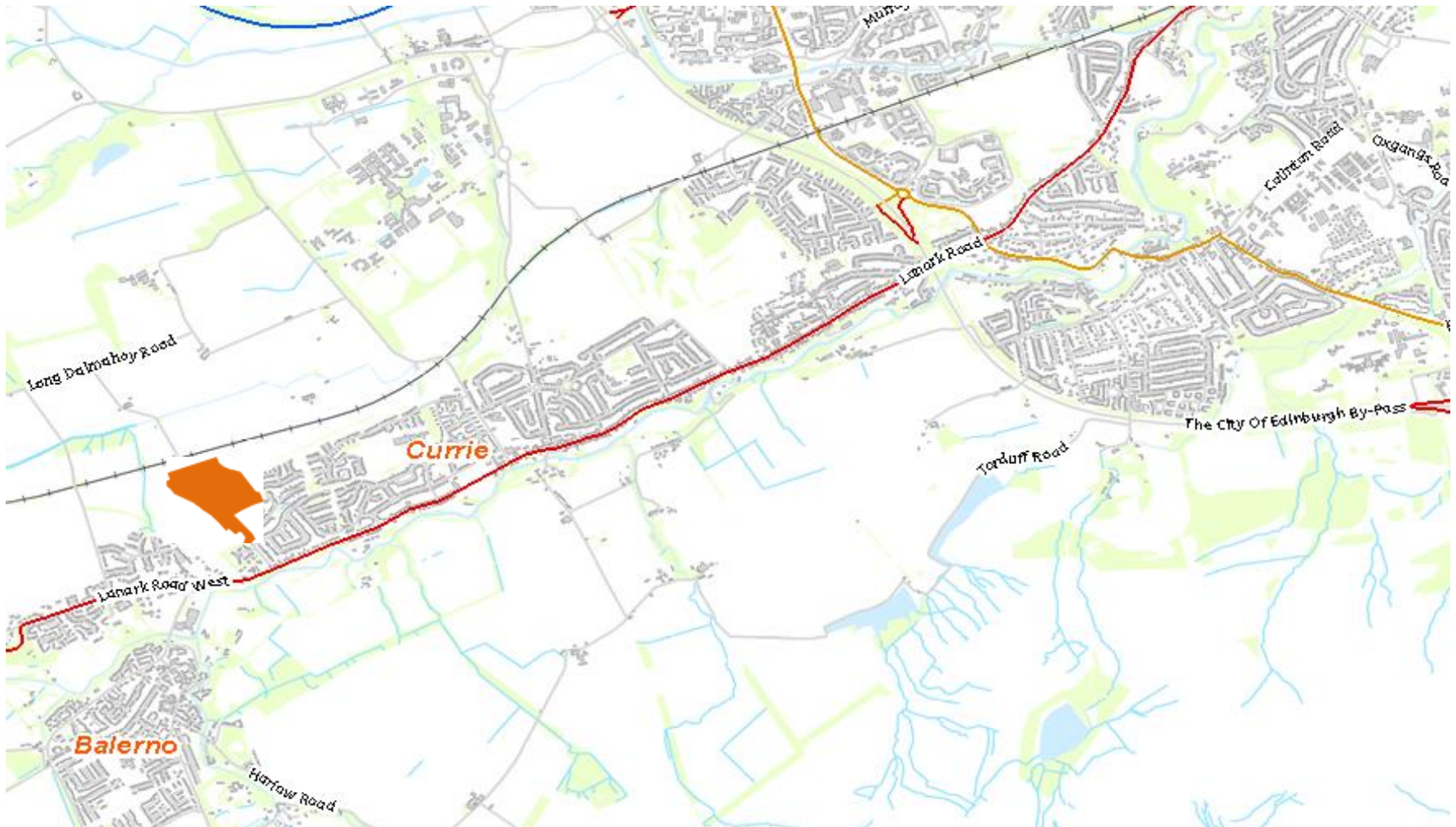


DC New Build Programme

Project Breakdown

DC - Social	LA	Social Rent	MMR	2020.21	2021.22	2022.23	2023.24	2024.25	2025.26
South Gilmerton	CEC	52		10	42				
New Mills Ph 2	CEC	12	15		27				
Longniddry Phase 1	ELC		10		10				
The Wisp Ph 3c	CEC	34				34			
Macmerry	ELC	36					36		
Kirkliston	CEC	22					22		
Wallyford Ph 2	ELC	46	14				60		
Lanark Road	CEC		12				12		
Craighall Ph 2	ELC	20	18					18	20
Wallyford Ph 3	ELC	40							40
Westcraigs Plot 4	CEC	78	80				78	80	
West Craigs Plot 5	CEC	90	52					62	80
Westcraigs Plot 13	CEC	50	12						12
Roslin	MLC					38			
Penicuik	MLC					57			
Rowanbank	CEC					33			
Longniddry Phase 2	ELC	20	20						40
Buileyeon Road Phase 1	CEC	30							30
Total				10	79	162	208	160	222

Newmills Phase 2, Balerno



Newmills Phase 2, Balerno



DEVELOPMENT PROPOSAL

Newmills Phase 2, Balerno

Photo from completed Phase 1



Longniddry Phase 1



Longniddry Phase 1



The Wisp 3C - Location

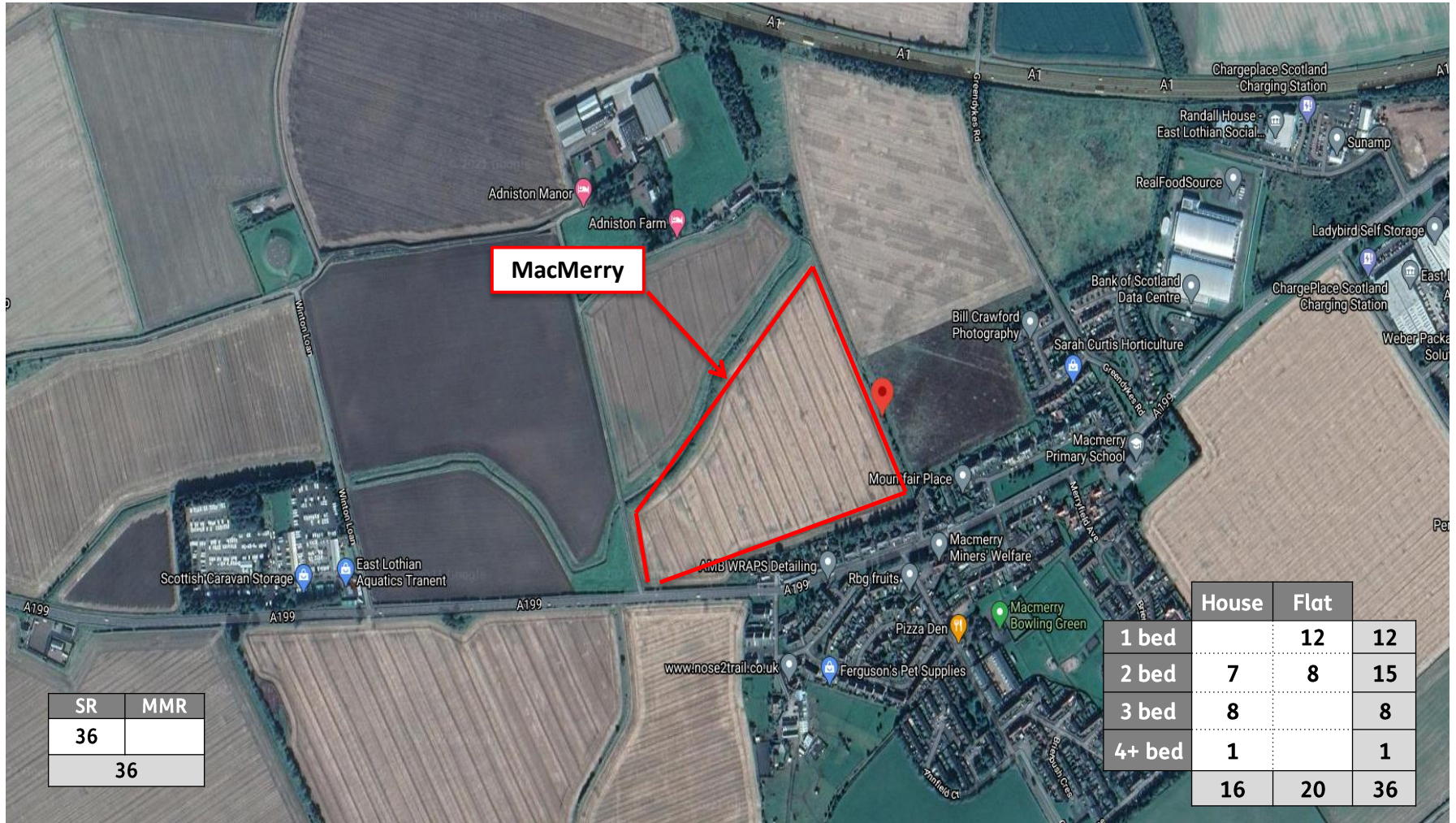


The Wisp 3C



The Wisp 3C







Kirkliston – Foxhall Gait





Wallyford Ph2 – Area 7



SR	MMR
46	14
60	

	Flat	House	
1 bed	4		
2 bed	12	18	
3 bed		20	
4+ bed		6	
	16	44	60

Wallyford Ph2 – Area 7



1 Lanark Road



1 Lanark Road



Looking south



West Craigs – Plots 4 and 5



West Craigs – Plots 4 and 5

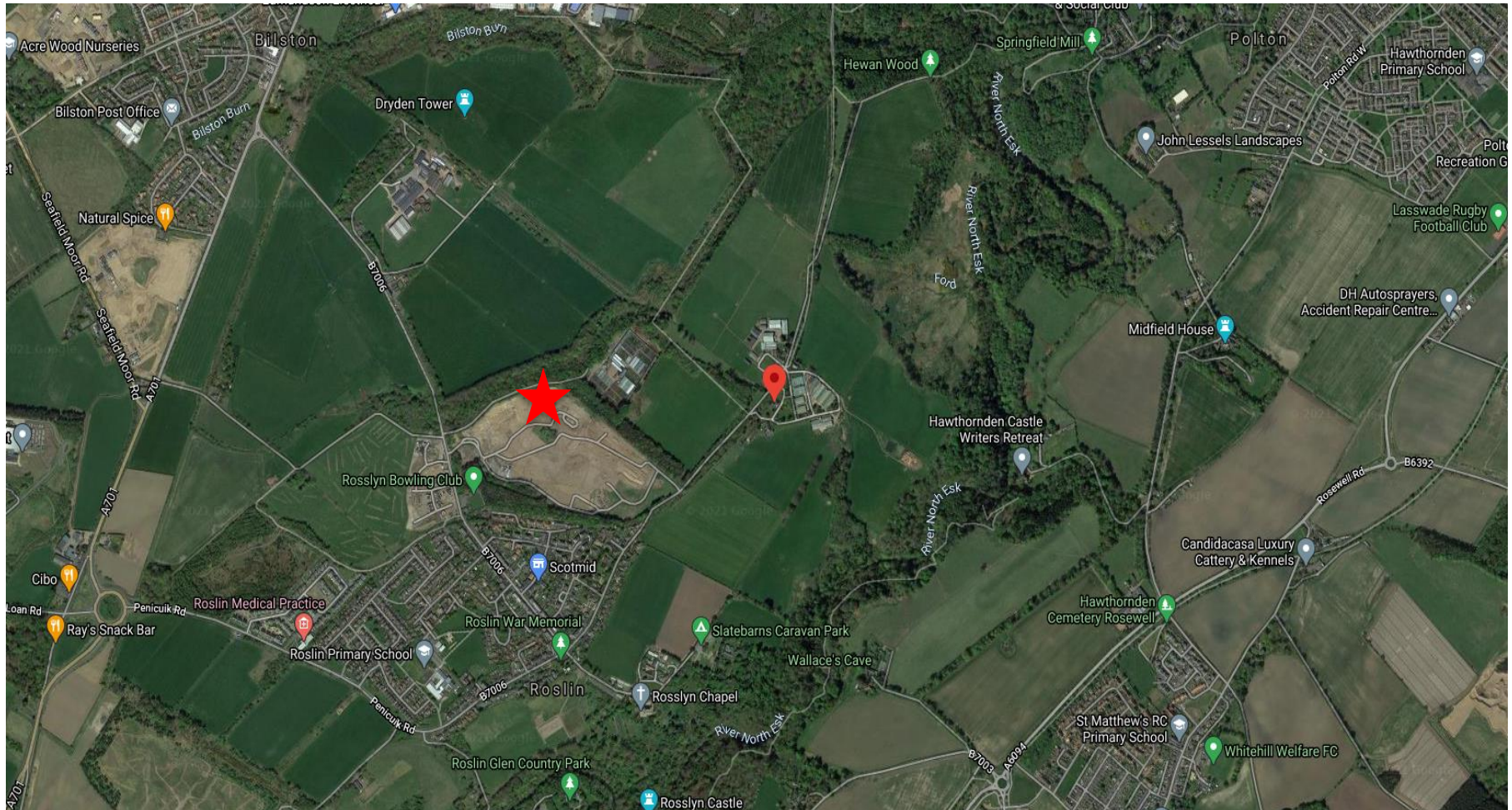


West Craigs – Plots 4 and 5





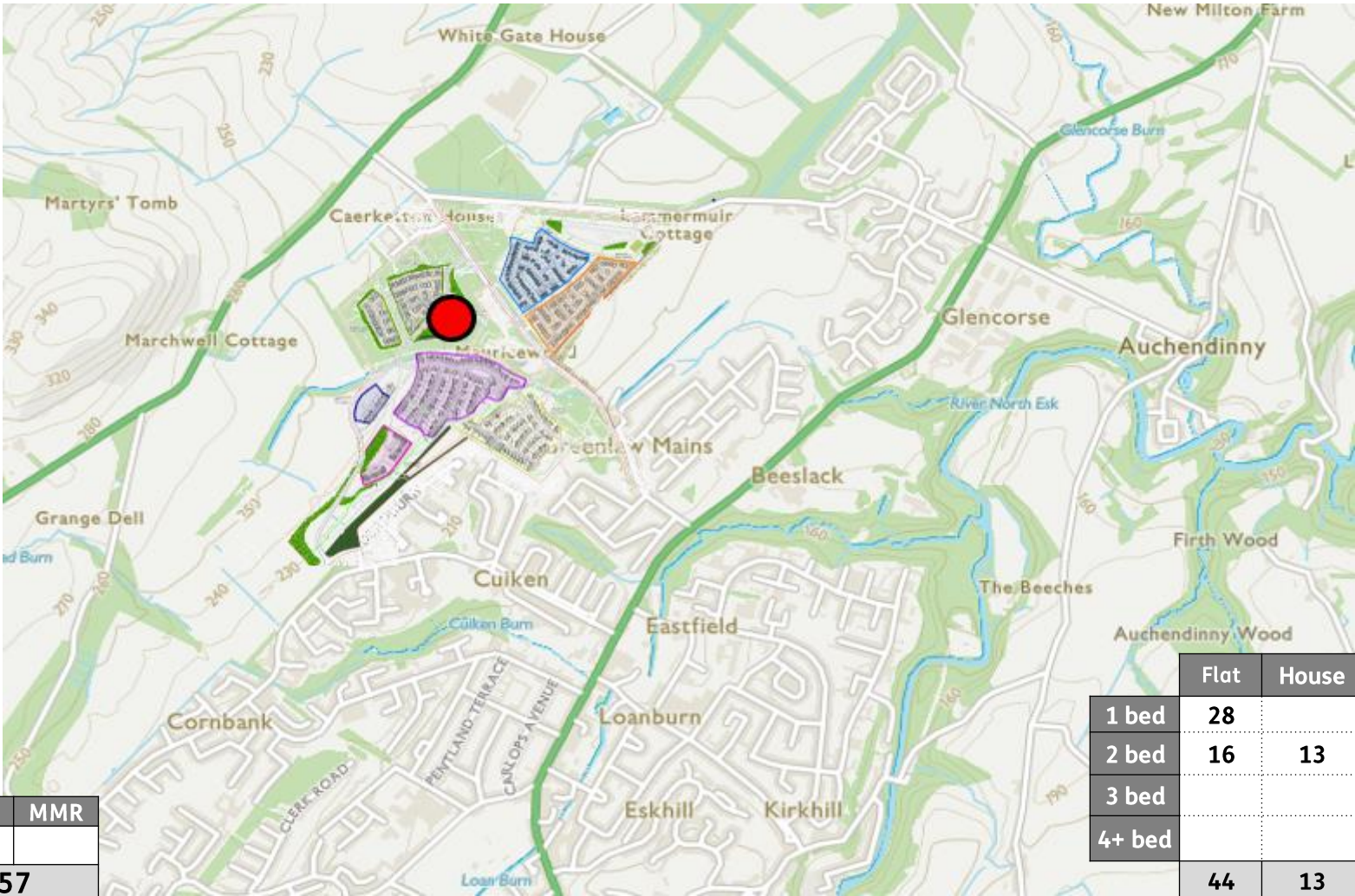
Former Institute, Roslin



Former Institute, Roslin

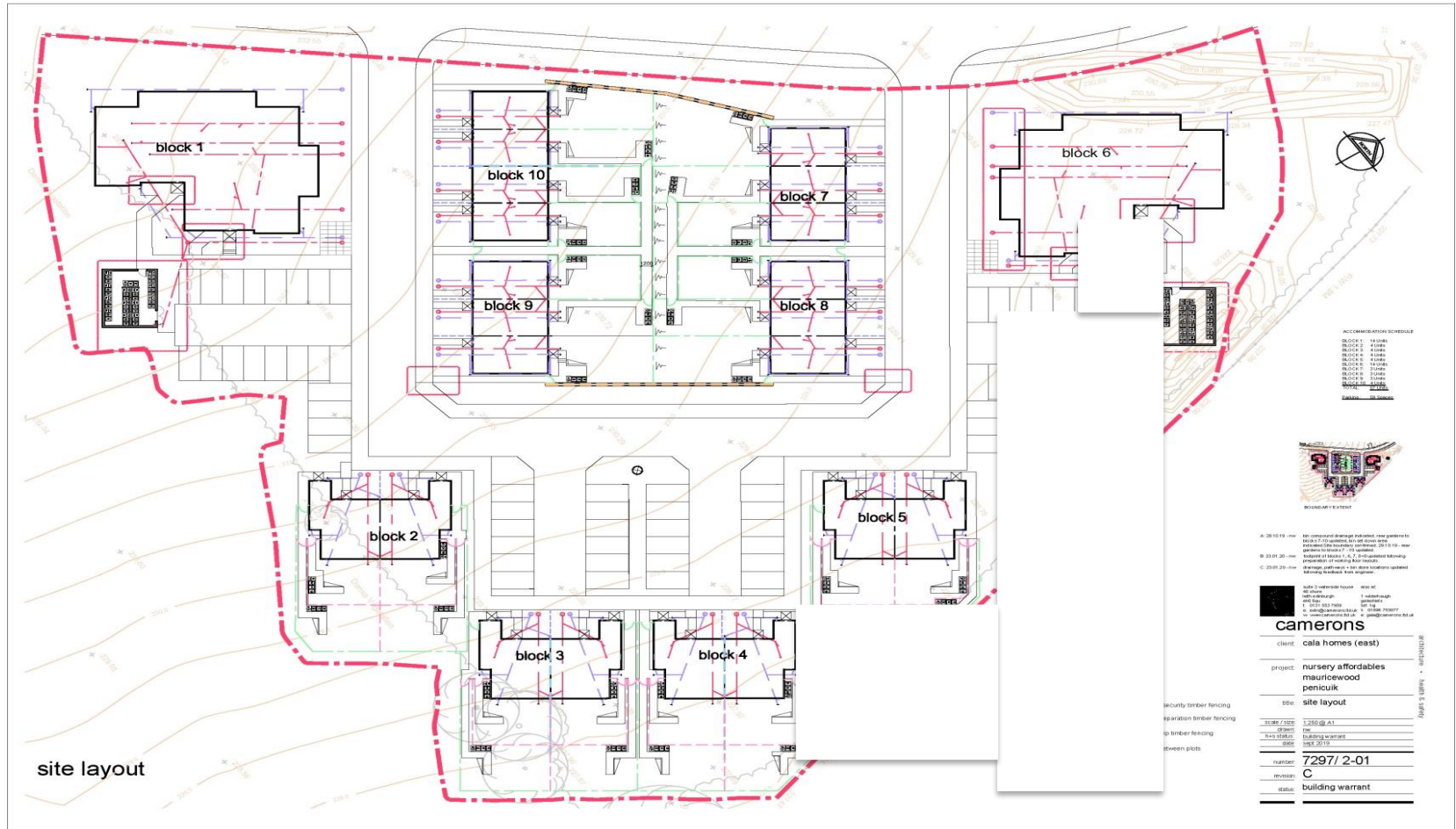


Penicuik Nursery East



SR	MMR
57	
57	

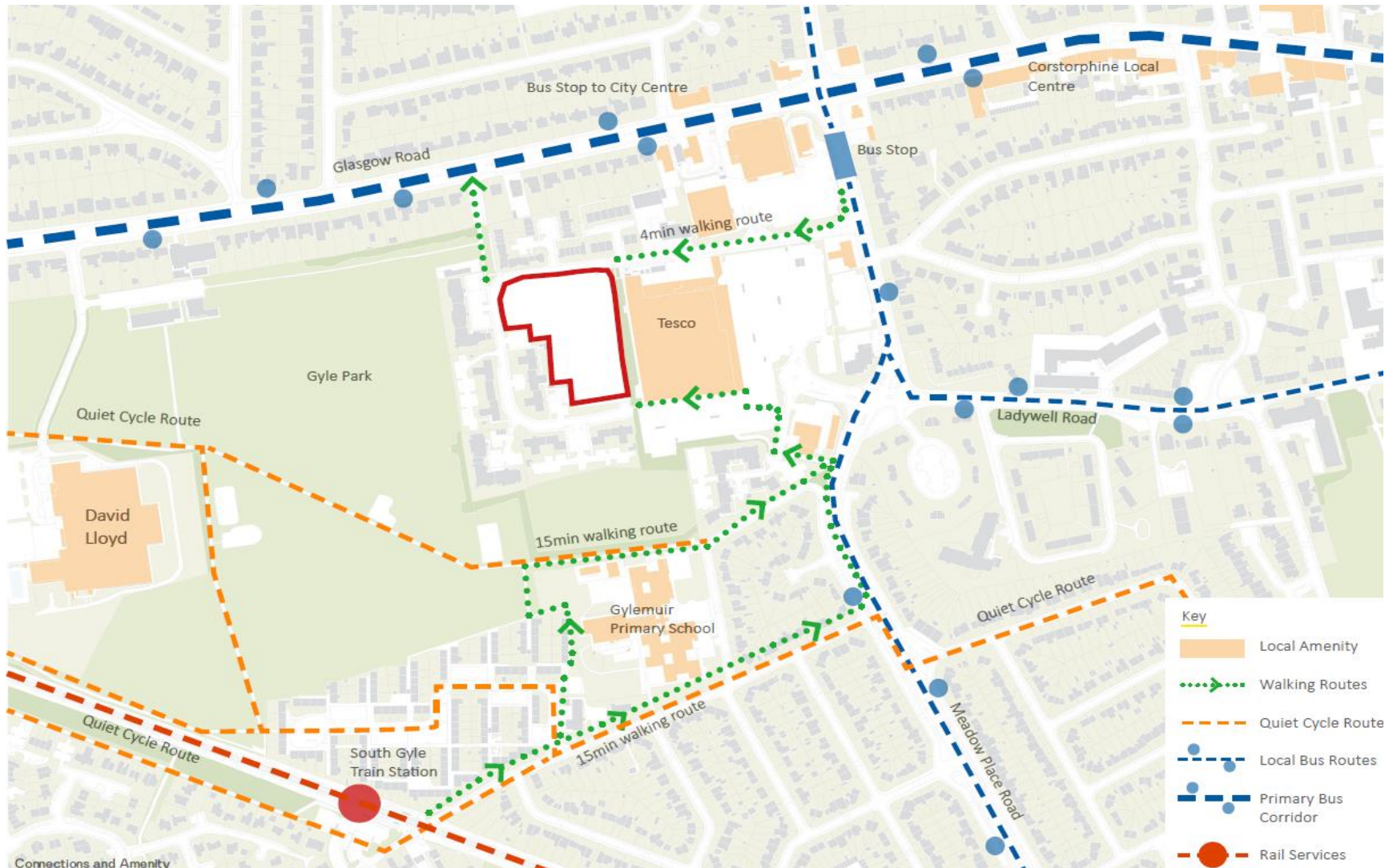
	Flat	House	
1 bed	28		28
2 bed	16	13	29
3 bed			
4+ bed			
	44	13	57





SR	MMR
33	
33	

	Flat	House
1 bed	14	14
2 bed	12	12
3 bed	7	
4+ bed		
	33	33





Landscape Character Area Diagram



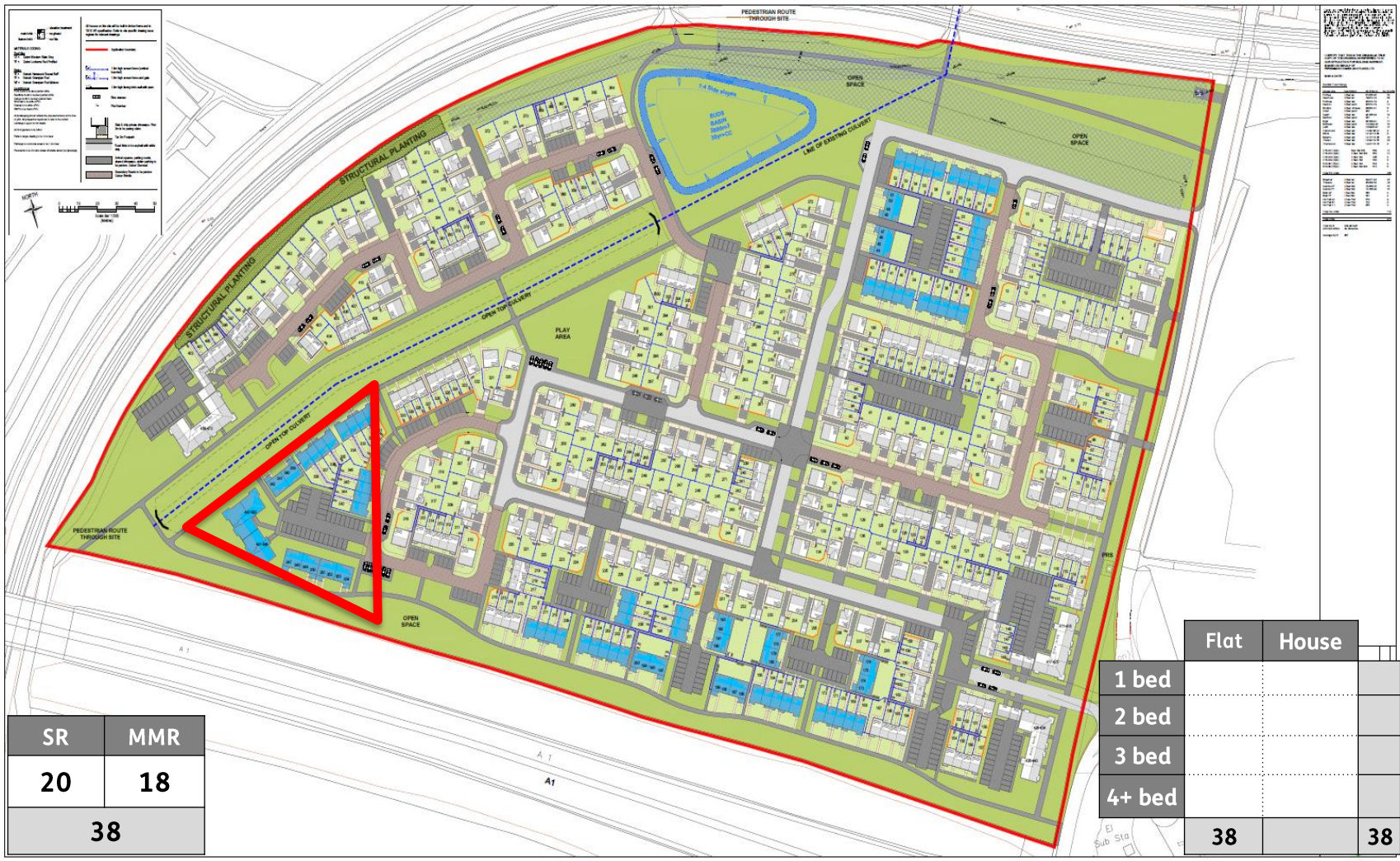
Rowanbank Layout – block B



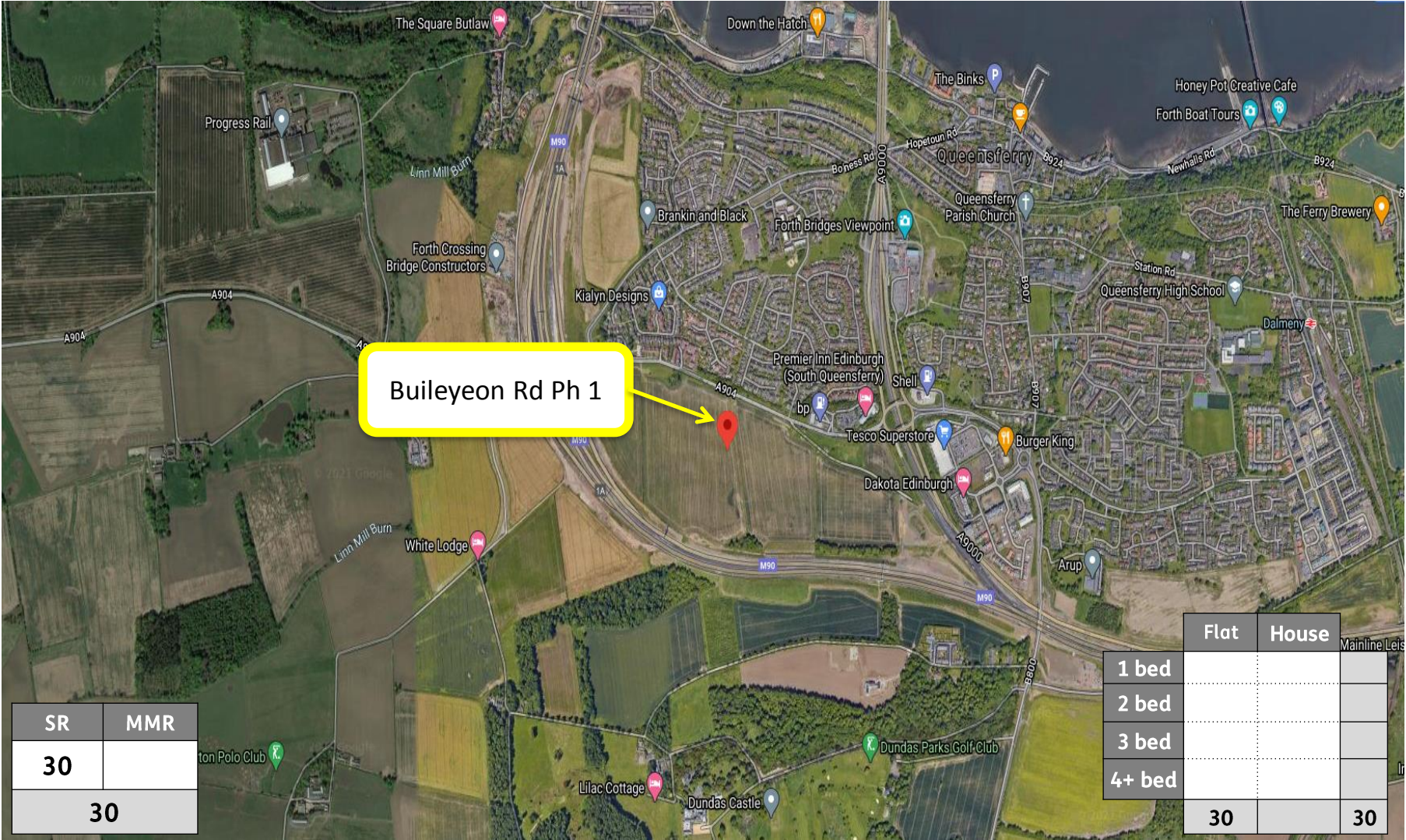
Craighall Phase 2



Craighall Phase 2



Buileyeon Road Phase 1, South Queensferry





Report

To:- Dunedin Canmore Board

By:- Morgan Kingston, Finance Manager

Approved by:- Steven Henderson, Group Director of Finance

Subject:- 2021/22 Financial projections

Date of Meeting:- 11 February 2021

1. Purpose

1.1 The purpose of this report is:

- to set out the updated projections for investment in assets and services over the period to 2026, in support of our new strategy, *Your Home, Your Community, Your Future*.
- to ask for the Board's approval of these updated financial projections, of which the first year will form the draft budget for 2021/22.

2. Authorising context

2.1 Under the terms of the Intra-Group Agreement between Dunedin Canmore Housing ("DCH") and the Wheatley Group, as well as the Group Authorise, Manage, Monitor Matrix, sets out that, whilst the Group Board is responsible for the overall approval of the plan and parameters, the DCH Board has autonomy to agree its individual business plan within said parameters.

3. Risk Appetite and assessment

- 3.1 Our agreed risk appetite in DCH's 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".
- 3.2 This report provides information on financial projections to help inform risk assessment within the business.

4. Background

- 4.1 As a result of the emergence of Covid-19 and the resulting restrictions, there has been substantial disruption to our business which is expected to continue through into 2021/22. Throughout the pandemic we have been closely monitoring our financial performance and providing regular updates to the Board on the impact on our Financial projections. Revised 2020/21 Financial projections were presented to the Board in October/November and were used to inform our decision on the rent increase for consultation with tenants. Earlier in the year, a decision was taken to delay the launch of the Group's new five year strategy while we reflected on the changes the pandemic had on our business, customers and communities.
- 4.2 While there have been many challenges over the past year, it has also allowed us to achieve a number of already planned strategic ambitions much earlier than planned. Efficiencies achieved to date, and increases in our planned savings from the earlier introduction of our new operating model have allowed us to reduce our long term rent increase assumptions from 3.5% to 2.9% achieving the key outcome set out in our strategy to deliver below 3% increases by 2025.
- 4.3 Building on knowledge gained and achievement over the past year we have developed a new 2021-26 strategy, *Your Home, Your Community, Your Future*. The 2021/22 financial projections presented reflect our new 2021-26 strategy and address how the 5 key themes of the strategy will be achieved and included in the projections is provision for the continuation of investment in our services and assets including:
- the provision for investment of £30.5m in our existing housing stock.
 - gross investment spend of £137.1m in the new build programme projected for the period of the strategy and the completion of 598 social rent properties and 233 mid-market rent properties in the first five year.
 - a decrease in management costs over the 5 year period from £2,840 per unit in 2021/22 to £2,464 in 2025/26. These efficiencies create capacity within Dunedin Canmore to meet our new build ambitions and invest in services for our customers.

5. Discussion

- 5.1 The financial highlights under each theme of our new strategy are set out below.

Delivering Exceptional Customer Experience

- 5.2 Our strategy seeks to deliver exceptional customer experience while maintaining affordable rent levels for our tenants. Our services will be delivered using a blended approach of face to face and digital, will be easy to access and feel seamless to customers. To this end these projections include funding to support;

- A contribution of £4.0m over the next five years to deliver the group's digital transformation strategy. This investment in technology will seek to deliver :-
 - Improved customer applications and services across mobile devices and core services (such as Home Comforts, Universal Credit and money advice, tenancy support services and digital access to housing staff for information and advice)
 - Improve our digital and online repairs services with automated communications and improved access to services, trades and real time feedback channels
 - Housing service improvements across virtual patches, improved online services and customer engagement
- A continuation of our 1:200 housing officer patch sizes and environmental teams

Making the most of our homes and assets

- 5.3 The projections include £137m of gross funding in years 1-5 for investment in new housing stock, delivering 598 new social rent units and a further 233 new mid-market rent properties to be let through our sister company, Lowther Homes. Grant income of £63m is also assumed in the projections which will contribute towards the funding costs of the properties noted above. The programme represents significant growth in the size of Dunedin Canmore taking stock numbers from 5,769 at 1 April 2021 to 6,555 by the end of year 5, an increase of 14%.
- 5.4 In our existing homes, total investment of £30.5m across the first 5 years of the projections has been included. This work will largely be delivered by our in-house repairs and investment team in Dunedin Canmore Property Services. The individual work-streams have been mapped with funding earmarked for new central heating systems, the replacement of bathrooms, kitchens and windows and repairs to our pre-1919 tenemental properties. The projections also allow for the disposal of 28 of the supported housing units which transferred from Barony will be sold over the next three years in addition to 17 units which are expected to sell in 2020/21. These properties are not configured in a way that supports independent living and supported tenants will move to Dunedin Canmore properties more suitable to their needs.
- 5.5 The Scottish Government and the Scottish Housing Regulator published further guidance last year on the Energy Efficiency Standard for Social Housing ("EESH") mark 2, which requires, where possible, all properties to be brought up to EPC band B by 2032. Additional provision for capital investment has been made over the life of the plan to bring the 30 year average investment per property up to £30k, which aligns with the level of investment that JLL, the Group's valuation experts, have estimated is required to achieve this.
- 5.6 During the first five years of the plan £22.9m has been earmarked for repairs to assist the upkeep of our stock with the level of provision maintained in line with 2020/21 financial projections.

- 5.7 The financial projections include a provision of £2.1m over the five-year period for customer directed investment. The new Customer Voice fund will promote community engagement and will mean investment will be directed to the work streams our customers value most. In 2021/22 alone investment priorities to be decided by tenants equate to 16% of the overall core programme allocation.

Changing lives and communities

- 5.8 The financial projections demonstrate our commitment to changing the lives of our tenants and the wider communities in which we operate. This will be achieved through:
- Funding of £1.3m to the Wheatley Foundation (“The Foundation”) over the first 5 years of the financial projections. The Foundation use this to deliver services to our customers including welfare benefits advice, employability advice and training schemes for unemployed tenants, as well as modern apprenticeships.
 - The Group-wide Tenancy Support Service (“TSS”) is managed by our colleagues at Loretto Care. Dunedin Canmore’s financial projections include annual funding of £57k and in return we receive flexible, tailored support for our vulnerable tenants.
 - Funding of £50k per year for the Helping Hand Fund has been extended for the first 3 years of the plan. This fund is used to assist our tenants in financial difficulty. It can provide a “helping hand” towards utility bills, the purchase of food or can be used to help clear rent arrears. This is particularly relevant with the roll out of universal credit.

Developing our shared capacity

- 5.9 During recent years we have reshaped our operating model as we moved to deliver services using a blended approach of face to face and virtual engagement with our customers. Over the next five years, we will continue to invest in our staff to ensure they have the exceptional skills, attitude, engagement and influence to excel in this new, increasingly virtual working environment. Through our contribution to Wheatley Solutions, our financial plan helps fund a continued focus on staff development in a technology enabled workplace and in our leadership and graduate programmes. Provisions for investment in offices and IT will deliver a new collaborative hub estate and improved homeworking services to staff.

5.10 Our new strategy also refers to measures to support our tenants through the following:

- Funding for modern apprenticeships through the Wheatley Foundation. These apprenticeships are offered to young people in the communities in which we operate.
- The Foundation also offer bursaries to tenants and customers of the Wheatley Group. This provides financial support to our customers who want to go into further education but would struggle to afford it on their own.

Enabling our ambitions

5.11 In order to achieve our ambitious strategy, we must demonstrate a strong and stable financial performance. This will ensure we continue to achieve a strong credit rating and attract funding at low rates of interest. The financial statements presented below demonstrate our improving financial performance and position over the next five years.

5.12 The detailed financial projections and assumptions are provided in the appendices to this report. A summary Statement of Comprehensive Income is shown in Figure 1.

Figure 1: Statement of comprehensive income

Statement of comprehensive income	2021/22	2022/23	2023/24	2024/25	2025/26
	£'000	£'000	£'000	£'000	£'000
Net Rental Income	30,609	31,668	33,591	35,120	36,676
Other Income	3,158	3,329	3,688	4,096	4,793
Grant Income (HAG)	4,909	12,443	14,509	10,087	16,391
Total Income	38,676	47,440	51,788	49,302	57,859
Management and Service Costs	10,916	10,326	10,584	10,749	11,331
Repair and Maintenance Costs	4,279	4,380	4,586	4,754	4,944
Bad Debts	296	304	317	329	341
Depreciation	10,908	11,475	11,720	11,619	11,387
Operating Expenditure	26,399	26,484	27,207	27,451	28,002
Gain/(Loss) on Investment Properties	399	461	(3,121)	(4,721)	(1,966)
Operating Surplus	12,676	21,418	21,460	17,131	27,891
Operating Margin (%)	33%	45%	41%	35%	48%
Finance Costs	(7,274)	(7,572)	(8,543)	(9,075)	(9,500)
Valuation Adjustments	3,806	(2,060)	(522)	6,248	(4,257)
Gain/ (Loss) on sale of property	0	275	8	0	0
Total Comprehensive Income	9,208	12,061	12,404	14,303	14,135

- 5.13 Over the five year period presented, Dunedin Canmore's Total Comprehensive Income increases steadily as fluctuations in turnover due grant recognition on completed units are offset by movements in property valuations.
- 5.14 Our annual rent and service charge consultation exercise has now been concluded and is reported to the Board separately. The financial projections incorporate the proposed 1.7% increase in rent and service charge levels and are aligned to our Strategy; the key elements of which are set out below:
- The financial projections assume a reduction to our operating cost base, with efficiency savings ensuring we continue to deliver value for money for our customers; and
 - The financial plans support our strategic commitment to strengthen our asset base through development, with funding in place for 831 new properties to be built over the five year period to 2025/26.
- 5.15 In order to achieve our ambitious strategy, we must demonstrate a strong and stable financial performance. Our Statement of Financial Position, set out below, shows a strong net asset position which shows an improving position over the first 5 years of the projections. The delivery of new homes will help to strengthen Dunedin Canmore's net asset base. Figure 2 shows the projected change in the Statement of Financial Position over the five year period to 2025/26.

Figure 2: Statement of financial position

Statement of financial position	2021/22	2022/23	2023/24	2024/25	2025/26
	£'000	£'000	£'000	£'000	£'000
Housing Assets	358,232	372,184	380,221	400,366	417,079
Other Fixed Assets	6,966	7,100	6,893	6,755	6,654
Investment Properties	36,535	45,117	52,675	61,153	67,475
Total Fixed Assets	401,733	424,401	439,789	468,274	491,208
Current Assets	8,963	9,073	9,155	9,102	9,073
Current Liabilities	(29,476)	(25,935)	(20,426)	(24,033)	(24,978)
Net Current Assets	(20,513)	(16,863)	(11,271)	(14,931)	(15,906)
Long-Term Liabilities	(167,229)	(181,486)	(190,062)	(200,583)	(208,408)
Net Assets	213,991	226,053	238,457	252,760	266,895
Retained Earnings	213,991	226,053	238,457	252,760	266,895
Total Reserves	213,991	226,053	238,457	252,760	266,895

- 5.16 The value of housing assets increases by £58.9m across the first 5 years of the projections. This increase in housing assets requires additional debt funding from the Group's internal treasury company, Wheatley Funding No1 Ltd ("WFL1").
- 5.17 Figure 3 shows the cash position over five years – the net movement in cash reflects Dunedin Canmore's borrowing requirements from WFL1 in line with new build expenditure. Our borrowing levels are, however, sustainable and fully funded within our financial projections.

Figure 3: Cashflows generated

Cashflow	2021/22	2022/23	2023/24	2024/25	2025/26
	£'000	£'000	£'000	£'000	£'000
Net rental income	35,470	36,898	39,264	41,394	43,674
Operating Expenditure	(17,442)	(17,142)	(17,693)	(17,958)	(18,791)
Net Cash from Operating Activities	18,028	19,756	21,572	23,436	24,883
Core and other Capital Expenditure	(8,315)	(7,345)	(7,333)	(7,242)	(7,037)
New Build Expenditure	(21,213)	(28,533)	(23,405)	(30,885)	(33,035)
Proceeds from sale of property	0	975	580	0	0
Grant income	14,314	8,793	8,875	13,653	17,336
Net cash used in investing activities	(15,213)	(26,110)	(21,283)	(24,473)	(22,736)
Finance costs	(6,943)	(7,356)	(8,301)	(8,905)	(9,376)
Net movement in cash	(4,128)	(13,710)	(8,013)	(9,942)	(7,228)

- 5.18 As there is a time lag between expenditure and the generation of additional rental income, our finance costs increase before we realise the benefit of additional rents from new build properties. Upon completion of the new build programme debt repayments will commence, reducing the associated finance costs, thereby improving the cash position.
- 5.19 Cash flows need to be sufficient to service intra-group debt each year, i.e. meet the finance costs, and to repay funding within 30 years. Revenue Surplus less Capital Investment (earnings before interest, tax, depreciation and amortisation with major repairs investment spend taken into account) over net interest payable is the ratio used by the group to assess this and ideally should be >1. The chart in figure 4 shows that the ratio is > 1 across the period of the plan. The ratio increases with the benefit of increasing rental income generated from the completed new build properties

Figure 4: Revenue Surplus less Capital Investment - interest cover ratio

	2021/22	2022/23	2023/24	2024/25	2025/26
	£'000	£'000	£'000	£'000	£'000
Revenue Surplus	18,276	19,988	21,793	23,384	24,853
Less Capital Investment (Existing Properties)	(6,944)	(5,851)	(6,007)	(5,853)	(5,883)
Revenue Surplus less Capital Investment	11,332	14,138	15,786	17,531	18,970
Net Interest Payable	(7,274)	(7,572)	(8,543)	(9,075)	(9,500)
Interest Cover	1.56x	1.87x	1.85x	1.93x	2.00x

5.20 We must ensure that Dunedin Canmore and the other subsidiaries within the Group meet certain financial parameters. These include ensuring that a sufficient operating margin is generated and that there is sufficient cash flow strength and asset cover to support the level of debt. As demonstrated in figure 4, Dunedin Canmore is able to meet these parameters across the 5 years of the projections. In context, Housemark, the social housing benchmarking organisation, report that the UK average for this figure in 2019, the most recent published, was 1.98x.

5.21 Our strategy includes an ambition to increase the level of new build properties we deliver over the next five years. This will require consent from the Group's banks to increase the Group-wide debt limit; but if this is obtained, it would allow Dunedin Canmore to take on the greater borrowing needed to fund the new homes. The improving surplus position will be important in that context as part of helping us support potentially higher interest costs in the short term while the properties are being built.

6. Key Issues and Conclusions

6.1 These financial projections, once approved, will be submitted to the Wheatley Group Board for approval on 24 February 2021. The figures in the first year of the projections, 2020/21, will then form the basis of the annual budget which will be presented to the Dunedin Canmore Board for approval in March. Performance against the budget will then be monitored through the management accounts provided to the Board throughout the year.

6.2 In agreeing the strategy in November, it was noted that the development and investment targets be updated in conjunction with the business plan. These targets will therefore be amended to reflect the updated development and investment programme in these five year financial projections.

7. Value for Money implications

- 7.1 The financial projections incorporate cost efficiency measures, which are a key element of continuing to demonstrate value for money. These will be reflected in the annual budget and performance monitored against budget each month.

8. Impact on Financial Projections

- 8.1 Revised financial projections for Dunedin Canmore are summarised in section 5 above and in Appendix 1.

9. Legal, regulatory and charitable implications

- 9.1 There are no specific legal implications arising from the revised financial projections. Implementation of specific actions identified in these projections may have legal implications and specific legal input will be sought as part of any business case approval process for these actions.

10. Equalities Impact

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

11. Recommendations

- 11.1 The Board is requested to:
- 1) Approve the updated projections for investment in assets and services in over the five year period to 2026; and
 - 2) Agree that the projected 2021/22 figures form the basis of next year's annual budget which will be presented to the Board for final approval in March.

LIST OF APPENDICIES

Appendix 1 Dunedin Canmore Housing 2021/22 Financial Projections



Business Plan: Financial Projections – 2021/22

1. Headlines

The emergence of the Covid-19 pandemic has a significant impact on the day to day operations of the business with the varying levels of restrictions imposed by UK and Scottish Government throughout 2020/21 requiring us to change and adapt the way we deliver services to our customers. The financial position of Dunedin Canmore has remained strong to date. The financial projections for 2021/22 assume the return of our usual service model with the relaxation of the rules, while remaining well placed to be able to adapt to restrictions being in place for longer. Provision has been retained in the projections for a higher number of tenants moving onto Universal Credit as an expected tightening of the job market impacts customers' ability to keep their rent accounts up to date and a higher allowance has been set aside to cover PPE costs for staff in year 1.

In 2020/21, Dunedin Canmore is on track to complete 58 new social rent properties and 35 mid-market rent properties. In addition, over 100 homes were transferred from the former Barony Housing Association during the year. Further investment of £3.8m in our homes is also expected to be achieved.

The 2021/22 updated financial projections include:

- Provision to build 831 new social and mid-market rent homes over the first five years, with a further 428 units to be delivered in the period up to March 2028; and
- Investment of £30.5m in our existing housing stock over the five year period.

During the development period, Dunedin Canmore financial forecasts are driven by the profile of the development programme and the value of grant income and valuation adjustments on completion of new build properties. The forecast bottom line statutory surplus, net assets, cashflow and ratios reflect the higher level of borrowing to support our new build programme.

DCH's peak net debt occurs in 2026/27 and finance costs on the debt borrowed from Wheatley Funding Limited 1 steadily increase as we approach this year. This is in advance of the significant financial benefit from increased rental and lease income and during the development periods lower statutory surpluses are reported.

After 2027/28 and the completion of the new build programme, income increases and operating cost per unit decreases due to efficiencies achieved over a larger property base. Overall this results in a strengthening of the financial position of Dunedin Canmore.

It is important to note that rent increases in line with those assumed in our strategy, and continued control of costs are an important aspect of managing the financial position.

2. Key Assumptions

The key financial assumptions in the 2021/22 Business Plan are highlighted below. All figures include VAT, where applicable but not inflation (unless stated otherwise).

2.1 Stock Numbers

Social Housing

Opening social housing stock numbers reflect the actual stock as at 31 March 2020 adjusted for the units transferred from Barony HA in September 2020 along with the projected new build completions during 2020/21. The 2021/22 projections assume an opening balance of 5,769 properties, the split of which is shown in table 1 below.

Table 1 – Opening Social Housing Stock

	General Needs	Supported Housing	Shared Ownership	Total Units
Opening Stock	5,138	289	342	5,769

Over the next 7 years of the plan it is anticipated that 924 new homes for social rent will be delivered as a result of our development programme, with 598 of these units expected to be delivered in the first 5 years. It is further assumed that 28 of the supported housing units which transferred from Barony will be sold over the next three years in addition to 17 units which are expected to sell in 2020/21. These properties do not allow for tenants residing in the accommodation to live independently and a disposal and re-provisioning strategy had been previously approved by the Barony Board prior to the transfer. Table 2 below shows the profile of self-contained units for social housing (excluding shared ownership units) over the period of the projections.

Table 2 – Social Housing Stock Profile

General & Supported Housing	2021/22	2022/23	2023/24	2024/25	2025/26
Opening Stock	5,427	5,481	5,630	5,757	5,827
New Build	54	162	142	70	170
Sales	0	-13	-15	0	0
Closing Stock	5,481	5,630	5,757	5,827	5,997

Other Affordable Housing

In addition to social housing DCH own investment properties for mid-market rent (“MMR”). These properties will continue to be managed under a lease arrangement with Lowther Homes with the letting and management risk being taken by Lowther. On-going capital works costs will remain Dunedin Canmore’s responsibility and these costs are contained within the business plan assumptions moving forward.

Opening stock numbers reflect the actual stock as at 31 March 2020, updated for developments completed during 2020/21. The projections include the expected delivery of 335 affordable mid-market rent properties over the next 7 years, with 233 of these units expected to be delivered in the next 5 years, as shown in table 3 below.

Table 3 – Mid Market Rent Stock Profile

Mid Market Rent	2021/22	2022/23	2023/24	2024/25	2025/26
Opening Stock	325	350	350	416	506
New Build	25	0	66	90	52
Closing Stock	350	350	416	506	558

2.2 Rent and Service Charge Income

The plan assumes an average weekly rent based on the actual current average rent and, subject to Board approval, a 1.7% rent increase in April 2021. For the properties transferred from Barony HA the assumed rent increase is 2% for the first 2 years of the projections in line with the promises made to Barony tenants.

Table 4 – Rent and service charge increase assumptions

	2021/22	2022/23	2023/24	2024/25	2025/26
Increase (existing DC tenants)	1.7%	2.4%	2.9%	2.9%	2.9%
Increase (Barony tenants)	2.0%	2.0%	2.9%	2.9%	2.9%

As the MMR properties are completed, income from the lease arrangement with Lowther will commence. The value of the lease will be determined on a scheme by scheme basis and income varies from £4,500 per unit to £5,200 per unit within the projections. The value of these leases have been determined so that DCH receive a sufficient return to cover the funding costs associated with them together with the cost of any capital replacements.

2.3 Other Income

Other rental income

This income reflects the lease income received from Lowther for MMR properties as well as commercial property income.

Supporting People Grants

The financial projections assume DCH will receive £477k of grant income to provide support services at Dunedin Harbour. This reflects a revised contract which is expected to be agreed before 1 April 2021. No inflationary increases have been assumed in the projections for future years.

Dunedin Canmore Property Services – Net Surplus

Income is assumed to be received from other group subsidiaries (namely West Lothian Housing Partnership and Lowther Homes) in respect of repairs and capital works carried out by Dunedin Canmore Property Services. This is offset by costs for the provision of the repairs service, namely staffing and materials, and, along with surpluses on external works, is anticipated to result in an estimated margin of £86k in 2021/22. Income is referenced to repairs and investment spend in the financial projections. Staff costs are forecast to increase in line with salary inflation each year and material cost assumptions are linked to general cost inflation assumptions.

Other

Other income received by Dunedin Canmore Housing includes medical adaptation grant income and some minor miscellaneous income at the Harbour and Sheltered services.

Table 5 below shows the projected other income (including inflation) for the first five years of the 2020/21 Financial Projections. Over the period other rental income is expected to increase substantially primarily as a result of an increase in lease income received from Lowther Homes in respect of the mid-market rent properties.

Table 5 – Other Income (including inflation)

	2021/22	2022/23	2023/24	2024/25	2025/26
	£'000	£'000	£'000	£'000	£'000
Other Rental Income	2,310	2,474	2,826	3,225	3,916
Supporting People Grant	477	477	477	477	477
Workshop Net Surplus	86	88	91	94	96
Other Income	285	289	294	299	304
Total	3,158	3,329	3,688	4,096	4,793

2.4 Inflation Assumptions

Covid-19 continues to have a significant economic impact at a global and domestic level. Inflation levels were low prior to the emergence of the virus with lockdown restrictions and the knock on effect on businesses have causing CPI to fall to 0.6% in December 2020, a reduction from a rate of 1.3% in December 2019. Despite short term demand restrictions, market views on underlying economic prospects remain strong and, on relaxation of the restrictions, prices are expected to be driven up in the coming year. The longer term outlook projects cost inflation moving back to higher levels as more normal trading conditions return through 2021/22. We have held our expectation for cost inflation to move upwards and our forecasts reflect a rate of 1.5% in 2021/22 rising up to 3% by 2022/23, with a long term outlook of 2.5% from year 5 onwards, retaining an element of prudence in our forecasts. The general cost inflation rates assumed within the financial projections are shown in the table below:

Table 6 – Inflation Assumptions

	2021/22	2022/23	2023/24	2024/25	2025/26
Cost Inflation	1.5%	3.00%	3.00%	3.00%	2.5%

2.5 Operating Performance

The percentage of rent lost to voids and bad debts assumed has been based on historical performance of general needs housing together with our expectations going forward. Table 7 below shows the assumptions in the plan for the next five years.

Table 7 – Void, Bad Debt, and Arrears Assumptions

	2021/22	2022/23	2023/24	2024/25	2025/26
Routine voids (%)	1.0%	1.0%	1.0%	1.0%	1.0%
Bad debts (%)	1.1%	1.1%	1.1%	1.1%	1.1%
Arrears (£'000)	1,535	1,645	1,726	1,674	1,645

The plan assumes voids to remain constant at 1.0% of rental income. For the properties transferred from Barony HA the void assumption is 3% which takes account of the specific service provision in supported properties. Year to date void performance

in 2020/21 is 1.9%. However, the current year performance is related to backlog voids which built up during the spring 2020 lockdown restrictions which have now been cleared and the impact of social distancing requirements in place on current letting activity. It is expected that once our usual void letting can resume, performance will return to the lower levels achieved in previous years, below the level assumed and therefore providing some prudence compared to historical rates

The bad debt assumption of 1.1% (1% for former Barony tenants) is higher than current performance and has been set to allow for an increase in recognition of the potential impact of Welfare Reform and the ongoing move of tenants onto Universal Credit from legacy benefits. This has been set cautiously, and includes recognition of the potential impact of the pandemic on tenants' ability to pay rent and keep their accounts up to date. Our Business Plan assumptions on movements in arrears as a result of universal credit have been updated to reflect our experience and expectations going forward including: -

- A further 1,700 tenants assumed to move on to universal credit over the next five years (a total of 3,000 tenants on UC)
- 80% of tenants who move on to universal credit will have an increase in arrears, with this increase equivalent to 5 weeks rent; and
- Of this increased arrears balance it is assumed only 40% will be recovered with this recovery taking up to two years.

2.6 Management Costs

Employee and running costs within the financial projections reflect the changes in structure, and cost efficiency savings, made during the past few years.

Continuing to assess and improve our working practices will ensure the growing asset base can be managed within our current staff complement. The projections assume the payment SHAPS pension deficit contributions due under the current recovery plan.

An additional cost allowance has been made in the projections to provide for the management costs of additional units delivered through the new build programme in all years.

Charges from Group in respect of central and support services such as Finance, IT, HR and procurement are assumed to be £2,685k in 2021/22. This is proposed to decrease in future years, linked to staff and running cost efficiency savings being achieved.

The table below shows the revised profile of staffing, running costs and Group Recharges (excluding inflation and pay uplifts).

Table 8 – Management costs (excluding inflation)

	2021/22	2022/23	2023/24	2024/25	2025/26
	£'000	£'000	£'000	£'000	£'000
Employee Costs	3,893	3,893	3,893	3,885	3,878
SHAPS Pension Contribution	806	-	-	-	-
Running Costs	3,532	3,511	3,570	3,557	3,594
Group Recharges	2,685	2,700	2,670	2,592	2,589
Total	10,916	10,104	10,133	10,034	10,060

2.7 Asset Management and Growth

a) Repairs & Maintenance

The repairs service continues to be a high priority for our customers. The majority of repairs and maintenance services to Dunedin Canmore Housing are carried out in-house by Dunedin Canmore Property Services ("DCPS").

Routine and planned maintenance costs are assumed to be £2,551k and £1,729k respectively in 2021/22. As new build properties are completed, additional budget is provided for the repair and maintenance of these properties. Over the five year period the average repair cost per unit (excluding inflation) is expected to decrease to £747.

Table 9 – Routine and Planned Maintenance Costs (excluding inflation)

	2021/22	2022/23	2023/24	2024/25	2025/26
	£'000	£'000	£'000	£'000	£'000
Repairs					
Routine Maintenance	2,551	2,509	2,533	2,532	2,572
Planned Maintenance	1,729	1,744	1,790	1,819	1,843
Total	4,279	4,252	4,323	4,350	4,414
Average No. of Units	5,454	5,556	5,694	5,792	5,912
Average Repair cost per unit (£)	785	765	759	751	747

b) Capital Investment

In previous years DCH has completed a major programme of investment, ensuring all properties met SHQS. These projections support our commitment to provide quality homes for rent and maximise customer satisfaction. The projections also reflect the commitments made to transferring Barony tenants to deliver additional investment in their properties.

The table below shows assumed capital spend over the next five years, and include inflation.

Table 10 – Investment assumed in existing stock (including inflation)

Capital Programme	2021/22	2022/23	2023/24	2024/25	2025/26
	£'000	£'000	£'000	£'000	£'000
Core Programme	6,060	4,940	5,069	4,887	4,893
Void Repairs	718	740	762	785	805
Medical Adaptations	166	171	176	181	186
Total	6,944	5,851	6,007	5,853	5,883

Scottish Government and the Scottish Housing Regulator published further guidance on the achievement of EEESH2 which requires, where possible, all properties to be bought up to EPC band B by 2032. Additional provision for capital investment has been made over the life of the plan to bring the 30 year capital investment provision to £160m which equates to an average capital investment provision per property of £30k. This aligns with the level of long terms investment JLL, the Group's valuation experts, have estimated when undertaking the most recent valuation of housing properties.

c) IT Capital Investment

In total, across the Group the financial projections provide for a 5 year IT capital investment programme of £39.5m, an increase of £20.7m from the 2020/21 financial projections. This additional investment is in recognition of the key role technology has in supporting the delivery of the key strategic aims in the Group's 2021-26 strategy. Alongside the digital aspirations for Group services to customers and staff, the funding also provides for a safe, secure and reliable technology service. Dunedin Canmore

makes a capital contribution towards the overall Group IT capital costs. The table below details Dunedin Canmore's contribution over the next 5 years.

Table 11 – IT Capital Contribution (including inflation)

IT Capital Programme	2021/22	2022/23	2023/24	2024/25	2025/26
	£'000	£'000	£'000	£'000	£'000
IT Capital Contribution	763	961	792	825	622

Key investment in technology is planned across a number of areas including:

- Improved homeworking services to staff, network and voice investment across core services, cloud-hosted voice platform for staff and call centre services, improved Group connectivity aligned to mobile/agile staff service delivery, increased use of mobile devices and core desktop delivery improvements and improved end-user security.
- Moving to cloud-hosted services and closures to our data centre hosting arrangements and information security improvements. Application service and platform upgrades improving overall security and incorporating the latest features and functions
- Housing service improvements across virtual patches, improved online services and customer engagement and automating tasks and activities.
- Community digital engagement platforms and applications, aligning customer and community outcomes and providing information and collaboration services, implementing a predictive data science programme and extending and enhancing our online services
- Improved customer applications and services across mobile devices and core services (such as Home Comforts, Universal Credit and money advice, tenancy support services and digital access to housing staff for information and advice)
- Improving our digital and online repairs services through automated communications and improved access to services and trades and real-time customer feedback channels

d) New Build Programme

The new build programme is set out at Section 2.1 and reports 1,259 new units (924 for social rent and 335 for mid-market rent), of which 831 are anticipated to be completed within the next five years. Table 12 summarises the investment in new build homes over the next five years.

Table 12 – Development Programme cost and grant (including inflation)

	2021/22	2022/23	2023/24	2024/25	2025/26
	£'000	£'000	£'000	£'000	£'000
Social Housing					
Development Costs	18,523	20,528	12,878	17,996	24,912
Grant Income	13,124	6,492	4,501	11,056	14,142
Net Cost	5,399	14,036	8,378	6,940	10,770
Units Completed	54	162	142	70	170
Mid Market Rent					
Development Costs	2,689	8,005	10,527	12,889	8,124
Grant Income	1,190	2,301	4,375	2,597	3,194
Net Cost	1,499	5,704	6,153	10,292	4,929
Units Completed	25	0	66	90	52

2.8 Initiatives and Other Provisions

a) Initiatives

The projections also include provision for various initiatives which are available to tenants.

The largest of those is our contribution to the Wheatley Foundation of £250k per annum. Of this donation £169k relates to the provision of welfare benefit advice. The Wheatley Foundation is a charitable trust established with the aim of delivering community benefits.

Other initiatives include the tenancy support service ("TSS"), provided by colleagues from Wheatley Care, to help our tenants who are struggling to sustain their tenancy due to underlying mental health or other personal challenges. Our contribution to TSS is £57k a year.

The plan includes Helping Hand funding of £50k for the first 3 years of the plan. This funding helps those in financial difficulty, particularly those who are in and out of jobs or whose benefits may change as a result of universal credit.

All tenants can talk with a Welfare Benefits or Fuel Advisor for support in managing their money and bills. The aim of these initiatives is to help our tenants sustain their tenancy, and to maintain our sector leading performance in tenancy sustainment for more than a year.

These provisions are considered to be an investment in creating strong and sustainable communities and providing better opportunities for our tenants. It is anticipated that this will contribute to the sustainability of the income stream for Dunedin Canmore over the long term.

2.9 Operating Cost Per Unit

As a result of the assumed efficiencies in management costs, our operating costs per unit, excluding depreciation and finance costs, decrease over the five year period and are set out in Table 12 below.

Table 13 – Operating cost per unit (excluding depreciation and inflation)

	2021/22	2022/23	2023/24	2024/25	2025/26
	£'000	£'000	£'000	£'000	£'000
Operating Costs (£'000) (Excl Depreciation)	15,491	14,572	14,598	14,488	14,567
Average No. of Units in Year	5,454	5,556	5,694	5,792	5,912
Operating Cost per Unit (£) (Excl Depreciation)	2,840	2,623	2,564	2,501	2,464

The financial projections assume an operating cost per unit of £2,840 in 2021/22, reducing by 13.2% to £2,464 in 2025/26. The trend shows that the plan assumes DCH will become more efficient in its use of resources as it manages more units added through planned asset growth. Efficiency savings will also arise with continuing investment in service transformation, including self-service and automated services delivered in conjunction with Wheatley Solutions.

2.10 Interest Rate Assumptions

The new build programme planned requires debt finance to be drawn down over time. In line with the wider Group funding strategy, borrowing is advanced from Wheatley Funding Limited 1 ("WFL1") at an assumed blended "all in" average funding rate of 4.95% in 2021/22, 5% in 2021/22 and 5.1% thereafter. The blended funding rate reflects a combination of bank and bond funding, any fixed rate arrangements in place and any monitoring or commitment fees payable by WFL1 to external funders and is consistent across all Group subsidiaries.

The interest rate receivable on cash balances has also been revised to reflect current market expectations as shown.

Table 14 – Interest Rate Assumptions

	2020/21	2021/22	2022/23	2023/24	2024/25
Interest Payable (Group Funding)	4.95%	5.00%	5.10%	5.10%	5.10%
Interest Receivable	0.25%	0.50%	0.75%	1.50%	2.00%

3. Financial projections

a) Statement of Comprehensive Income

Table 15 – Income and Expenditure Projections

Statement of comprehensive income	2021/22	2022/23	2023/24	2024/25	2025/26
	£'000	£'000	£'000	£'000	£'000
Net Rental Income	30,609	31,668	33,591	35,120	36,676
Other Income	3,158	3,329	3,688	4,096	4,793
Grant Income (HAG)	4,909	12,443	14,509	10,087	16,391
Total Income	38,676	47,440	51,788	49,302	57,859
Management and Service Costs	10,916	10,326	10,584	10,749	11,331
Repair and Maintenance Costs	4,279	4,380	4,586	4,754	4,944
Bad Debts	296	304	317	329	341
Depreciation	10,908	11,475	11,720	11,619	11,387
Operating Expenditure	26,399	26,484	27,207	27,451	28,002
Gain/(Loss) on Investment Properties	399	461	(3,121)	(4,721)	(1,966)
Operating Surplus	12,676	21,418	21,460	17,131	27,891
Operating Margin (%)	33%	45%	41%	35%	48%
Finance Costs	(7,274)	(7,572)	(8,543)	(9,075)	(9,500)
Valuation Adjustments	3,806	(2,060)	(522)	6,248	(4,257)
Gain/ (Loss) on sale of property	0	275	8	0	0
Statutory Surplus/(Deficit)	9,208	12,061	12,404	14,303	14,135

Rental income

Investment in the new build program & assumed rental increases will generate 25.9% growth in rental income over the next 5 years. Net rental income includes service charge income which is received in relation to a number of services provided to tenants including heating, stair-lighting, gardening, support services and equipment.

Grant income

In line with SORP 2014, grant income received in respect of new build developments is recognised on completion of the units. The result of this is operating margin increasing or decreasing in line with the level of grant income.

Expenditure

Operating expenditure is forecast to increase by £4.6m over the five year period. This is due to a number of factors, including additional management and repair costs linked to the additional stock, inflation, and higher depreciation charges linked to investment in new and existing housing stock. This increase is lower than the anticipated growth in income, as efficiencies generated from Group and changes in how staff deliver our services is expected to reduce the average operating cost per unit, excluding depreciation and inflation by 13% over the 5 years of the projections from £2,840 in 2021/22 to £2,464 in 2025/26.

Finance Costs

Funding costs reflect the costs associated with group funding arrangements and increase over the period due to the additional borrowing required to fund the new build programme.

Valuation Adjustments

Both social rent and mid-market rent properties are held on the Statement of Financial Position at value. Valuations are carried out annually with any increase or decrease recognised within the Statement of Comprehensive Income. As mid-market rent properties are classified as investment properties, movement in the value of these properties is included in operating surplus.

Statutory Surplus

The completion of new units has a significant impact on the reported statutory surplus. Recognition of grant income in relation to completed units increases the reported operating surplus; however, this is offset by a downward valuation of housing properties in the year of completion. Under SORP 2014 new build grants are not taken into account when calculating valuation movements. In general, the gross development cost, i.e. excluding grant, of these newly completed properties will be higher than the EUV-SH valuation and results in a downward valuation. We have adopted a highly conservative approach to valuation adjustments in the projections and the downward valuation adjustments presented are a prudent scenario.

b) Statement of Financial Position

Table 16 – Statement of Financial Position

Statement of financial position	2021/22	2022/23	2023/24	2024/25	2025/26
	£'000	£'000	£'000	£'000	£'000
Housing Assets	358,232	372,184	380,221	400,366	417,079
Other Fixed Assets	6,966	7,100	6,893	6,755	6,654
Investment Properties	36,535	45,117	52,675	61,153	67,475
Total Fixed Assets	401,733	424,401	439,789	468,274	491,208
Current Assets	8,963	9,073	9,155	9,102	9,073
Current Liabilities	(29,476)	(25,935)	(20,426)	(24,033)	(24,978)
Net Current Assets	(20,513)	(16,863)	(11,271)	(14,931)	(15,906)
Long-Term Liabilities	(167,229)	(181,486)	(190,062)	(200,583)	(208,408)
Net Assets	213,991	226,053	238,457	252,760	266,895
Retained Earnings	213,991	226,053	238,457	252,760	266,895
Total Reserves	213,991	226,053	238,457	252,760	266,895

Housing Assets

Housing and Investment properties have been adjusted to reflect annual valuation movements. Properties are reported at cost within the Balance Sheet during construction and at value once complete. Over the five year period, the value of housing and investment properties is expected to increase by 22.7%, due primarily to the construction of new build properties.

Other Assets

The value of our other assets, which include improvements to our office and environmental equipment purchases, are projected to remain broadly static across the next five years as depreciation charges increase relative to additions.

Current Assets

Other current assets include cash, rent arrears, net of bad debt provision and other debtors, such as insurance prepayments. The movement across the five years is linked to provisions in place for rent arrears linked to the introduction of Universal Credit.

Cash is expected to remain relatively constant during the years of construction activity. This is because funding will be drawn down as construction work proceeds. Once the new build programme is complete, we anticipate cash levels to increase to allow for further development or for capital repayments to commence.

Current Liabilities

Grant income associated with new build properties is held as a current liability until completion at which point it transfers to income. The movement in current liabilities over the period is therefore due to completion of new build schemes.

Long-Term Liabilities

Long-term liabilities predominantly relate to the loans due from DCH to Wheatley Funding Limited 1 ("WFL1"), THFC, and Allia. The balance due to WFL1 peaks in 2026/27. Long term liabilities also include a pension liability of £0.8m.

Retained Earnings

Retained earnings increase over the period as a result of surpluses generated each year.

c) Cashflow

Table 17 – Cashflow Projections

Cashflow	2021/22	2022/23	2023/24	2024/25	2025/26
	£'000	£'000	£'000	£'000	£'000
Net rental income	35,470	36,898	39,264	41,394	43,674
Operating Expenditure	(17,442)	(17,142)	(17,693)	(17,958)	(18,791)
Net Cash from Operating Activities	18,028	19,756	21,572	23,436	24,883
Core and other Capital Expenditure	(8,315)	(7,345)	(7,333)	(7,242)	(7,037)
New Build Expenditure	(21,213)	(28,533)	(23,405)	(30,885)	(33,035)
Proceeds from sale of property	0	975	580	0	0
Grant income	14,314	8,793	8,875	13,653	17,336
Net cash used in investing activities	(15,213)	(26,110)	(21,283)	(24,473)	(22,736)
Finance costs	(6,943)	(7,356)	(8,301)	(8,905)	(9,376)
Net movement in cash	(4,128)	(13,710)	(8,013)	(9,942)	(7,228)

Net Cash from Operating Activities

Cash from operating activities shows a steady increase over the period as a result of additional income from new build properties and a reduction in costs due to efficiency savings.

Net Cash used in Investing Activities

This reflects the on-going core programme and other investment works, and the new build programme which varies in line with the new build programme.

Finance Costs

Finance costs relate to the interest due on our loans with WFL1, THFC, and Allia. As expenditure is incurred to pay for our new build programme, Dunedin Canmore will use existing cash resources, followed by drawing down money from Group. The projections assume the new build programme is completed in 2027/28.

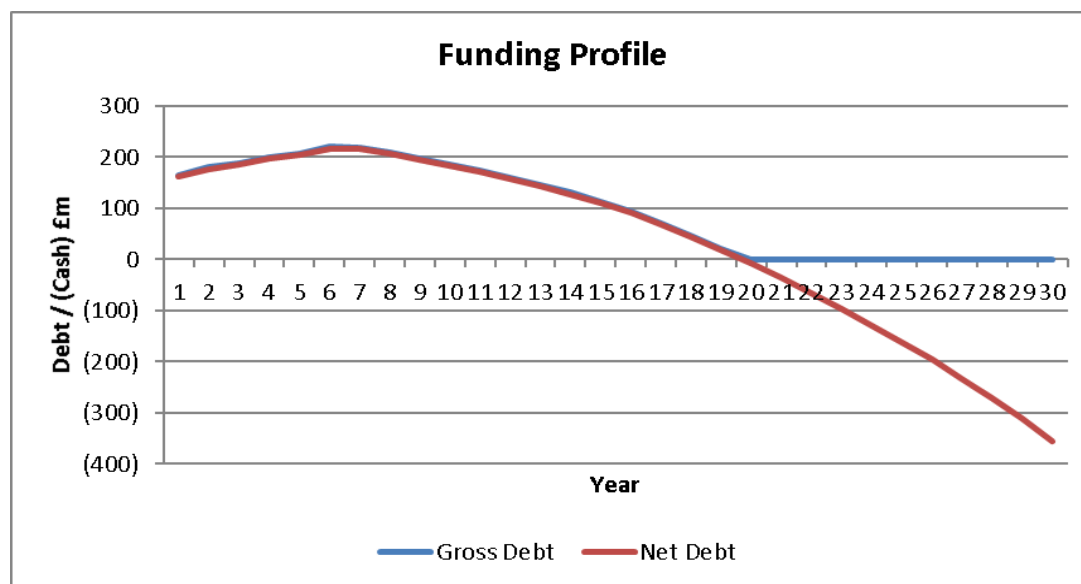
Net Movement in Cash

Across the five years of the plan we anticipate a £43.0m net decrease in cash. This is due to the significant investment in the new build programme.

4. Key Financial Parameters

Dunedin Canmore can borrow from WFL1, subject to debt facilities being available, debt that is supported with its assets and cash flows. Dunedin Canmore, together with all the other RSLs in the Borrowing Group, needs to ensure that all external funding conditions at WFL1 level are met at all times, including compliance with financial covenants. Whilst there are no specific financial covenants at individual RSL level, it is the delivery of the approved business plan financials by each RSL that is key to meeting funding conditions at WFL1.

The resulting debt profile for DCH is as follows:



Indicator	Value
Peak debt	£217.4m
Peak year	2026/27
Repayment year	2040/41 (year 20)
Closing cash	£355.1m

The following criteria need to be taken account when assessing impact of any risks or business decisions on the business plan:

i. Operating margin generation

In the long term operating surplus needs to be sufficient to service debt, i.e. meet interest payments on debt balances and achieve overall financial surplus every year. The business plan assumes that Dunedin Canmore will generate the following operating margins over the next 5 years

Operating Margin	2021/22	2022/23	2023/24	2024/25	2025/26
	£'000	£'000	£'000	£'000	£'000
Total Income (excluding grant income and property valuation movement)	33,767	34,997	37,280	39,215	41,469
Adjusted Operating Surplus	7,368	8,513	10,073	11,765	13,466
Adjusted Operating Margin (%)	21.82%	24.33%	27.02%	30.00%	32.47%

The adjusted operating margin, which excludes grant income and valuation movements, is lower than operating margin reported in the Statement of Comprehensive Income illustrating the impact that the recognition of grant income on completion of new build has on the results. As new build properties are completed, income increases and the operating costs per unit gradually decrease from efficiencies resulting in the improvement in the operating margin.

ii. Cashflow strength

Cashflows need to be sufficient to demonstrate that there is sufficient cash available to service intra-group debt each year and to repay funding within 30 years. **Revenue surplus** removes items that are non cash and/or unrelated to operations, such as grant income and property valuation movements, to assess the funds available to meet interest payments after deducting spend on capital investment. A ratio >1 means that there is sufficient capacity to meet interest payments as they fall due. As the debt principal must also be repaid, long term, the interest cover ratio needs to be comfortably over 1 to demonstrate sufficient capacity to repay capital.

	2021/22	2022/23	2023/24	2024/25	2025/26
	£'000	£'000	£'000	£'000	£'000
Revenue surplus	18,276	19,988	21,793	23,384	24,853
Less Capital Investment (Existing Properties)	(6,944)	(5,851)	(6,007)	(5,853)	(5,883)
Revenue surplus after capital investment	11,332	14,138	15,786	17,531	18,970
Net Interest Payable	(7,274)	(7,572)	(8,543)	(9,075)	(9,500)
Interest Cover	1.56x	1.87x	1.85x	1.93x	2.00x

Interest cover is above 1 in all years of the projections and it shows an upward trend over the 5 years of the projections. Once the remaining new build units are complete and peak debt is reached, the ratio strengthens further over the remainder of the plan. This demonstrates the continued importance of managing DCH's cost base.

Over the longer term it is projected that debt can be repaid in year 20 of the plan with £355.1m of cash generated by year 30.

iii. Asset cover

One of the metrics which governs overall borrowing limits is the value of the owned asset base. The Dunedin Canmore investment and development programme is supported by intra-group borrowing from WFL1 which operates on a Group wide borrowing and asset security basis. Assets are typically based on the cash flows associated with these assets, business decisions, e.g. in relation to rent growth, will have an impact on asset values.

5. Risk analysis

We have performed sensitivity analysis showing the potential impact on the plan of key risk factors such as inflation and the cost base. These scenarios are presented in the below table, and consider changes to multiple Business Planning assumptions, the impacts of these, and mitigating measures.

Nr	Risk description	Revenue surplus less capital investment - Interest Cover					Cash flow			Mitigation
		Year 1	Year 2	Year 3	Year 4	Year 5	Peak net debt £m	Debt repaid	Cash (Year 30)	
Base Case		1.56	1.87	1.85	1.93	2.00	216.3	20	355.1	
1	Cost inflation decreases to 2.5% from year 2	1.56	1.87	1.86	1.95	2.01	252.7	20	364.3	As expected this has a positive impact on the Business Plan, more so in later years as the compound effect of lower than assumed inflation results in improved performance and cash flows. Whilst there is no change to the year of debt repayment, cash at year 30 increases by £9.2m.

2	Rent increase reduced from 2.9% to 2.5% for duration of plan	1.56	1.87	1.84	1.91	1.96	218.6	22	264.2	Reduction in rental income results in worsening of interest cover, increased debt and reduced closing cash. Performance management, efficiency savings and review of services required to reduce costs.
3	Bad debt increases by 1%	1.52	1.82	1.80	1.88	1.94	219.9	21	328.4	Review of rent setting policy, operational efficiencies and service and repair levels to mitigate the financial impact of the additional bad debt costs.
4	Management costs are £250k higher each year from year 2	1.56	1.83	1.81	1.89	1.96	219.0	21	337.0	Performance monitoring to identify overspends and areas where efficiencies can be realised.
5	Repairs & maintenance costs are 5% higher from year 1	1.53	1.83	1.82	1.90	1.96	219.1	21	338.7	Performance monitoring and service review to identify areas where savings can be achieved.

6	Additional investment spend of £3m required over years 2-3 for new quality standard or regulations	1.56	1.65	1.64	1.90	1.96	221.3	21	345.0	Procurement savings and efficiencies to be sought. Review of investment programme to identify non-essential spend or works that could be deferred to a later date to accommodate additional costs within existing provisions.
7	New build programme accelerated (150 units brought forward by two years)	1.56	1.87	1.89	1.99	2.04	216.9	20	356.8	Earlier delivery of units results in improved earnings which improve interest cover. There is a marginal benefit to plan over the longer term. Consideration would need to be given to impact of changes in programme on overall borrower group covenant position.
8	New build programme delayed, (c. 280 units delayed by one year)	1.56	1.87	1.86	1.92	2.00	217.7	20	354.5	Over the longer term cash is reduced due to delay in receipt of rental income. Impact could be mitigated by procurement and efficiency savings and performance management.

9	Problem with new build scheme result in 1 year delay and increase in build costs of 10%, no increase in grant	1.56	1.87	1.85	1.92	1.99	218.3	20	352.9	Additional development costs and delay in receipt of rents result in increase in debt and deterioration of interest cover. Investment in existing properties could be delayed to offset the impact or additional efficiency or procurement savings sought.
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Report

To: - Dunedin Canmore Board

By: - Hazel Young, Managing Director

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

Subject: Transforming our rent payment methods

Date of Meeting: 11 February 2021

1. Purpose

- 1.1 This report is presented for information to the Board, and sets out how we seek to modernise our Group approach to rent payment methods as we fully harness the opportunities presented by technology for the benefit of both customers and our business as part of our vision for Wheatley in 2026.
- 1.2 The report also outlines how this modernisation is the first phase of a wider review of our Group approach to income and collection of rents and related service charges.

2. Authorising context

- 2.1 Under the terms of the Group Authorising Framework and Group Authorise / Manage / Monitor Matrix, the Board is responsible for monitoring operational performance and implementing the Board's strategy.

3. Risk appetite and assessment

- 3.1 The Group risk appetite related to both digital (including channel shift) and Welfare Reform is Open, defined as willing to choose the one that is most likely to result in successful delivery while also providing an acceptable level of reward.

4. Background

- 4.1 **Our 2026 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 see us deliver an unprecedented shift in the balance of power and control towards our customers. Our customers will feel empowered, make choices about services and ways in which they want to engage with us. Our success will depend on our ability to make digital feel effortless, personal and on building customer capacity to do more for themselves. Our performance will move from excellent to outstanding, as defined by our customers.

- 4.2 Our vision will be delivered against a backdrop of significant external challenges, not least the impact of Coronavirus and lockdown restrictions, Welfare Reform including Universal Credit, digital disruption and rising levels of in-work poverty. Over 30,000 of our customers qualify for Housing Benefit or Universal Credit, with significant numbers having to manage on low incomes.
- 4.3 We therefore, want to make it as easy as possible for customers to pay their rent. Most recent advances, delivered as part of our Digital Transformation Strategy, include:
- The launch of Wheatley's Self-Service, MyAccount, in 2015, enabling customers to access their account anytime, and not just for paying rent. Our customers can check their account, see when their rent is due, raise a service request, book a repair and report a neighbourhood issue.
 - MyHousing, launched in 2018, providing customers with an online housing, advice and letting service including advice on the total cost of running a home, budgeting tools and benefit advice to help them maximise their income and build financial resilience. Once registered, the customer account seamlessly moves with them providing access to their new online rent account and wider services once they become a tenant with us.
- 4.4 We currently offer 9 ways to pay rent with customers choosing to pay weekly, fortnightly, four weekly or monthly. Many of these options pre-date modern technological advances. Housing Benefit and DWP payments are the biggest source of income across Group followed by Direct Debits (DD), individual ad-hoc customer bank payments and Paypoint. Telephone payments via CSC advisors, Online Wheatley Self-Service (WSS) and ad-hoc online payments are next, with small numbers from CSC Touchtone telephone. A breakdown of transactions and income from each payment method for Dunedin Canmore can be found at Appendix 1. This shows a slight different picture to Group, Housing Benefit is still the biggest source of income but this is followed by Direct Debits.
- 4.5 The most convenient and cost effective methods, apart from Housing Benefit and DWP payments are Direct Debit and Wheatley Online Self Service (WSS) followed by CSC Touchtone telephone.
- 4.6 Up-rating rents at the beginning of each year will be much more easily controlled and automated the more customers we have on Direct Debit. It also reduces the impact of DWP up-rating issues as we can ensure the correct amount is paid to us for those customers paying by Direct Debit and encourage them to inform DWP at the same time. These are huge business benefits that protect our income streams and support effective rent collection.

- 4.7 There is an opportunity to learn from wider customer service organisations and the banking sectors who have introduced recurring debit or credit card payments. This option offers same or next day payments at the start of a payment plan and provides another digital payment option for customers who wish to pay us in this way, which has become increasingly important during the Coronavirus crisis.
- 4.8 Our preference is for payment methods that will allow us and customers to manage a rent account in real time - no delay in the payment reaching a customer account such as the time it currently takes for a payment made through the Post Office to show on a rent account and where customers are able to self-serve and view their accounts as well as access additional services themselves. Payments will be digital, automated and will not rely on customers having to proactively remember or physically do something to pay their rent every month.
- 4.9 Bulk text messaging of rent reminders and overdue reminders where a payment is missed have been successfully introduced during the Coronavirus lockdown. Work is ongoing to automate this process as a result of the positive impact it has had in generating both contact from customers and also payments, which Housing Officers themselves have been able to take over the phone since March 2020. Over £1 million in payments has been taken to date across Group, with these payments showing in the customer's account the next day, demonstrating the impact of methods which deliver real time payments and evidencing our preference for them as described in 4.6 above.
- 4.10 A measured and managed approach to modernising our options will:
- use data intelligence to help us predict the most successful payment method based on customer characteristics to ensure ongoing payment success
 - ensure just in time and transparency of payments
 - increase control for customers, facilitating easier access to services and deliver exceptional customer convenience
 - prioritise efficient and effective payment methods to drive value for money, and
 - ensure no customers are left behind with services appropriately tailored to meet their specific needs.

5. Discussion

- 5.1 Our proposed payment channel shift will strengthen prevention capacity through Direct Debits, support more digitally enabled income collection methods and help to mitigate the impact of Coronavirus and Universal Credit while protecting our top quartile performance in the most cost efficient way. It will also enhance customers feeling in control and having the information and access they want and need at their fingertips wherever they are.
- 5.2 We are proposing to retain the top three most effective and convenient payment methods and to phase out all other existing options. These are **Direct Debit, Wheatley Online Self Service** and a **modernised telephone payment system**. We propose to introduce secure payment links and **Recurring Card Payments (new)** due to the minimum effort required by customers to make payments and deliver value for money. Direct Debit will be

our preferred default payment method and where this is not right for the customer we will use data intelligence to predict which of the other acceptable methods will be the most successful payment method based on customer characteristics to ensure ongoing payment success. We also need to gauge how easy customers feel it is for them to make a payment and their satisfaction with available services using our new approach to customer engagement.

5.3 The value of scheduled Housing Benefit payments will continue to reduce over time as customers move onto Universal Credit and we expect to see a corresponding increase in the value of DWP payments. We continue to work closely with DWP to put in place daily payment schedules and improve information sharing to better track payments and customer outcomes. In November, Dunedin Canmore moved onto daily payments from DWP and the impact so far has been hugely positive.

5.4 The crisis surrounding Coronavirus has already changed the way some of our customers are making their payments, with traditional face to face payment methods reducing.

5.5 **Measures of success and outcomes** across Group from moving to a new streamlined approach include:

Measure of Success	Baseline @ Sept 2020	Outcome	Timeline
% increase in customers paying by more efficient methods	28% (DD) Not available currently	Year on year % increase in usage of modernised payment methods All new tenancies signed up to Direct Debit	From 2020 From 2020
% increase in the no. of customers, in arrears, paying by DD and recurring card payment (new) to mitigate the impact of UC	19%	Payment Plans secured with 80% of customers paying by DD/recurring cards	From 2020
Modernised payments approach delivered	9 ways to pay	Phasing out of proposed payment options completed	By 2022
Reduced average transactional payment costs	£0.98 to £3.93	To less than £0.50 per transaction for customer facing methods	By 2022
<i>**based on average rent payment of £425</i>	£2.28 to £6.80	To less than £2.00 per transaction for back office methods	By 2022
The ways in which to pay rent perceived as easy to use by customers	Not currently measured	90% customer satisfaction	By 2023
Build financial resilience by increasing % customers paying by one month's rent in advance	20% one month in advance; *70% of customers with credit/zero balance	10% year on year increase of credit rent accounts with **50% of customers having a credit balance <i>**From our learning journeys, we know that Gentoo, for example, aim to have 50% of their customers in credit.</i>	By 2026
Support improved income collection performance to deliver 2021/26 strategic targets	4.99%	% of gross debit at <4% across Group.	By 2026
Keeping UC customers debt free	58%	80% of ALL UC customers paying by DD and/or APA	By 2026

5.6 The pros and cons of existing, new payment methods and those we propose to keep and remove are shown in the following tables.

Table1. Proposed Customer Facing Payment Methods

Payment Method	Pros	Cons
Direct Debit 15,613 customers £0.16 cost per transaction	<ul style="list-style-type: none"> Regular, automatic agreed payments with minimal input and reduced payment failures; Customers less likely to be in arrears, lower arrears where they exist and paid back more quickly including those on UC; Customer can self-serve to set up own DD via WSS and fee free bank accounts no longer have costs associated with returned DDs; Huge potential to maximise the ability to amend DD payments to collect arrears and rent in advance; Annual rent increases are easier to collect as we increase the payment rather than relying on customer to do so; Building financial resilience for customers and the business; Payment date set to coincide with date customer receives wages/UC/Pension/other income; Opportunity to automate proactive communications to remind customers to ensure they have sufficient funds in their account 1 week prior to payment due and to make contact within 24 hours of any missed Direct Debit to maximise chance of recovery. 	<ul style="list-style-type: none"> Direct Debit guarantee allows customers to reclaim payments where they feel payment has been made in error despite rent being due. Process for addressing this is being developed; Some customers do not have access to a bank account or one that can facilitate Direct Debits although we can support them to set one up; Some customers are reluctant to set up Direct Debit as worried about returned fees; Time lag between set up and first payment date due to the need to give notice and cooling off period in line with DD guarantee; Customer bank charges if DD is rejected.
Wheatley Self Service (WSS) 7,563 customers 0.328% to 1.1% cost of transaction value	<ul style="list-style-type: none"> Customer actively engaging with Group on our digital platform; More holistic services with access to MyAccount, advice, support and services, including transaction history, raise repairs, benefit from MySavings, make service requests, set up Direct Debit, explore job & training opportunities and obtain information needed to make a Universal Credit claim; Informing data intelligence. 	<ul style="list-style-type: none"> Payment reliant on customer actively logging in to online account.
CSC Touchtone Telephone 1,951 customers 0.328% to 1.37% cost of transaction value	<ul style="list-style-type: none"> Quicker for customer to get through to make payment; No call handler required to take payment; Can change messaging on IVR (Instant Voice Recording) to suit campaign messaging etc; Value for money service; Free phone service. 	<ul style="list-style-type: none"> Payment reliant on customer actively calling in to payment line each time it is to be made; Anonymised interaction preventing customer from accessing additional info available via call handler or WSS; Requires significant amount of guidance and discussion (at least 2-3 times) to nudge customer towards this method and keep them there.

Recurring Card Payments (new) We currently have 20% of customers paying by debit card £0.20 + 3% of transaction value	<ul style="list-style-type: none"> Allow regular/repeat card payments to be set up without repeat contact; No bank charges for customers if payment is declined; Same day set up and payment; less risk around guarantee – 120 days max rather than for life of mandate as for Direct Debit; More reliable than customer phoning or going online to make payment; Can add alternative cards to try automatically where first one fails, so less work to recover initially failed payments. 	<ul style="list-style-type: none"> Potential for higher failure rates due to cards being lost/stolen, reaching card spending limit for the day; Admin costs to keep card details up to date (potential additional system to administer); Need to develop automatic text reminder that payment is due.
Secure Payment Links (new) £0.25 per link	<ul style="list-style-type: none"> Secure e-mail or text link sent to customer to make payment by card Payment confirmed there and then Staff member is able to provide support to customer to make payment with improved PCI compliance Progress of transaction including confirmation of success or otherwise provided for staff and customer at time; opportunity to find alternative card/method while still in contact with customer reducing missed opportunities Payment shows next day in account in line with other card payments 	<ul style="list-style-type: none"> Need to have customer on phone/engaged with service Only able to send out links individually or in small batches of 30 and specific amount to be paid must be provided

5.7 Table 2. Proposed payment methods to be phased out. These will no longer be promoted or offered to new customers and existing customers will be encouraged to migrate to one of our four preferred/acceptable methods of payment by 2022. We will carry out periodic reviews during this two-year period with a view to switching off these less effective and efficient methods on a phased basis.

Payment Method	Pros	Cons	If DD is not the default payment method. Customers are likely to channel shift to:
Paypoint (via local shops and including Post Office) 6,576 customers £0.41 per transaction + £30 rent card	<ul style="list-style-type: none"> Local and convenient for customers; Allows cash payments to be made; Retained as residual payment method for customers who are unable to open any other kind of account (diminishing numbers); Has remained popular with some customers during Coronavirus crisis Prevent reputational damage for organisation. 	<ul style="list-style-type: none"> Rent card required to make payment; Takes around 5 working days for payment to reach rent account; Third party payment handler involved; Rent cards are expensive; Transaction limit of £200 – typically 2 transactions per monthly rent payment. 	Recurring card payments or Secure Payment Link by 2021 *potentially retained for an extended period for DGHP customers due to their later starting point in the journey

Ad hoc Internet 1,574 customers 0.328% to 1.37% cost of transaction value	<ul style="list-style-type: none"> Quick payment method; May encourage disengaged customers to still make payment as no need to interact with staff member to do so; Only available for GHA, Cube and YP currently and was scheduled for phasing out in new financial year. 	<ul style="list-style-type: none"> Limited interaction with customer; No ongoing relationship with customer built on the transaction; Limits data availability for data intelligence; Possible missed opportunity for service personalisation; Campaign required to quickly move customers to alternative payment methods. 	It is anticipated that Cube, GHA & YP customers will move to Wheatley Online Self Service in line with the experience of other RSLs by March 2021; <i>propose it is kept as residual payment type while we are dealing with ongoing restrictions</i>
CSC Telephone Payments 7,052 customers 0.328% to 1.37% cost of transaction value	<ul style="list-style-type: none"> Customer can speak to advisor; Payments taken 24/7; Customer can make multiple payments for different things at same time e.g. rent and council tax (in Glasgow) at same time. 	<ul style="list-style-type: none"> Takes longer than CSC Touchtone to process payment; Comparatively expensive – staff; Freephone number costs; High demand on Customer Service Centre lines can lead to missed opportunities to collect payments if customer does not wait. 	Migrated to Direct Debit or Wheatley Online Self Service
Bank Payments 4,500 customers £0.22 - £0.40 per £100 transaction value	<ul style="list-style-type: none"> Convenient way for individual customers to make ad hoc payment at their bank. <p><i>** Within the 4,500 accounts paid by bank, a significant number are HB scheduled payments that we receive as a manual payment from smaller Local Authorities.</i></p>	<ul style="list-style-type: none"> Manual reconciliation of exception payments to individual rent accounts. 	Direct Debit in the first instance from November 2020 or recurring card payment by 2021 <i>** Income Team will continue to manually process HB payments. It is anticipated this will diminish over time as customers move onto UC</i>
Chip & Pin** 0 customers 0.328% to 1.2% of transaction value	<ul style="list-style-type: none"> Allow card payments to be taken in local offices; Allow safe payment of large amounts. <p><i>**It was proposed that Chip & Pin be retained as a back office facility only for one-off rent payments and primarily for rent arrears management. This method has been effectively phased out as offices have been closed since March due to the pandemic.</i></p>	<ul style="list-style-type: none"> Only available during working hours, predominantly in GHA offices only; Numbers reducing over time – no payments from Chip & Pin since offices closed at end of March 2020 	Direct Debit in the first instance from November 2020 or recurring card payment by 2021

5.8 As an illustration of the potential impact these changes could have, if all of these customers currently using the payment methods we are proposing to phase out were to be moved to our most efficient and preferred payment method of Direct Debit, we could potentially save almost £240,000 per year across Group in transaction costs alone. This could be used to deliver more in terms of our current suite of wraparound services or assist in bringing in some new ones relating to debt advice for example or providing funding for an additional 6,000 Eatwell parcels/vouchers.

5.9 The next stage of our change programme is to transform our service model to offer unrivalled customer experience, identifying digital and tailored services.

To support this, we will:

- a) complete a review of our Group approach to income and arrears collection, exploring data intelligence to help us tailor our engagement and communication through preventative support and help customers stay debt free.

Improvements in management information and the use of technology will also enable us to strengthen income collection through proactive automated alerts reminding customers to ensure that they have funds in their account to pay their Direct Debit. Payment history will be used to progress proactive interventions; and

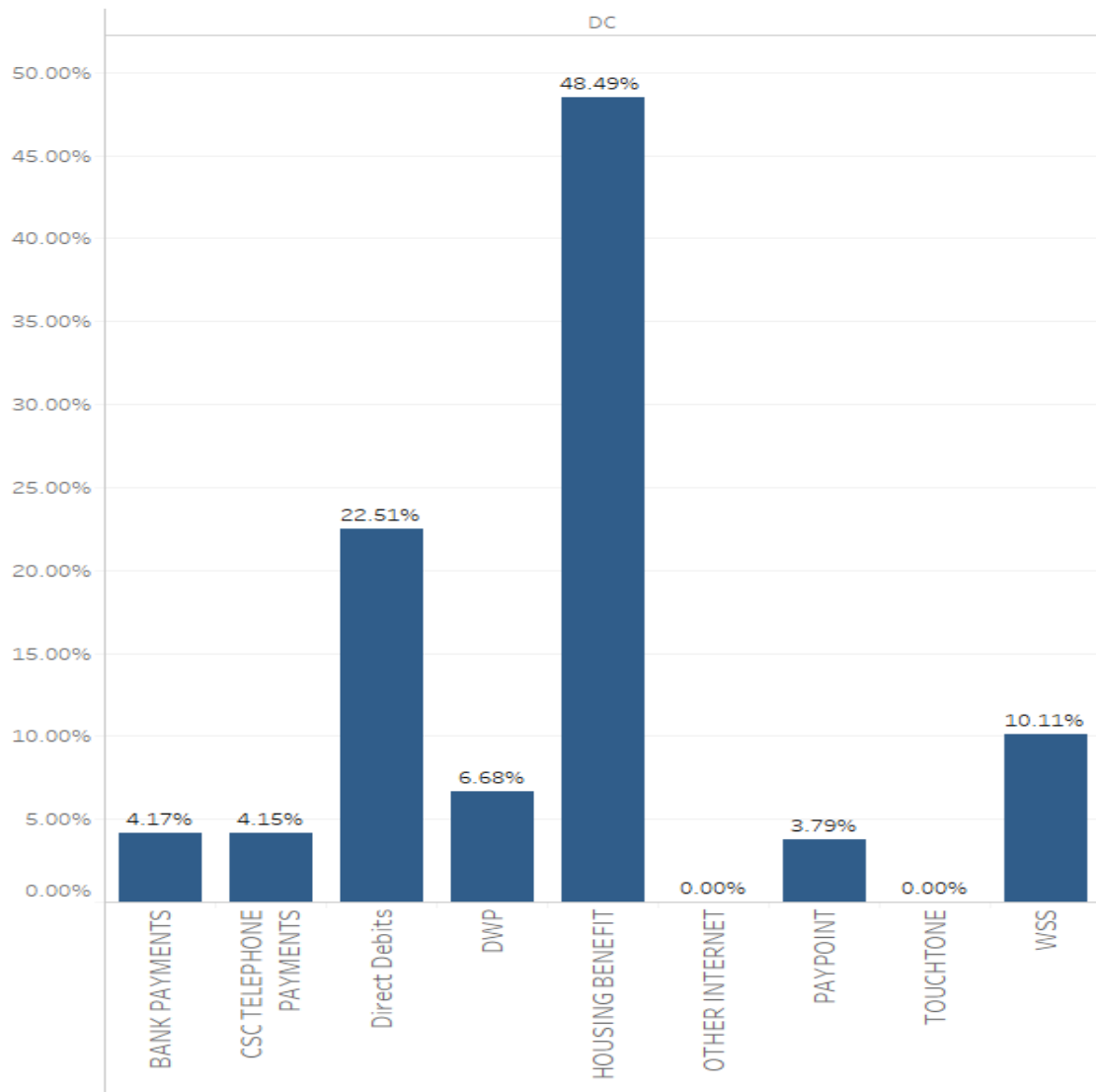
- b) shift the balance of power and increase customer choice, exploring the benefits of a Customer App to facilitate easier access to services, deliver exceptional customer convenience and capture just in time feedback. Improvements will include customer alerts and push notifications regarding forthcoming payments.

6 Approach

- 6.1 In order to protect our income stream, we will take a cautious approach with movement towards our proposed payment methods being facilitated in a controlled and phased basis. The first step will be to begin to phase out the least effective and costliest customer facing payment methods, namely Paypoint (including Post Office) and Chip and Pin across the Group this year. This affects approximately 8% of DC customers who make payments using Paypoint. Chip and Pin has effectively been phased out already across Group as all customer facing offices are currently closed. The graph below (Figure 1) shows the relative value of the payments through the different methods, and more detail is provided at Appendix 1.

Figure 1

% of Payment Method by RSL of Payments Made between April 2020 and August 2020



- 6.2 Building on the work done during lockdown and as part of our annual rent campaign, from November 2020, we will launch a major campaign to increase the number of customers paying by Direct Debit and drive down the use of telephone payments via CSC Advisors. Since December 2019, customers have also had the facility to set up a Direct Debit using their WSS account with no need for Housing Officer involvement with many customers taking up this option.
- 6.3 Table 1 above discusses the benefits of Direct Debit including the uprating of rents at the beginning of each year. Customers who pay using this method are also less likely to be in arrears and have lower levels of arrears as they are paid back more quickly through a Direct Debit including those customers claiming UC, payment dates can be set to coincide with the date the customer receives wages/UC/Pension/other income providing consistency and certainty of payment. Research, learning journeys and data analysis demonstrates Direct Debit as being the most effective payment option with around 80% of customers maintaining their arrangements.

- 6.4 Recurring Credit & Debit Card Payments are proposed to be introduced in 2021 and also promoted to existing Paypoint, Post Office and ad-hoc Debit & Credit card telephone payment customers. It is expected that a significant proportion of customers will easily move to our preferred or acceptable payment methods following some discussion with their Housing Officer around the benefits of moving. However, there will be a smaller group who will be more difficult to persuade and their movement will take a longer time, meaning we have given a more cautious time frame of two years for the full implementation of this project.
- 6.5 The modernisation of CSC Touchtone and agent payments is also currently being considered as part of our wider Group Digital Delivery Plan from 2021 to 2026.

7. Key issues and conclusions

- 7.1 While we do not want any customer to be left behind, failure to modernise our payment methods means we risk failing those customers who would currently benefit from interacting and transacting with us in the digital arena. Payment options are changing at a phenomenal pace and we need to keep up with this, to improve customer satisfaction and to ensure we are able to collect payments from individual customers as more and more move onto Universal Credit. This is even more important in light of Coronavirus, as Group expands and we now operate in more rural and diverse contexts, making face to face visits more challenging in terms of restrictions and time needed to carry these out.
- 7.2 For the small number of customers that do not have access to a bank account, we will retain the option to make payments by Post Office and offer wraparound support through the Tenancy Support Service and Housing Officers to open a bank account as part of our Implementation Plan, promoting the benefits that come from having a bank account.

8. Value for money implications

- 8.1 More efficient methods of payments relate to the aim within our VFM Framework of improving flexibility and responsiveness and improving the life chances of our customers.

9. Impact on financial projections

- 9.1 There is no adverse impact on the financial projections, however a move to more efficient payment methods will help the Group to manage arrears balances and maximise rental income collected. Savings in the transactional costs of administering payments and the production of rent cards will go towards achieving running cost efficiency targets built into the financial projections.
- 9.2 It is envisaged that there will be a cost associated with the introduction of recurring card payments however this will be offset against Group savings of £49k expected from the withdrawal of rent cards. Any variance will be met from existing budgets.

10. Legal, regulatory and charitable implications

10.1 There are no direct legal, regulatory and charitable implications.

11. Partnership implications

11.1 There are no partnership implications arising from this report.

12. Implementation and deployment

12.1 The Group Universal Credit Lead will take ownership for our payment methods approach, working closely with the Heads of Housing across Group. A Project Board will be established to drive this change programme, assisted by the Rent & Income Community of Excellence.

13. Equalities impact

13.1 We will undertake an equalities impact assessment as part of this programme with a focus on customer characteristics and in particular accessibility.

14. Recommendations

14.1 The Board is asked to:

- 1) approve the modernising of our Group approach to rent payment methods as we fully harness the opportunities presented by technology for the benefit of both customers and our business, including the exploration and introduction of recurring card payments
- 2) note the wider review of the Group's approach to rent and income collection, with a progress report to be provided in 2021;
- 3) note that our current Web Self Service offering requires to be reviewed in the longer term and in the context of delivering a customer App to facilitate easier access to services, deliver exceptional customer convenience and capture just in time feedback. Our new approach to customer engagement will need to gauge how easy it is for customers to make a payment and their satisfaction with available services. Improvements will include customer alerts and push notifications regarding forthcoming payments.

Appendix 1: Analysis of current payment method and transaction volumes and income – April to August 2020

	Total Transaction Amounts		Number of Transactions		Number of Customer Accounts	
PAYMENT CHANNEL	DUNEDIN CANMORE		DUNEDIN CANMORE		DUNEDIN CANMORE	
HOUSING BENEFIT	£6,122,332	48%	14,186	37%	3,215	55%
DIRECT DEBITS	£2,841,943	22%	11,089	29%	1,775	30%
CSC TELEPHONE PAYMENTS	£524,072	4%	1,739	4%	650	11%
WSS	£1,275,892	10%	4,375	11%	838	14%
BANK PAYMENTS	£525,924	4%	993	3%	283	5%
PAYPOINT	£478,103	4%	2,680	7%	455	8%
DWP	£842,820	7%	2,879	8%	559	10%
TOTALS	£12,611,085		37,941		5,866	

**** NB: a customer may have more than one transaction type eg partial HB with DD to pay shortfall ****



Report

To: Dunedin Canmore Board

By: Morgan Kingston, Finance Manager - Dunedin Canmore

Approved by: Pauline Turnock, Director of Financial Reporting

Subject: Finance Report for the period to 31 December 2020

Date of Meeting: 11 February 2021

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 31 December 2020, including the latest forecast for 2020/21.

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 31 December 2020 with the appendix providing more detail on the financial results.

5. Discussion

Finance Report for Period to 31 December 2020

- 5.1 Dunedin Canmore has reported a statutory surplus of £6,954k for the period to 31 December 2020, which is £6,008k favourable to budget.

Key points to note:

- The key 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 £634k adverse variance. Gross rent is £508k 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 be included 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 earlier in the year due to covid-19 restrictions as well as the effect of lower than expected new build completions in P12 of 2019/20 on rental income.
 - Other income is reporting an adverse variance of £351k 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 £318k.
 - 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 £909k. The underlying repairs position taking into account the £318k unrecovered costs in DCPS along with repairs savings in the other RSLs that DCPS services amounts to a net reduction in repairs costs in the east subsidiaries of £647k in total. The volume of reactive repair jobs in Dunedin Canmore is 33% lower than the same period last year.
- 5.2 Dunedin Canmore has reported net capital expenditure of £4,481k for the period to 31 December 2020, which is £4,229k lower than budget. Key points to note are:
- New build spend is reporting spend £11,115k lower than budget, as a result of the Scottish Government instruction to close all construction sites on 23 March, with works recommencing in July with ongoing construction activity subject to enhanced health and safety requirements.
 - Grant income of £3,558k has been received to the end of December 2020 for the Wisp 3C, Newmills Road, Longniddry and South Gilmerton.
 - The core investment programme reports spend £1,217k 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. Q3 2020/21 Full year forecast

- 6.1 The Q3 Forecast output for 2020/21 reports a statutory surplus of £8,339k, £6,761k higher than budget and an operating surplus of £16,159k which is £6,702k higher than budget.
- 6.2 The key driver of this favourable variance is forecast HAG income recognised of £6,104k. This relates to the delayed 83 units completed during 2020/21 as well as 10 units at South Gilmerton expected to be completed ahead of schedule in March 2021. The original budget assumed there would be no completions during 2020/21. Excluding the grant income variance, underlying statutory surplus of £2,235k is £657k higher than budget and net operating surplus is £598k higher than budget.
- 6.3 The Gross rental income is forecast to be £508k 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 forecast refund of service charges for the year to customers for cleaning and environmental services disrupted due to coronavirus restrictions.
- 6.4 Other income is forecast to be £451k lower than the original budget. This largely 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 £1,718k favourable to budget. Forecast revenue repairs and maintenance savings of £1,159k reflect the revised repairs service model, with net repairs savings after taking into account the unrecovered staff time in DCPS of £741k.
- 6.6 Net capital expenditure is forecast to be £8,438k lower than budget. Core programme expenditure is projected to be £1,687k 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 £7,254k lower than budget linked to activity on new build site where spend is expected to be £14,035k lower than budget 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 £6,954k is £6,008k 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 £8,339k is £6,761k 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 lockdowns imposed by the UK and Scottish Government in March 2020, and again in December 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 3 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:

- 10.1 Note the management accounts for the period to 31 December 2020, and the full year forecast outturn to 31 March 2021.

LIST OF APPENDICES

Appendix 1: Finance report - year to 31 December 2020



Period to 31 December 2020 Finance Report

1) Period 9 YTD – Operating Statement

	Year to 31 December 2020			Full Year
	Actual £ks	Budget £ks	Variance £ks	Budget £ks
INCOME				
Rental Income	22,153	22,662	(508)	30,153
Void Losses	(426)	(300)	(126)	(363)
Net Rental Income	21,727	22,362	(634)	29,791
HAG Recognised in the Year	5,383	0	5,383	0
Other Income	1,665	2,016	(351)	2,853
TOTAL INCOME	28,775	24,378	4,397	32,643
EXPENDITURE				
Employee Costs - Direct	3,460	3,500	40	4,667
ER/VR	7	0	(7)	-
Employee Costs - Group Services	1,179	1,260	81	1,679
Direct Running Costs	2,424	2,620	196	3,398
Running Costs - Group Services	611	803	192	1,071
Revenue Repairs and Maintenance	2,265	3,174	909	4,279
Bad Debts	160	217	57	290
Depreciation	5,759	5,851	92	7,801
TOTAL EXPENDITURE	15,865	17,425	1,560	23,186
NET OPERATING SURPLUS / (DEFICIT)	12,910	6,953	5,957	9,457
<i>Net Operating Margin</i>	45%	29%	16%	29%
Interest receivable	1	9	(9)	13
Interest payable	(5,957)	(6,016)	59	(7,891)
STATUTORY SURPLUS / (DEFICIT)	6,954	946	6,008	1,579

	Year to 31 December 2020			Full Year
	Actual £ks	Budget £ks	Variance £ks	Budget £ks
INVESTMENT				
Total Capital Investment Income	3,558	11,630	(8,072)	15,135
Total Expenditure on Core Programme	2,860	4,077	1,217	5,437
New Build & Other Investment	4,908	16,022	11,115	23,925
Other Capital Expenditure	271	242	(30)	350
TOTAL CAPITAL EXPENDITURE	8,039	20,340	12,301	29,712
NET CAPITAL EXPENDITURE	4,481	8,710	4,229	14,577

Key highlights year to date:

- Net operating surplus of £12,910k is £5,957k favourable to budget. Statutory surplus for the period to 31 December is £6,954k, £6,008k favourable to budget.
- The key driver of the variance to budget 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 £634k adverse variance. Gross rent is £508k 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 which were transferred on 1 September. The remaining variance includes a refund of service charges relating to environmental services which have been impacted by the covid-19 restrictions. Void losses are £126k adverse to budget largely due to an earlier backlog as a result of covid-19 restrictions now cleared and the ongoing restrictions on normal letting such as social distancing measures.
- Other Income is £351k adverse to budget. This is largely as a result of DC Property Services ("DCPS") generating a loss of £318k in the YTD against a budgeted profit of £59k due to a changes to service delivery and a lower level of activity against which to recover staff time.
- Total expenditure is £1,560k favourable to budget. Of this variance £193k is linked to the Barony units. The largest variance relates to repairs and maintenance costs which are £909k 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 £318k within other income leaving net repairs costs £533k lower than budget. The volume of reactive repair jobs is 33% lower than the same period last year.
- Interest expenditure is £59k favourable to budget. Borrowings are linked to the new build and core investment programmes.
- Investment expenditure on existing properties is £1,217k 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 £4,908k is £11,115k lower than budget as a result of construction site closures between March and June and the requirement for enhanced health and safety measures on remobilised sites.

2) Period 9 - Property Services Operating Statement

	Year to 31 December 2020			Full Year Budget £ks
	Actual £ks	Budget £ks	Variance £ks	
INCOME				
Internal Subsidiaries	6,388	8,872	(2,484)	11,883
External Customers	23	164	(141)	219
TOTAL INCOME	6,411	9,036	(2,625)	12,102
COST OF SALES				
Staff	1,729	2,764	1,035	3,686
Materials	792	2,472	1,680	3,344
Subcontractor & Other Costs	2,600	2,025	(575)	2,700
TOTAL COST OF SALES	5,121	7,261	2,140	9,729
GROSS PROFIT/(LOSS)	1,290	1,775	(485)	2,373
Margin %	20%	20%	0%	20%
Overheads	1,608	1,716	109	2,288
NET PROFIT/(LOSS)	(318)	59	(376)	85

Key highlights year to date:

- In the year to 31 December 2020 DCPS is reporting a deficit of £318k, which is £376k adverse to 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 £1,023k 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 £647k.
- Income of £6,411k in the year is £2,625k adverse to budget which is a result of the changes to the service model during the pandemic which has reduced the workload demand in property services.
- Correspondingly, cost of sales are reporting a £2,140k favourable variance to budget. Staff costs within cost of sales of £1,729k include £818k claimed from the Coronavirus Job Retention Scheme for DCPS trades staff.
- Gross profit of £1,290k is £485k adverse to budget.
- Overhead expenditure includes vehicle rent and running costs, rates, insurance and other staff and office related costs. These are £109k favourable to budget for the year.

Staff Utilisation

Staff Utilisation	Year to 31 December 2020		
	Actual %	Budget %	Variance %
Billable Work	48.0%	79.5%	-31.5%
Travel Time	5.5%	11.2%	-5.7%
Sick Leave	2.1%	3.8%	-1.7%
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	0.1%	1.1%	-1.0%
Van Allowance	0.2%	0.2%	0.0%
Special Leave	0.5%	0.7%	-0.2%
Covid 19 Eat well	0.7%	0.0%	0.7%
Covid 19 Down-time	15.0%	0.0%	15.0%
Covid 19 Isolation	1.0%	0.0%	1.0%
Covid 19 leave of absence	25.5%	0.0%	25.5%
Other	1.2%	1.1%	0.1%
TOTAL	100.0%	100.0%	0.0%

- These figures have been calculated **after the removal of holiday hours**, to ensure periods of high or low holiday uptake do not skew the underlying figures.
- Billable work for the year to date is 48%, 31.5% lower than budgeted assumptions. In the month of December the rate was 85%, marginally higher than the budget as the service operated at normal levels .
- Down-time in relation to the coronavirus epidemic accounts 42.2% of all staff time. This includes 25.5% of time relating to employees who have been furloughed.

3) Period 9 – Dunedin Canmore Harbour

	Year to 31 December 2020			Full Year
	Actual £ks	Budget £ks	Variance £ks	Budget £ks
INCOME				
Rental Income	597	572	26	762
Void Losses	(27)	(29)	2	(38)
Net Rental Income	570	544	27	726
Local Authority Contract Income	272	271	1	361
Other Income	12	9	4	13
TOTAL INCOME	855	824	32	1,101
EXPENDITURE				
Employee Costs	583	535	(48)	714
Direct running Costs	181	201	20	269
Revenue Repairs and Maintenance	18	27	9	36
Bad Debts and Depreciation	7	0	(7)	0
TOTAL EXPENDITURE	788	764	(25)	1,018
NET OPERATING SURPLUS / (DEFICIT)	67	61	6	82

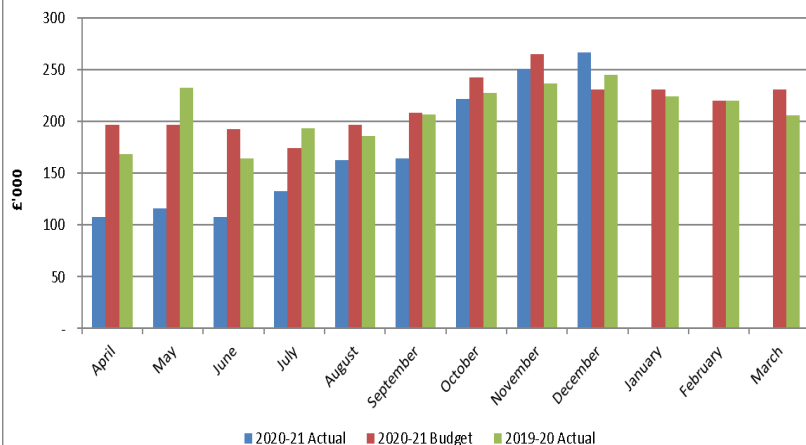
Key highlights year to date:

- Net operating surplus of £67k is £6k favourable to budget.
- Net rental income of £570k is £27k favourable to budget in the year to date, with income included here for “move-on” flats.
- Employee costs of £583k are £48k 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 £181k include insurance, travel, safety equipment, printing, stationary and mobile costs. Costs are £20k favourable to budget in the year to date.
- Repair and maintenance expenditure of £18k is £9k favourable to budget.

4) Management Information – Repairs

	Year to 31 December 2020			Full Year
	Actual £ks	Budget £ks	Variance £ks	Budget £ks
Reactive	1,530	1,904	374	2,586
Cyclical	734	1,270	535	1,693
	2,265	3,174	909	4,279

Reactive Repair Spend per Month



Comments:

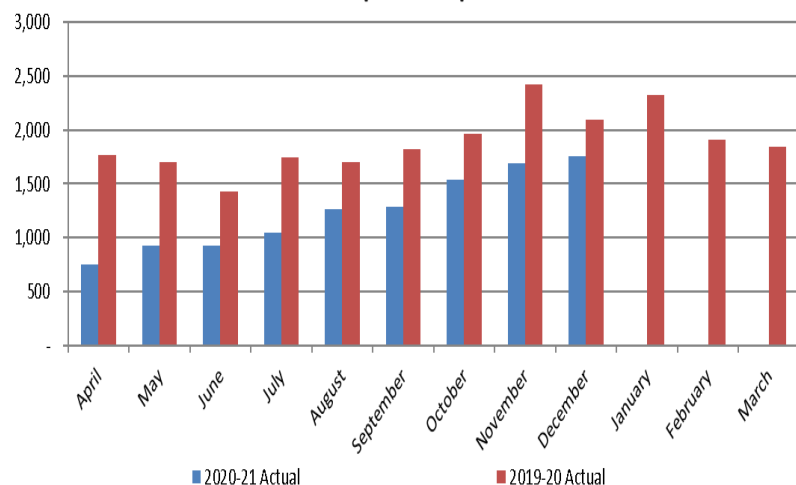
Reactive Repairs

- Reactive repairs spend in the year to 31 December is £1,530k against a budget of £1,904k, £374k favourable to budget.
- With the changes to service delivery during the pandemic, it is expected that spend would be significantly lower than budget.
- The volume of jobs is 33% lower than the same period in the prior year.

Cyclical Repairs

- Cyclical repairs spend of £734k has been incurred in the YTD, £535k favourable to budget.
- The main work-stream in the year has been gas servicing.

Number of Reactive Repair Jobs per Month



5) Management Information – Investment

Comments:

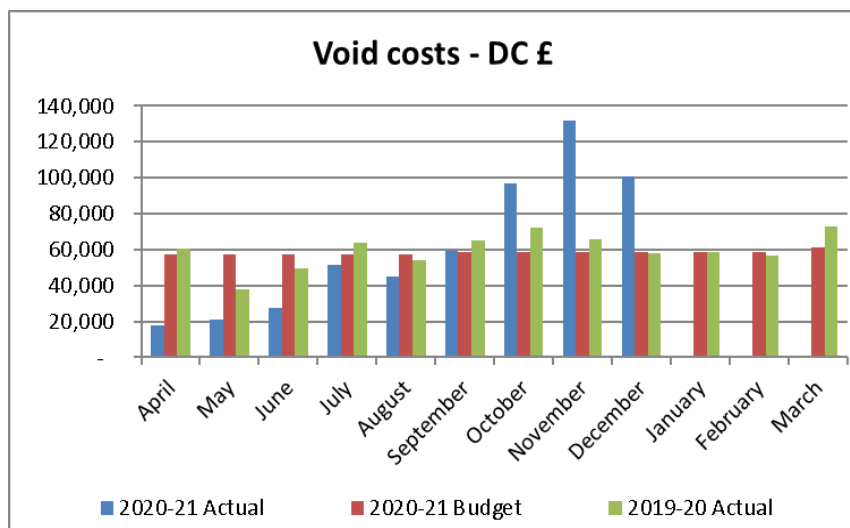
Investment

- Major Repairs spend for the period to 31 December is £1,743k against a budget of £2,992k, a favourable variance of £1,249k. 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.

	Year to 31 December 2020			Full Year
	Actual £ks	Budget £ks	Variance £ks	Budget £ks
Void	551	529	(22)	708
Major	1,743	2,992	1,249	3,988
Capitalised Staff	573	593	20	791
TOTAL	2,867	4,114	1,247	5,487

Void repairs

- Void costs of £551k have been incurred to the end of period 9 against a budget of £429k. This is £22k adverse to budget. The increase in expenditure in October, November and December is largely as a result of a backlog of voids which built up due to corona-virus restrictions but this has now been cleared.
- 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	169	151	(18)	151
BONNYRIGG	-	-	-	74
CRAIGMILLAR	177	-	(177)	0
DEWARPARK	46	-	(46)	0
DUNDAS STREET	-	-	-	75
EDMONSTON	-	147	147	147
FASIDE	56	-	(56)	0
FOUNTAINBRIDGE	56	-	(56)	82
GAVIESIDE PH 1	-	-	-	230
GREENDYKES	117	323	206	323
GREENDYKES PH5	-	-	-	46
GULLANE	2	61	58	61
KIRKLISTON	-	940	940	1,944
LANARK RD	-	22	22	22
LANG LOAN	342	159	(183)	159
LONGNIDDRY	701	750	49	900
MACMERRY	-	2,329	2,329	3,522
NEWMILLS RD PH2	759	2,327	1,568	3,103
NEWTONGRANGE	-	-	-	33
RAVELRIG ROAD	-	75	75	75
SOUTH GILMERTON	1,201	3,972	2,770	5,080
WALLYFORD PH 2	-	1,495	1,495	3,186
WESTCRAIGS1	217	129	(88)	129
WESTCRAIGS2	147	110	(37)	110
WESTCRAIGS3	-	258	258	258
WISP 3C	716	2,480	1,764	3,834
Capitalised staff costs	200	261	61	348
Total Cost	4,908	16,022	11,115	23,925
Grant Income	3,558	11,630	(8,072)	15,135
Net New Build Costs	1,349	4,392	3,043	8,790

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.
- Grant income of £3,558k has been received up to end of period 9 for the Wisp 3C, Newmills Road, Longniddry and South Gilmerton.
- In the year to period 9, £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 £4,908k is £11,115k lower than budget with the variance driven by the closure of all sites between March and June. All sites have now re-opened and work remobilised subject to enhanced health and safety measures.
- Expenditure of £342k has been incurred at Lang loan against a budget of £159k. This reflects that fact that the final 7 units were completed in 2020/21 but the costs were included in the 2019/20 budget.
- Greenbank, Lang Loan, Morrison Crescent and Beaverbank are now complete.
- Overall expenditure of £364k has been incurred for the 3 Westcraigs developments against a budget of £497k.
- The spend for Craigmillar and Dewarpark relates to retention payments.

7) Balance Sheet

	31 December 2020 £'000	31 March 2020 £'000
Fixed Assets		
Social Housing Properties	341,645	332,501
Other Fixed Assets	6,364	5,534
Investment Properties	28,561	28,561
	<u>376,569</u>	<u>366,596</u>
Current Assets		
Stock	440	334
Trade & Other Debtors	5,252	5,123
Cash & Cash Equivalents	8,261	4,273
	<u>13,953</u>	<u>9,730</u>
Creditors: within 1 year		
Trade Creditors	(241)	(344)
Accruals & Deferred Income	(12,488)	(11,435)
Prepayments of Rent and Service Charge	(1,146)	(1,007)
Other Creditors	(617)	(108)
Amounts due to Group Undertakings	(5,483)	(4,212)
	<u>(19,976)</u>	<u>(17,106)</u>
Net Current Liability	<u>(6,024)</u>	<u>(7,376)</u>
Long Term Creditors		
Loans	(33,163)	(33,163)
Amounts due to Group Undertakings	(132,031)	(134,845)
Pension Liability	(751)	(751)
	<u></u>	<u></u>
Net Assets	<u>204,600</u>	<u>190,461</u>
Capital and Reserves		
Share Capital	-	-
Revenue Reserve	204,600	190,461
	<u></u>	<u></u>
Association's funds	<u>204,600</u>	<u>190,461</u>

Comments:

- The balance sheet as at 31 March 2020 reflects the audited 2019/20 statutory accounts. 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 balance sheet as at 31 December also reflects the assets and liabilities transferred from Barony Housing Association. Overall the transfer has increased reserves by £7.2m. Balances transferred include housing assets of £7.1m and other fixed assets of £0.6m as well as cash of £1.4m. Liabilities include £0.7m which is the DC share of the outstanding Barony loan balance.
- The value of our **fixed assets** reflects additions (including the Barony additions) in the year less depreciation.
- **Trade & other debtors** of £5.3m include an intercompany balance of £2.4m and net rent arrears of £0.3m (after bad debt provision).
- **Cash at Bank** – At 30 November Dunedin Canmore had £8.3m 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 £20.0m includes £5.5m due to other Wheatley entities and £12.5m 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 £165.2m 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 3 Forecast to 31 March 2021

	2020/21 Budget £ks	Q3 Forecast £ks	Variance £ks
INCOME			
Rental Income	30,153	29,645	(508)
Void Losses	(363)	(524)	(161)
Net Rental Income	29,791	29,122	(669)
HAG Recognised in the Year	-	6,104	6,104
Other Income	2,853	2,402	(451)
TOTAL INCOME	32,643	37,627	4,984
EXPENDITURE			
Employee Costs - Direct	4,667	4,627	40
ER/VR	0	7	(7)
Employee Costs - Group Services	1,679	1,564	115
Direct Running Costs	3,398	3,202	196
Running Costs - Group Services	1,071	949	122
Revenue Repairs and Maintenance	4,279	3,120	1,159
Bad Debts	290	290	0
Depreciation	7,801	7,709	92
TOTAL EXPENDITURE	23,186	21,468	1,718
NET OPERATING SURPLUS / (DEFICIT)	9,457	16,159	6,702
<i>Net Operating Margin</i>	<i>29%</i>	<i>43%</i>	<i>14%</i>
Interest receivable	13	13	-
Interest payable	(7,891)	(7,832)	59
STATUTORY SURPLUS / (DEFICIT)	1,579	8,339	6,761

Comments

- This table shows the 2020/21 budget presented to the Board compared to the Q3 forecast for 2020/21. The forecast reflects the results in the year to date as well as expected expenditure for the remaining 3 periods of the year.
- The forecast operating surplus of £16,159k is £6,702k higher than budget. Statutory forecast surplus of £8,339k is £6,761k higher than budget.
- The key driver of the favourable variance is HAG income forecast of £6,104k. This relates to 83 units completed during 2020/21 but originally due to be completed at the end of 2019/20 as well as 10 units at South Gilmerton expected to be completed ahead of schedule in March 2021. The original budget assumed there would be no completions during 2020/21.
- Excluding the Grant income variance, net operating surplus is expected to be £598k 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 £669k reflects lower than expected rent receipts as a result of the later completion of the 83 units discussed above as well as variances relating to the units 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 refund of service charges to customers for cleaning and environmental services due to the impact of coronavirus restrictions on 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 £1,718k favourable to budget. Revenue repairs and maintenance savings reflect the revised operating model.
- 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	Q3 Forecast £ks	Variance £ks
INVESTMENT			
Total Capital Investment Income	15,135	7,881	(7,254)
Total Expenditure on Core Programme	5,437	3,750	1,687
New Build & Other Investment	23,925	9,890	14,035
Other Capital Expenditure	350	380	30.00
TOTAL CAPITAL EXPENDITURE	29,712	14,020	15,692
NET CAPITAL EXPENDITURE	14,577	6,139	8,438

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 3 performance

Date of Meeting: 11 February 2021

1 Purpose

- 1.1 This report outlines progress on the Delivery Plan Measures and Projects for Quarter 3. Appendix 1 contains the Performance Measures Dashboard and Appendix 2 provides progress on Strategic Projects.

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

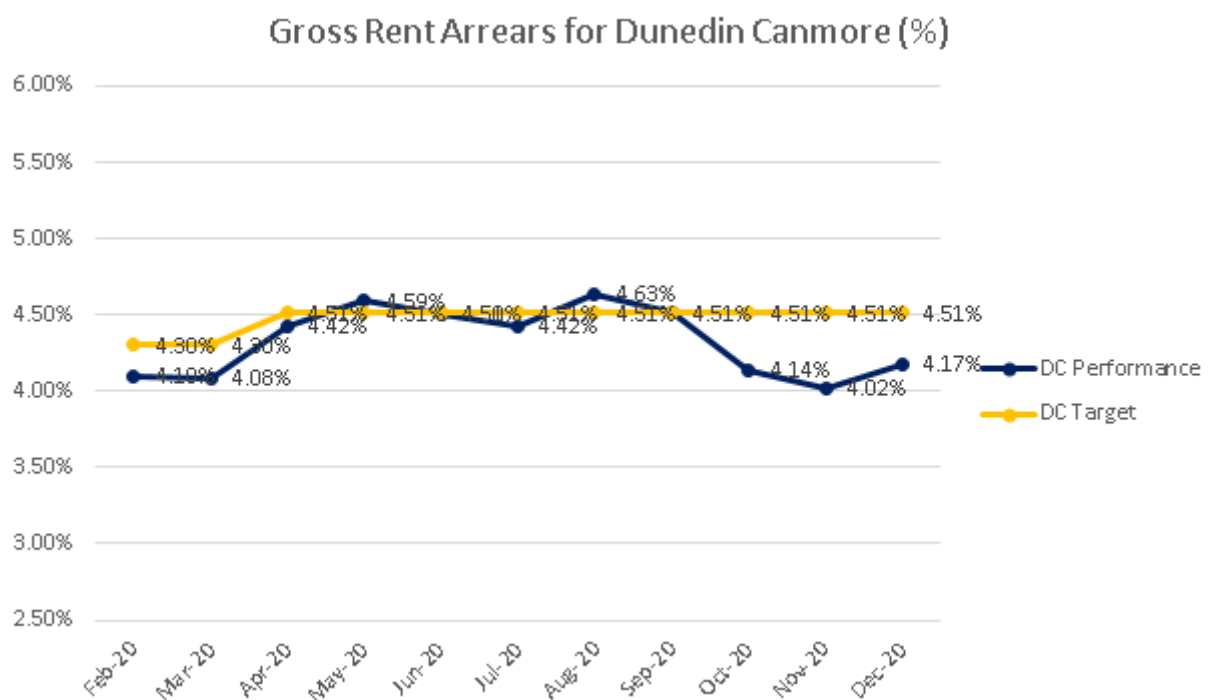
- 4.1 We are in the process of refocusing our strategy, which will now cover the period 2021-26. Given the impact of Covid-19, the Board has previously recognised that 2020/21 will be a transitional/exceptional year and require an interim set of performance measures and targets. These do recognise a 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 Quarter 3 performance

Gross Rent Arrears

- 5.1 The level of support we have provided our customers has meant that our Gross Rent Arrears, despite the challenging circumstances throughout the reporting year, are below target in Q3 at 4.17%. Our revised target of 4.51% has taken into account both the current environment and the on-boarding of former Barony customers in September 2020.
- 5.2 We have seen an increase of Universal Credit claims since the pandemic began. At the end of Q3 Dunedin Canmore have a caseload of 988 customers on Universal Credit (an increase of 128 cases since April). UC Customers continue to have a 5 week wait to receive their benefit, which impacts their ability to pay their rent. Housing officers and welfare benefit advisors continue to provide customers with specific support to assist in accessing Universal Credit and the complexities of DWP systems, particularly so around accessing digital platforms, the single route to customers making a claim for Universal Credit.
- 5.3 The chart below illustrates our Gross Rent Arrears over the past 11 months. The chart demonstrates the strong performance recovering from the highest peak seen in August through to December.



- 5.4 The key challenges in the current economic environment and the anticipated rates of unemployment as a result of the pandemic and most recent restrictions, 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 including welfare advice and tenancy support services provided by Wheatley Care that are available to our customers are ever more significant. Housing Officers continue to ensure our customers

are aware of the supports available and this messaging features heavily in every interaction housing officers have with customers have about rent.

6. Average Days to Let

- 6.1 Our key focus since Phase 2 of the letting remobilisation in August 2020 has been to reduce the backlog of voids that resulted from the lockdown in the earlier part of 2020. The backlog of voids has now been cleared. We continue to measuring our average days to let against 2 targets,
- Average days to let – Including lockdown days and;
 - Average days to let – excluding lockdown days.
- 6.2 Our ARC indicator of average days (including lockdown days) of 75.5 days to let shows the real impact the Coronavirus pandemic and lockdown and restrictions as close to lockdown has had on our letting. With letting of properties suspended from 20th March through to 17th 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.
- 6.3 At the end of Q3 Dunedin Canmore has let 294 homes to customers with the highest need. Of the 294 lets, 166 were lets to homeless customers. Our average days to let (excluding lockdown days) is 33.6 days against a 27day target. Now that we have cleared the backlog of voids we expect to see an improvement in the performance figure for Q4.

7 Homelessness

- 7.1 Our overall lets to homeless households at the end of Q3 is 54.9%. As we continue in our commitment to supporting homelessness through the Housing First model we can report that at the end of Q3, there were 94 Housing First tenants housed across the whole Edindex partnership, 53 of them are Dunedin Canmore customers (56%), meaning that we continue to be, by far the biggest provider of Housing First tenancies in Edinburgh.

8 Tenancy Sustainment

- 8.1 The percentage of new tenancies sustained for more than a year at the end of Quarter 3 continues to exceed our 90% target at 93.36%. This high level of tenancy sustainment can be attributed to housing officers making support referrals to our tenancy sustainment support services (TSS), provided by Wheatley Care. Where failure of tenancy is apparent, this service has been fundamental in the success of customers sustaining their tenancies. Our TSS officer had 24 live referrals supporting Dunedin Canmore Customers at the end of Q3.

TSS focuses on various tenancy sustainment characteristics including;

- Housing and Tenancy
- Money and Rent
- Looking After Your Home

The Health and Well-being element of the support provided has also been central to tenancy sustainment particularly during the past year.

9 Anti-Social Behaviour

- 9.1 There have been 423 anti-social behaviour cases recorded on our streetwise case management system year to date for Dunedin Canmore. 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. This continues to be a challenge for housing officers to bring about any degree of resolution. With most customers remaining at home, working from home and children not being at school, general living noise and maximum traffic within households is extremely problematic in terms of tolerance of general living noise. We continue to work with colleagues within the Antisocial Behaviour Intervention and Prevention team to provide advice and assistance to customers who report the effects of this.

10 Fire Safety

- 10.1 In the year to date, from April through December there have been 5 Accidental Dwelling Fires (ADFs) in Dunedin Canmore. The reported ADFs were identified as minor incidents;

- 2 small cooker
- 1 tumble dryer
- 1 waste bin
- 1 spillage of flammable liquid

2020/21			
ADF's	Q1 April to June	Q2 July to September	Q3 October to December
Dunedin Canmore	5	0	0
Total	5	0	0

- 10.2 As we went into the first lockdown there was an initial spike in ADFs and, with customers spending more time at home, this was not unexpected. This is a trend that was reflected nationally with SFRS reporting a significant increase in serious injury and death this year.
- 10.3 Due to ongoing lockdown restrictions and associated Scottish Government guidance we are unable to visit customers in their homes. Despite this we continued to deliver a number of extremely important fire prevention activities. For example, Environmental inspections continued to be carried out by our Neighbourhood Environmental Teams (NETS), removing items of bulk which may have posed a fire risk. The NETS operatives report any areas of concern to the patch housing officers directly and via our weekly/ 4 weekly team meetings.
- 10.4 Our Fire Safety Team continue to work closely with Housing Officers in identifying vulnerable customers. Due to Lockdown restrictions many of our interventions are initially conducted over the telephone with fire safety products thereafter being delivered to customers whilst adhering to social distancing guidelines.

11 Repairs

- 11.1 Dunedin Canmore has carried out both emergency and non-emergency repairs within target times. At the end of Quarter 3. Dunedin Canmore's average time taken to complete emergency repairs has been 2.49 hours against a 3-hour target. Our non-emergency repairs have been completed in 3.41 days against a 5.5-day target. Our Right First Time target is also being met at 97.27% at the end of Quarter 3.
- 11.2 Our % of tenants satisfied with our repairs and maintenance service carried out in the last 12 exceeding target at the end of Quarter 3 at 90.82% against an 87% target.

12 Gas Safety

- 12.1 Our customer's safety has been our primary driver during the lockdown and varying tiers of Scottish Government restrictions. 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). As of early September 2020, we became 100% compliant, this position has not changed; Dunedin Canmore remains 100% compliant at the end of Q3. We continue to reassure our customers that every effort will be made to ensure their safety whilst carrying out works, pooling resources and improving the process around gas safety.
- 12.2 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. Our previous discussions with the Regulator about this indicator remains unchanged and they will not accept amendments so that they can assess and report on the full impact of the COVID-19 lockdown.

13 % of payments made

- 13.1 Dunedin Canmore are reporting 97.85% 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.

14 Sickness Absence

- 14.1 We are reporting low levels of sickness absence. In the year to date Dunedin Canmore Housing has lost an average of 1.16% of working time due to staff absence, as expected, a slight increase on 0.86% reported at the end of Q2. Our target in this indicator is 3%. This rate remains low as staff continue to work from home and the levels of flexibility provided. We continue to work with staff to make sure they have the support they need to manage attendance and any stress due to the unusual circumstances.

15 Strategic projects – progress at Quarter 3

- 15.1 The progress of strategic projects due to complete within the year are listed within appendix 2 of this paper.
- 15.2 The project currently showing slippage **Work with Police Scotland to develop a Group-wide Antisocial Behaviour and Crime Prevention and Mitigation Framework** is expected to complete on time in February.

16 Key issues and conclusions

- 16.1 This report outlines positive progress in achieving the all but two of the 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. Void performance has started to improve and we expect to see that continue.
- 16.2 Key areas of focus during the remainder of the year will be the support to our customers who are 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.

17 Value for money implications

- 17.1 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.

18 Impact on financial projections

- 18.1 There are no direct financial implications arising from this report.

19 Legal, regulatory, and charitable implications

- 19.1 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.

20 Partnership implications

- 20.1 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.

21 Implementation and deployment

- 21.1 This report provides updates on progress with the Delivery Plan. Any specific projects and actions are subject to separate approval.

22 Equalities impact

- 22.1 There is no direct equalities impact from this report.

23 Recommendations

- 23.1 The Dunedin Canmore Board is asked to note this update and the operational activates carried out in achieving and exceeding the targets and delivery plan for 2020/21.

LIST OF APPENDICES

Appendix 1: Measures dashboard




Appendix 2: Strategic projects dashboard

Appendix 1 - Dunedin Canmore Board - Delivery Plan 20/21 - Strategic Measures

Measure	2019/20	YTD 2020/21		
	2019	2020		
	Value	Value	Target	Status
Average time for full response to all complaints (working days) - overall	4.56	4.64	8	✓
Average time taken to complete emergency repairs (hours) – make safe	1.76	2.49	3	✓
Average time taken to complete non-emergency repairs (working days)	5.09	3.41	5.5	✓
% reactive repairs completed right first time	96.82%	97.27%	95%	✓
Number of gas safety checks not met	0	122	0	✗
% of tenants who have had repairs or maintenance carried out in last 12 months satisfied with the R&M service	94.57%	90.82%	87%	✓
% tenancy offers refused during the year	12.98%	7.46%		📊
% new tenancies sustained for more than a year - overall	93.79%	93.36%	90%	✓
% lettable houses that became vacant	7.29%	7.29%	8%	✓
Average days to re-let properties (ARC) – excluding lockdown days		33.6	27	✗
Average time to re-let properties (ARC)	9.68	62.68		📊
Average time to complete approved applications for medical adaptations (calendar days)	8.26	10.77	72	✓
Gross rent arrears (all tenants) as a % of rent due	4.08%	4.17%	4.51%	✓
% avoidable contact	17.61%	11.85%	18%	✓
% of payments made within the reporting period which were paid in 30 days or fewer (from the date the business receives a valid invoice)	99.11%	97.85%	96%	✓

	2019/20	YTD 2020/21		
Measure	2019	2020		
	Value	Value	Target	Status
Dunedin Canmore - Total number of jobs, training places or apprenticeships created including Wheatley Pledge	32	0	0	✓
New build completions - Social Housing	84	48	48	✓
New build completions - Mid-market	78	35	35	✓
Sickness Rate	2.85%	1.16%	3%	✓

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

Strategic Project	Delivery Date	Status	% Progress
Develop Group Homelessness Framework, including rapid rehousing	31-Dec-2020		<div><div>100%</div></div>
Work with Police Scotland to develop a Group-wide Antisocial Behaviour and Crime Prevention and Mitigation Framework	28-Feb-2021		<div><div>40%</div></div>
Develop a new framework for customer engagement (incorporating customer inspection process)	31-Mar-2021		<div><div>70%</div></div>

Report

To: - Dunedin Canmore Board

By: - Hazel Young, Managing Director

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

Subject: - Scottish Child Payment

Date of Meeting: - 11 February 2021

1. Purpose

- 1.1 This report provides information on the Scottish Government's new Scottish Child Payment, launched from 15 February 2021 and an outline of Dunedin Canmore's approach to supporting customers' take up of this new benefit.

2. Authorising Context

- 2.1 Under the terms of the Group Authorising Framework and Group Authorise/Manage/Monitor Matrix, the Board is responsible for monitoring operational performance and implementing the Board's strategy.
- 2.2 The Board's role is to scrutinise performance. This paper sets out one of the means by which we are seeking to both support customers to maximise their income and support performance, particularly with regard to rent arrears and income collection.

3. Risk appetite and assessment

- 3.1 The Group risk appetite related to rent arrears including Universal Credit is Cautious, defined as preference for safe delivery options that have a low degree of inherent risk and may only have limited potential for reward.
- 3.2 In the current challenging economic climate, there is a risk that rental income could be impacted. A means by which we are seeking to mitigate this risk is by supporting customers to maximise their income, including ensuring they are aware of and claim all their entitlements.

4. Background

- 4.1 The Scottish Child Payment was announced by the Scottish Government on 26 June 2019. This was a key commitment of their Tackling Child Poverty Plan 2018 – 2022 which made a commitment to ‘work towards introducing an income supplement within the lifetime of the plan’ for low income families. The overall aim of the plan is to lift children living in Scotland out of poverty and reduce the relative child poverty rate by 3% by 2022, with the Scottish Child Payment being viewed as a key way to do this.
- 4.2 Following an 18 month process reviewing various options for this income supplement, the Scottish Child Payment was launched formally on 3 November 2020 by the Cabinet Secretary for Scottish Social Security and Older People. It was announced that applications would be opened from 9 November 2020 with the benefit starting from 15 February 2021.

5. Discussion

- 5.1 The new Scottish Child Payment will be delivered by Social Security Scotland and will be paid to eligible low income families with children under 6. The payment is £10 per week for each child within an eligible household (where Universal Credit, Tax Credits, Job Seekers’ Allowance or Employment Support Allowance is being paid). It is in addition to any other benefits in payment to the household and does not affect eligibility for any other benefits. There is no cap on the number of children it can be applied for within a household as long as the other eligibility criteria are met.
- 5.2 Entitlement will begin from 15 February 2021 and for those who have applied before this date, payments will begin from the end of February 2021. Applications were opened so far in advance in November 2020 due to the Scottish Government expecting a high demand for this payment and can be made online, by telephone and post. The Scottish Government have written to all families they believe may be eligible to apply to encourage take up of the benefit. While initially it will stop once a child turns 6, Social Security Scotland plan to extend this to include all children under the age of 16 from 2022
- 5.3 Using our customer data intelligence and insight we know that across Group, in December 2020 there were around 4,800 households with a total of 5,465 children who could potentially be eligible for this additional payment, giving an additional income of £520 per child per year for these families. This is broken down across the individual RSLs in Group as follows:

RSL	No. Children Potentially Eligible
GHA	3,286
DGHP	1,331
Dunedin Canmore	304
Cube	328
Loretto	112
WLHP	104
Wheatley Group	5,465

- 5.4 Refreshed figures for January 2021 show a slight reduction in the number of children eligible for the payment across Group. For Dunedin Canmore the figure has reduced slightly and is now 250 households with 286 children potentially eligible for the payment.

Encouraging Uptake Among Wheatley Customers

- 5.5 Our new Whole Family Approach within our 2021-26 Strategy is focused on improving outcomes for our families and we are working proactively to maximise our families' incomes through promotion of the Scottish Child Payment. We are doing this by building on the success of previous proactive campaigns, not least of which when we contacted every customer personally at the beginning of the pandemic to offer support and our furlough campaign where we reached out to provide practical help and advice to all customers who we knew had been furloughed over the summer last year.
- 5.6 To support and encourage our customers to apply for this additional benefit, we used the annual rent campaign to get in touch with customers we knew might be eligible. We have proactively contacted them via their Housing Officer and our Welfare Benefits Advisors, as well as harnessing the power of digital communication to raise awareness across our websites and social media platforms, utilising Facebook, Twitter and Instagram to push the take up campaign in conjunction with Social Security Scotland.
- 5.7 Now in January 2021, we have reviewed and refined our list of all customers who may potentially be eligible to apply for the Scottish Child Payment. We are following up on our initial phase of contact with a further proactive campaign to contact all customers who might be eligible to ensure they have applied and support those who need assistance to do so ahead of the launch date of 15 February 2021. We are using this target date in order to make sure customers get the payments from the day they are first entitled to receive it.
- 5.8 As part of this second phase, we will continue to highlight the new benefit on our social media channels as described in 5.6 and websites too. We will also utilise our new methods of communication that have been successful in previous campaigns including bulk text messaging and GIFs.
- 5.9 Our campaign is in addition to the Scottish Government and Social Security Scotland continuing to raise awareness of the benefit, including through their social media platforms, health visitor packs, information in baby boxes and guidance in schools and nurseries. Promotional materials are also available for organisations to access if required.
- 5.10 Customers who have already applied will receive an acknowledgment letter from Social Security Scotland four weeks after application. They will then receive a confirmation letter when a decision on their application has been made. This will provide details of any award, how much will be paid and when.

6 Key Issues and Conclusions

- 6.1 The Scottish Child Payment is a step forward to helping to reduce child poverty as part of the Scottish Government's Tackling Child Poverty Plan. Our take up campaign supports this and will ensure our eligible customers are financially better off. This is in line with our strategic aim of taking a whole family approach and wanting to support customers to maximise their income wherever possible, particularly in the midst of the global pandemic.

- 6.2 We have approached the take up aspect in two separate phases, more generally in the first phase as part of our annual rent campaign and will provide more targeted contact as part of the second phase in the run up to the launch of the benefit across Scotland in February 2021. We will use our customer data intelligence and insight data to focus on supporting those customers most likely to be eligible and will provide advice and support to apply where a customer needs this. We will also harness the power of digital communication to raise awareness across our websites and social media platforms in order to reach as many people who may benefit from this new payment as possible.

7 Consultation

- 7.1 Consultation has taken place with leads across Group including discussion to refine the approach presented here.

8 Finance implications

- 8.1 There are no financial implications for this campaign. A significant number of our customers will receive increased income as a result of applying for and receiving this benefit.

9 Legal Implications

- 9.1 None

10 Equalities Impact

- 12.1 We will continue to provide support to vulnerable customers who engage with us.

11 Recommendations

- 11.1 The Board is asked to note our take up campaign for the new Scottish Child Payment, launching on 15 February 2021 and administered on behalf of the Scottish Government by Social Security Scotland.



Report

To: Dunedin Canmore Board

By: Anthony Allison, Director of Governance

Approved by: Steven Henderson, Group Director of Finance

Subject: Governance update

Date of Meeting: 11 February 2021

1. Purpose

1.1 To update the Board on the following governance related matters:

- Board recruitment and succession planning
- Board reporting template

2. Authorising context

2.1 The Board is responsible for agreeing its respective Board recruitment and succession planning arrangements, which is thereafter subject to agreement by the Group Remuneration Appointments, Appraisal and Governance Committee.

2.2 The Group reporting template is a formal element of our Group governance framework. On this basis, the template, and any additions thereto are subject to Group Board approval.

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 All elements of our operational group governance framework, including Board succession planning, remains under review on an ongoing basis to take account of factors such as unplanned retirements and material changes in circumstances.

- 4.2 In addition to this, we routinely undertaken strategic governance reviews at Group level to consider our governance arrangements as a whole and taking into account our strategic direction and independent expert advice.

5. Discussion

Board recruitment and succession planning

- 5.1 Since the last Board meeting a tenant Board member vacancy has been filled with the appointment of Jane Menzies in December 2020. This takes the Board to 10 members, including four Dunedin Canmore tenants and six independent members.
- 5.2 Our constitution provides for up to seven independent members therefore one vacancy still remains. As we have not fully remobilised the Board and have 10 existing members it is proposed that we delay the recruitment until we are fully remobilised.

Board reporting template

- 5.3 The Group Board have agreed updates to our reporting template, which fall into the two categories below:

1. Strategy alignment

- 5.4 Our new Group and individual strategy will come into effect from April 2021. A key role for the Board will be understanding how we are progressing with implementation and where appropriate making decisions.
- 5.5 The authorising context will therefore be extended to include strategic context. This section will briefly set out how the content of the report relates to our agreed strategic themes and outcomes. This will give greater context up-front for the contents of the report.
- 5.6 This section will also highlight whether the content of the report has strategic implications in relation to external partner organisations. For example, a project may support a Local Authority partner in delivering their strategic objectives as well as our own (such as in relation to homelessness or new affordable housing supply). This allows us to set out in a more strategic context what was previously included at the end of the report template in the Partnership Implications section.
- 5.7 Two themes which underpin our strategy are increasing customer engagement (particularly how this influences our decision making) and digital transformation. These are areas which will require to be factored into a wide range of our future deliberations and decision making.
- 5.8 Taking this into account, two new sections are incorporated into the template to set out clearly how the content is informed by and takes into account these two key strategic areas.

2. Integration

- 5.9 We have reviewed previous reports and identified areas which are, in practice, so closely aligned that having separate sections can lead to duplication. We therefore propose to merge the following:
- Discussion, key issues and conclusions, and implementation and deployment
 - Financial and value for money implications
 - Authorising context and partnership implications (as noted above)
- 5.10 A clean and tracked change version of the proposed template is attached at Appendix 1A and 1B respectively. The revised template will support implementation of our new strategy. It will also retain core governance elements which allow the Boards to make informed decisions, such as risk assessments, financial implications and legal/regulatory/charitable issues. The template itself also provides guidance for staff on the content which should be included in all sections.
- 5.11 The template will come into effect in May 2021 following the launch of our new strategy. The additional sections will allow us to reinforce how reporting should be linked to our strategy.

6. Key issues and conclusions

- 6.1 The proposals in the report allow the Board to continue to exercise its strong oversight and decision making in relation to governance related matters. This is consistent with our agreed risk appetite in this area.

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 impact on our financial projections arising from this report.

9. Legal, regulatory and charitable implications

- 9.1 SHR Regulatory Standards of Governance, Standard 4 requires that:

The governing body bases its decisions on good quality information and advice and identifies and mitigates risks to the organisation's purpose

- 9.2 Our report template sets a structure which seeks to facilitate this type of information being provided to the Board.

10. Partnership implications

- 10.1 There are no partnership implications associated with this report.

11. Implementation and deployment

- 11.1 The implementation and deployment of the process is set out in the body of the report.

12. Equalities impact

- 12.1 There are no equalities impact arising from this report. Equalities implications will remain a specific section in our future Board reporting template.

13. Recommendations

- 13.1 The Board is asked to:

- 1) Note that proposed plan and timeframe to fill the existing vacancy;
- 2) Note the revised Board reporting template and that it will take effect from April 2021

List of Appendices

Appendix 1A – Clean revised Board reporting template

Appendix 1B – Track changed revised Board reporting template



Report

To:

By:

Approved by:

Subject:

Date of Meeting:

1. Purpose

1.1 This should very clearly set out what is being asked of the Board such as:-

- Seek approval of [xxxx];
- Provide the Board with an update on [xxxxx].

This section **should not** stray into the content of the report and should mirror the recommendations. This should be a **maximum** of 1-2 paragraphs.

2. Authorising and strategic context

2.1 This section should specifically set out in what authorising context the Board/Committee is being asked to act. This must include a direct reference to at least one of the following:

- Intra-Group Agreement (IGA);
- Group Standing Orders (GSOs);
- Group Authorising Framework (GAF);
- Authorise/Monitor/Manage Matrix (AAMM);
- Scheme of Financial Delegation.

2.2 This section should also clearly identify the links to the Group/Partner strategy, setting out:

- Which strategic theme(s) the report relates to
- What strategic outcome(s) the report contributes to achieving
- Any associated strategic results
- Any specific strategy commitment the report relates to and/or will be met

It should also set out any other relevant strategic context, for example links to strategic objectives of partners or key stakeholders.

3. Risk Appetite and assessment

- 3.1 The report should make a **specific reference** to the Board's approved risk appetite level in relation to the subject matter e.g.:-

Our agreed risk appetite in [insert risk area] is [insert tolerance level]. This level of risk tolerance is defined as "[insert the definition for risk rating]".

Where there is no defined existing or linked risk appetite level, consider proposing a new risk appetite for approval.

- 3.2 It should then go on to identify the key risks / overall level of risk associated with the proposals.

4. Background

- 4.1 Any **pertinent** issues which provide the context for the report e.g.:-

- Previously agreed decisions or actions;
- Recap of pertinent information previously communicated;
- Information which provides the strategic context for the thread and content of the report.

5. Customer Engagement

- 5.1 Our strategy has a very clear focus on enhancing our customer engagement and a significant element of co-development and co-design with our customers. This section should include details of:

- How we have engaged customers on development of any proposals in the report; and/or
- how we plan to engage customers on the proposals in the report

6. Discussion

Part 1

- 6.1 This is the main body of the report and should set out clearly and fully cover what is set out in the purpose of the report and further detail the influence of the customer engagement.. For reports to partner Boards this should have a **clear focus** on what is relevant and applicable to the particular partner. For example where the report relates to a Group Policy or similar, it should not be a boiler plate replica of the Group Board report.

Part 2

- 6.2 This should act as a brief summary and recap of the main points developed.

7. Digital transformation alignment

- 7.1 Our Group Strategy sets a clear direction and is underpinned by digital transformation. This section should set out which digital transformation theme the proposals are contained within and/or will be contributing to delivering. It should also confirm whether the proposals are contained within the Digital Transformation Programme.
- 7.2 Where the proposals are not already included within the Digital Transformation Programme this section must:
- detail why it is not in the existing plan
 - detail how it will be resourced within the proposed timescale

8. Financial and value for money implications

- 8.1 The financial implications or analysis associated with the report should be clearly identified and where possible quantified. This should be linked to how any proposals or courses of actions will be funded and will, as appropriate, cover areas such as:
- Source of funding (including relevant group entity, partnership or other available funding e.g. Government / Local Authority pots and funds);
 - Impact on budget;
 - Business plan implications, including impact on surplus;
 - Key milestones;
- 8.2 This section should also confirm how the proposal provides value for money, for the business and for tenants/customers/people we work for.
- 8.3 Where there are no implications, such as scrutiny / update reports (e.g. Finance report or performance report) the section should expressly state that this is the case.

9. Legal, regulatory and charitable implications

- 9.1 This section should clearly outline the relevant legislation and regulation which applies to the subject matter. It should set out the implications of the legislation, including how these have been incorporated in any proposals or reference where such information is already contained within the body of the report.
- 9.2 It should include:-
- an assurance that the necessary checks have taken place to ensure that there is no risk to legal compliance and provide details of any legal advice received;
 - details of any consents required with the proposals e.g. SHR or funder; details of any legal or regulatory consultation requirements with tenants.

[GUIDANCE / INPUT SHOULD BE SOUGHT FROM LEGAL / GOVERNANCE AND FINANCE]

10. Equalities implications

- 10.1 This section should set out how any proposals made ensure we continue to comply with equalities legislation, where applicable.

11. Recommendations

- 11.1 This section should clearly set out what the governing body is being asked to do, eg specific approvals and decisions that are being sought. This should reflect the purpose section.

WHERE THERE IS A CONSENT REQUIREMENT, THE RECOMENDATIONS SHOULD CLEARLY STATE THE RECOMMENDATION IS SUBJECT TO RECEIVING SUCH CONSENT

LIST OF APPENDICES:-

All appendices within the document should be identified. All attached documents outwith the report should be identified as an Appendix and appropriately numbered, not referred to as 'attached' or 'enclosed' etc.



Report

To:

By:

Approved by:

Subject:

Date of Meeting:

1. Purpose

1.1 This should very clearly set out what is being asked of the Board such as:-

- Seek approval of [xxxx];
- Provide the Board with an update on [xxxxx].

This section **should not** stray into the content of the report and should mirror the recommendations. This should be a **maximum** of 1-2 paragraphs.

2. Authorising and strategic context

2.1 This section should specifically set out in what authorising context the Board/Committee is being asked to act. This must include a direct reference to at least one of the following:-

- Intra-Group Agreement (IGA);
- Group Standing Orders (GSOs);
- Group Authorising Framework (GAF);
- Authorise/Monitor/Manage Matrix (AAMM);
- Scheme of Financial Delegation.

2.2 This section should also clearly identify the links to the Group/Partner strategy, setting out:

- Which strategic theme(s) the report relates to
- What strategic outcome(s) the report contributes to achieving
- Any associated strategic results
- Any specific strategy commitment the report relates to and/or will be met

It should also set out any other relevant strategic context, for example links to strategic objectives of partners or key stakeholders.

3. Risk Appetite and assessment

- 3.1 The report should make a **specific reference** to the Board's approved risk appetite level in relation to the subject matter e.g.:-

Our agreed risk appetite in [insert risk area] is [insert tolerance level]. This level of risk tolerance is defined as "[insert the definition for risk rating]".

Where there is no defined existing or linked risk appetite level, consider proposing a new risk appetite for approval.

- 3.2 It should then go on to identify the key risks / overall level of risk associated with the proposals.

4. Background

- 4.1 Any **pertinent** issues which provide the context for the report e.g.:-

- Previously agreed decisions or actions;
- Recap of pertinent information previously communicated;
- Information which provides the strategic context for the thread and content of the report.

5. Customer Engagement

- 5.1 Our strategy has a very clear focus on enhancing our customer engagement and a significant element of co-development and co-design with our customers. This section should include details of:

- How we have engaged customers on development of any proposals in the report; and/or
- how we plan to engage customers on the proposals in the report

6. Discussion

Part 1

- 6.1 This is the main body of the report and should set out clearly and fully cover what is set out in the purpose of the report and further detail the influence of the customer engagement. For reports to ~~subsidiary-partner~~ Boards this should have a **clear focus** on what is relevant and applicable to the particular ~~subsidiary-partner~~. For example where the report relates to a Group Policy or similar, it should not be a boiler plate replica of the Group Board report.

Part 2

- 6.2 This should act as a brief summary and recap of the main points developed.

5.1

6. Key issues and conclusions

Commented [AA1]: New section

Commented [AA2]: To be consolidated into discussion section

6.1 This should act as a brief summary and recap of the main points developed in the discussion section and the conclusions being drawn from the key points e.g.:-

- A course of action that should be taken;
- A decision or judgement that requires to be made;
- The approval process (in particular in relation to other Group members);
- Next steps / actions being taken as a result of the key issues and conclusions.

6.2 This section must also include some analysis of how the proposals within the report (e.g. mitigations identified) get us to a position risk exposure is consistent with our appetite or set out recommendations as to why we should be accepting risk beyond our agreed appetite

7. Digital transformation alignment

7.1 Our Group Strategy sets a clear direction and is underpinned by digital transformation. This section should set out which digital transformation theme the proposals are contained within and/or will be contributing to delivering. It should also confirm whether the proposals are contained within the Digital Transformation Programme.

7.2 Where the proposals are not already included within the Digital Transformation Programme this section must:

- detail why it is they are not in the existing plan
- detail how they will be resourced within the proposed timescale

Commented [AA3]: New section to more clearly articulate the link to digital transformation programme

7. Value for money implications

7.1 This section should consider how the proposals relate to the Group's Value for Money ("VFM") Framework. The VFM Framework should be directly consulted and referenced in this section for example:-

7.2 The [subject matter] relates to the x key value driver identified within our VFM Framework. It is anticipated that this will impact this driver by [insert analysis / projection] e.g. potentially improving satisfaction with X.

7.3 The [subject matter] relates to key VFM Objective x and will support the actions under this objective by [insert relevant details].

Commented [AA4]: Consolidated into finance section

8. Financial and value for money implicationsImpact on financial projections

8.1 The financial implications or analysis associated with the report should be clearly identified and where possible quantified. This should be linked to how any proposals or courses of actions will be funded and will, as appropriate, cover areas such as:-

- Source of funding (including relevant group entity, partnership or other available funding e.g. Government / Local Authority pots and funds);
- Impact on budget;
- Business plan implications, including impact on surplus;
- Key milestones;
- ~~Link to strategy.~~

8.2 ~~This section should also confirm how the proposal provides value for money, for the business and for tenants/customers/people we work for. This section should clearly identify if / how the proposals impact our assumed surplus in approved financial projections.~~

8.3 Where there are no implications, such as scrutiny / update reports (e.g. Finance report or performance report) the section should expressly state that this is the case.

9. Legal, regulatory and charitable implications

9.1 This section should clearly outline the relevant legislation and regulation which applies to the subject matter. It should set out the implications of the legislation, including how these have been incorporated in any proposals or reference where such information is already contained within the body of the report.

9.2 It should include:-

- an assurance that the necessary checks have taken place to ensure that there is no risk to legal compliance and provide details of any legal advice received;
- ~~details of any consents required with the proposals e.g. SHR or funder;~~
- details of any legal or regulatory consultation requirements with tenants or people we work for.

[GUIDANCE / INPUT SHOULD BE SOUGHT FROM LEGAL / GOVERNANCE AND FINANCE]

10. ~~Partnership Equalities~~ implications

10.1 ~~This section should set out how the proposals impact and fit with our approach to partnerships, such as:-~~

- ~~Potential to deliver in partnership with others;~~
- ~~Interdependency on the work of partners;~~
- ~~Key partners approach – strategic / operational.~~

10.1 This section should set out how any proposals made ensure we continue to comply with equalities legislation, where applicable.

11. ~~Implementation and deployment~~

Commented [AA5]: Partnership now included within Authorising and strategic context

Commented [AA6]: To be covered in main discussion section

~~11.1 This section should clearly set out any arrangement to implement and deploy any proposals, including:-~~

- ~~▪ Which business area(s) will lead the implementation and deployment;~~
- ~~▪ The timescale/key milestones for implementation;~~
- ~~▪ Monitoring and reporting arrangements for reporting progress with implementation.~~

~~12. Equalities impact~~

~~12.1 This section should detail any equalities impact which has been considered or shall be considered. Details of the results of any Equality Impact Assessment should be provided.~~

~~13~~10. Recommendations

~~13~~10.1 This section should clearly set out what the recipient governing body is being asked to do, eg -specific approvals and decisions that are being sought. This should reflect the purpose section.

WHERE THERE IS A CONSENT REQUIREMENT, THE RECOMMENDATIONS SHOULD CLEARLY STATE THE RECOMMENDATION IS SUBJECT TO RECEIVING SUCH CONSENT

LIST OF APPENDICES:-

All appendices within the document should be identified. All attached documents outwith the report should be identified as an Appendix and appropriately numbered, not referred to as 'attached' or 'enclosed' etc.

Commented [AA7]: Repositioned



Report

To: - Dunedin Canmore Board

By: - Hazel Young, Managing Director

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

Subject: - Disposal of Property at 435 Julian Court, Glenrothes, Fife

Date of Meeting: - 11 February 2021

1. Purpose

1.1.1 The Board is asked to consider the content of this paper; and agree: -

- The disposal of 435 Julian Court, Glenrothes, Fife:
- and that any capital receipts that materialise from the property at 435 Julian Court are used to reinvest on the capital investment programme to improve our existing stock.

2. Authorising context

2.1 In accordance with the Group Authorising Framework the Dunedin Canmore Board is responsible for approving its own investment priorities, capital investment plan and its own stock acquisitions and disposals.

3. Risk Appetite and assessment

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

4. Background

- 4.1 Our 5-year investment programme remains routed in the strategic ambition to continue to invest in our existing properties and wider assets in line with commitments set out in our vision “Investing in Our Futures”.
- 4.2 We know through our locality plans that the quality of the local environment and our homes is a major priority for our customers. Our investment programme and locality planning commitments focus on:
- Improving the quality of our homes;
 - Driving increased demand for our homes;
 - Creating communities that our customers are proud of.
- 4.3 Customer satisfaction with our homes is a key indicator both in relation to overall customer satisfaction but also performance in respect of the services we provide to our customers.
- 4.4 The Board will be aware that we have a statutory commitment to ensure all our social homes for rent meet the Scottish Housing Quality Standard (SHQS). All registered social landlords had to meet the Standard by April 2015 ensuring that all homes:
- Are energy efficient, safe and secure;
 - Not seriously damaged;
 - Have kitchens and bathrooms that are in good condition
- 4.5 At present 99.77% of all DC stock satisfies the SHQS standard.
- 4.6. The Board will also be aware that we have a statutory commitment to ensure all our social homes for rent must comply with the Energy Efficiency Standard for Social Housing (ESSH). ESSH aims to improve the energy efficiency of social housing in Scotland to help reduce energy consumption, fuel poverty and the emission of greenhouse gases.
- 4.7 At present 98.71% of all DC stock satisfies ESSH.
- 4.8 435 Julian Court is located in a family residential area of Glenrothes. This property would only be suitable for a single person tenancy, due to its size. and facilities. The property is surrounded by family sized homes and accommodation and there is a small shopping centre 20 minutes’ walk away. The centre of town and its associated wider services are accessed by a bus journey, if a tenant did not have access to a car.
- 4.9 The patch Housing Officer is of the view that there could be difficulty in sustaining a tenancy due to its isolation, if any incoming tenant did not have immediate local supports or access to transport, particularly as this property is likely to appeal or be more suitable to single young people.
- 4.10. This property is one of 3 based in dispersed areas around Glenrothes. It involves significant Housing Officer time and travel to visit and ensure that the customer there is provided with a robust Housing service. This can put pressure on Housing Officers efficient use of time as the closest housing stock beside these properties are located in Dunfermline which is 30-minute drive.

- 4.11. 435 Julian Court is a small bedsit flat (property photos attached) which recently became void in a mixed tenure 1970's block. DC is a minority and single owner within the block. It will require significant investment to achieve the SHQS and EESSH. The property currently fails to meet SHQS and EESSH due to its current condition, outdated and inefficient storage heating and insulation qualities.
- 4.12. The property will require a new kitchen, electric quantum heating, bathroom, new windows, energy efficiency upgrades, rewire, redecoration and internal fire doors. The costs of addressing these improvements will be in excess of £18,000. Spending this sum will enable this flat to become SHQS and EESSH compliant however the bedsit is not in keeping with modern standards of accommodation which DC aspires to provide to our customers.

5. Discussion

- 5.1 To agree the sale of 435 Julian Court, the best option for the future of this property an option appraisal was undertaken.

Option 1 – Do Nothing

- 5.2 In its current condition 435 Julian Court does not meet DC's aspiration to offer good quality, modern homes for social rent. Significant costs, in excess of £18,000 will be required to re-let the property which is uneconomic. The Do Nothing option is not therefore achievable.

Option 2 – Retain and Invest

- 5.3 435 Julian Court currently does not meet SHQS and EESSH. Significant costs, in excess of £18,000 will be required to improve the property. Further works will be required to meet EESSH 2 in the future. The option to retain and invest in these properties is unacceptable as the investment costs are uneconomic and would not meet DC's standard to offer good quality, modern homes for social rent.
- 5.4 435 Julian Court is located in a poorly maintained 1970's tenement which have no formal factoring arrangement in place. If this property is retained the ability to co-ordinate common repairs and introduce environment services will continue to be hampered by the lack of co-operation from private homes owners/landlords.

Option 3 – Disposal

- 5.5 435 Julian Court can be brought up to SHQS and EESSH standard however with regards to demonstrating Value for Money in excess of £18,000 will need to be spent to achieve the "minimum" SHQS and Energy standard. The property may require further long term investment to achieve EESSH 2.
- 5.6 The disposal of this property will support the effective management of our assets supporting both service and financial efficiencies. It will also enable the reinvestment of any capital receipts in the supply of social housing which will support the achievement of our vision and deliver excellent customer service. Disposal will also increase DC's compliance with EESSH.

Preferred Option

- 5.7 It is recommended that Option 3 Disposal is adopted for 435 Julian Court. The property is currently vacant and it is recommended that it is sold on the open market.

6. Key issues and conclusions

- 6.1 Disposal of 435 Julian Court will support DC to maintain and enhance customer satisfaction with good quality homes.
- 6.2 It is recommended that any remaining capital receipts that arise from the sale of these properties to be used to re-invest in the capital programme for our existing stock and assets.
- 6.3 The current property resale value (via PIMMS, asset system) for 435 Julian Court is £60,000. However, giving the extent of the works required and its general poor condition, it's unlikely that this value will be realised.
- 6.4 With regards to any outstanding HAG against the property discussions will take place with Group Treasury/Scottish Government as to how it be dealt with.

7. Value for money implications

- 7.1 Disposal of Julian Court and investment in our remaining stock will build value across all seven key customer target segments from senior singles to financially active singles/couple by investing in our customers' homes and communities. By investing in our local neighbourhoods and environment we will also create greater levels of customer satisfaction from all target segment groups as demonstrated in some of most recent performance results.
- 7.2 The potential disposal of Julian Court supports several key VFM objectives in respect of repairs performance, balancing asset sustainability investment with targeting of home improvements and improve flexibility and responsiveness of 24-hour service.
- 7.3 The disposal of these properties will support our three common value drivers – repairs, home improvements and 24-hour service, and will improve a range of other performance and efficiency targets from satisfaction with our homes to turnover rates.

8. Impact on financial projections

- 8.1 435 Julian Court is unsecured. The loss of this property will have limited impact on Dunedin Canmore's Business Plan.
- 8.2 Any capital receipts, estimated to be in the region of £50,000-£60,000 will be reallocated to the capital programme to be reinvested in our existing stock.

9. Legal, regulatory and charitable implications

- 9.1 Disposal of this asset will support DC to ensure all our homes meet SHQS and EESSH as determined by the Scottish Housing Regulator.

- 9.2 Any disposal will be undertaken in accordance with Group Treasury and Governance procedures and will also comply with the Regulators revised guidance on consent for the disposal of association's assets. The revised guidance note advises that RSL's no longer require the formal consent of the Regulator to dispose of an asset but must notify them of any relevant disposals following Board approval.

10. Partnership implications

- 10.1 Not applicable

11. Implementation and deployment

- 11.1 Subject to Board approval the Managing Director will organise the valuation and disposal of these assets on the open market in accordance with Group and Scottish Housing Regulator guidance. The Managing Director will also ensure that any forthcoming capital receipts are secured to reinvest on the capital investment programme to improve our existing stock.
- 11.2 Delegated authority of the Chair and/or the Managing Director is requested to approve the agreed sale price for 435 Julian Court.

12. Equalities impact

- 12.1 Not Applicable

13. Recommendations

- 13.1 The Board is asked to: -
- Approve the disposal of 435 Julian Court, Glenrothes, Fife
 - Agree that any capital receipts that materialise from the properties at 435 Julian Court are used to reinvest on the capital investment programme to improve our existing stock.
 - Delegate authority to the Chair or the Managing Director to approve the final sale price for the property and execute the disposition or such documents as are required.









