



**DUNEDIN CANMORE HOUSING
BOARD MEETING**

**Thursday 18 August 2022 5pm
New Mart Road, Edinburgh**

AGENDA

1. Apologies for absence
2. Declarations of interest
3. a) Minute of 26 May 2022 and matters arising
b) Minute of 14 July 2022

Main Business Items

4. East of Scotland partnership
5. Complaints update
6. Group protection update (revised policies and general update)
7. Wheatley Solutions delivery model
8. a 21/22 financial statements
b Annual Internal Audit report and opinion
9. a Governance annual update
b Strategic governance review

Other business

10. Performance report 22/23 Q1
11. Finance report
12. Corporate risk register
13. Group Business Continuity policy
14. AOCB

Report

To: Dunedin Canmore Board

By: Anthony Allison, Director of Governance

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

Subject: East of Scotland Partnership

Date of Meeting: 18 August 2022

1. Purpose

- 1.1 To seek formal Board approval to conclude the business transfer with West Lothian Housing Partnership (WLHP).

2. Authorising and strategic context

- 2.1 The agreement of changes to the Wheatley Group corporate structure are reserved to the Group Board. Changes that impact on us are also subject to our approval.
- 2.2 Both our Board and the WLHP Board, as well as the Group Board, have previously approved the proposed stock transfer from WLHP at various stages throughout this year, from initial proposal through to consultation and ballot. This report now seeks formal approval to conclude the transfer. The Group Board will also be formally asked to approve the transfer at its meeting on 25th August.

3. Background

- 3.1 At its meeting in February, the Board consider a proposal to enter into an agreement with WLHP through which we would receive the stock and assets of WLHP. As part of its consideration, the Board considered our purpose and the benefits of the transfer.
- 3.2 Following the February approvals, the WLHP Board progressed the transfer proposals including through discussions with the Local Authority, Scottish Housing Regulator ("SHR") and funders. They also consulted and then balloted tenants on the proposals, which resulted in a positive ballot in which 90% of those voting were in favour of the transfer to us. The turnout was 34.2% which is similar to past ballots of this sort in Group.

4. Discussion

4.1 Having considered the transfer and benefits, the Board now requires to formally approve that we enter into the business transfer agreement with WLHP. The date of transfer will be Monday 5th September 2022.

4.2 Harper Macleod has carried out diligence on the proposed transfer, a summary of which has previously been provided to the Board. Harper Macleod has stated that:

Subject to the qualifications and assumptions set out in Part 2 of the Schedule to this report, as a general conclusion to our review, we would confirm as follows:

- 1. our findings in respect of the legal due diligence exercise are consistent with what in our experience might reasonably be expected of a Scottish registered social landlord of a similar size and breadth of activities to WLHP, having regard to the level of regulatory engagement with the Scottish Housing Regulator to which WLHP is currently subject; and*
- 2. we have not identified any particular matters, risks or concerns which we regard as being sufficiently material for us to recommend that they should prevent DCH from proceeding with the Transaction.*

Harper MacLeod's qualifications and assumptions are those which we would expect in a review of this nature, for example that the review was undertaken in line with the instruction provided and is based on the responses provided.

4.3 The due diligence report is now being finalised and a copy is available upon request. A copy of the BTA is attached at appendix 1.

4.4 This has been returned to funders for final approval before signature. In addition to the diligence report, Harper Macleod has also provided a summary of the BTA with the following confirmation:

Having reviewed the terms of the Transfer Agreement and negotiated its terms with solicitors acting for WLHP, we are satisfied that the Transfer Agreement is drafted on appropriate terms, having regard to the nature of the proposed transfer from WLHP to DCH.

Accordingly, we are satisfied that it would be appropriate for DCH to approve the terms of the Transfer Agreement and to enter into the same.

Next steps

4.5 The timeline and next steps to effect the transfer are set out below.

Action	Due date
WLHP notify SHR of ballot result	Complete
WLHP notify all tenants of outcome of ballot	Complete
Funder consent received (including all RSL Borrower group members formally agreeing)	w/c 15 August 2022
WLHP Board to approve BTA and completion	17 August 2022

DCH Board to approve BTA and completion	18 August 2022(this meeting)
Wheatley Board to approve completion	25 August 2022
Business transfer and conveyancing	5 September 2022
Notify contractors and complete assignments/novations for development projects and other contracts (such as office lease)	At transfer

5. Customer engagement

- 5.1 Customers were able to vote on the partnership proposals, and the support of 90% shows strong backing for the transfer.

6. Environmental and sustainability implications

- 6.1 There are no environmental or sustainability implications associated with this report.

7. Digital transformation alignment

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

8. Financial and value for money implications

- 8.1 The financial implications of the creation of a new organisation for the East of Scotland have been previously assessed and reflected in our future business plan.

9. Legal, regulatory and charitable implications

- 9.1 The legal, regulatory, and charitable implications of transfer are considered as part of Harper Macleod's diligence report and summary note.
- 9.2 The transfer process is being progressed in line with the Scottish Housing Regulator statutory guidance, particularly in relation to tenant consultation and ballots.

10. Risk appetite and assessment

- 10.1 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". This reflects our risk appetite in relation to laws and regulation, which is "averse", with the avoidance of risk and uncertainty is a key organisational objective and a priority for tight management controls and oversight.
- 10.2 As set out above, we will mitigate this risk by engaging external legal and professional advice throughout the process to provide the Board assurance that all legal and regulatory requirements are being followed. This will include ensuring we receive the necessary consents, such as from our funders.

11. Equalities implications

- 11.1 There are no equalities implications associated with this report.

12. Key issues and conclusions

- 12.1 The ballot result of 90% of customers voting in favour indicates strong support from tenants for the proposals. The costs of living and inflationary increases have continued since we first proposed the partnership and the rent commitment and increased investment will provide an element of support for tenants at a very challenging time.

13. Recommendations

- 13.1 The Board is asked to:

- 1) Receive the legal opinion on the business transfer;
- 2) Approve the business transfer;
- 3) Approve the Business Transfer Agreement and delegate authority to the Chair, any Board member, or the Company Secretary to approve any final changes to the BTA prior to completion and sign the agreement, together with any other documents required to give effect to the transaction.

List of Appendices

Appendix 1 - Updated Transfer Agreement [redacted]

Appendix 2 – Harper Macleod note

Our ref: DH/DSH/594277
Your ref:

The Board
Dunedin Canmore Housing Limited
8 New Mart Road
Edinburgh
EH14 1RL

12 August 2022

Dear Sir or Madam

**Dunedin Canmore Housing Limited
West Lothian Housing Partnership Limited
Transfer of Assets**

We refer to the proposed transfer of assets by West Lothian Housing Partnership Limited ("**WLHP**") to Dunedin Canmore Housing Limited ("**DCH**") (the "**Transaction**"). We have been instructed by Wheatley Housing Group Limited to prepare a transfer agreement, which is to be entered into between WLHP and DCH (the "**Transfer Agreement**"), which will give legal effect to the Transaction.

We write to summarise the principal terms of the Transfer Agreement, which are as follows:

- 1 Purpose – The transfer of defined housing properties and associated assets, relating to the housing management and development activities of WLHP, from WLHP to DCH;
- 2 Parties – WLHP as transferor and DCH as transferee;
- 3 Transfer of assets – In terms of the Transfer Agreement, WLHP will transfer its housing properties and related assets to DCH as a going concern. All existing tenants of the properties (who have been consulted on the proposed transfer as required by applicable legislation and the Scottish Housing Regulator) will be unaffected by the transfer and their existing tenancy agreements will transfer to DCH and so they will become tenants of DCH. As an exception to this, in relation to new-build units which were handed over after the statutory tenant consultation exercise was completed, these have already been leased by WLHP to DCH and so DCH is already the immediate landlord of those units;
- 4 Completion date – Completion is currently targeted for 5 September 2022, on which date WLHP will deliver dispositions of the properties in favour of DCH for registration, along with responsibility for the management, control and ownership of the properties, any moveable items, and all cash held by WLHP;
- 5 Consideration – No consideration is to be paid by DCH for the assets which are being transferred, but DCH agrees to carry out and fulfil any promises or commitments made by WLHP to the transferring tenants (as contained in the consultation documentation);
- 6 Contractual arrangements – Various building contracts and associated rights, as well as the lease of WLHP's office premises, are to be assigned by WLHP to DCH. Similarly, any existing

Scottish Government grant agreements relating to grant-funded WLHP properties will be assigned from WLHP to DCH;

- 7 Rents – Rental payments made by existing tenants will be apportioned with effect from the completion date, and DCH will be entitled to all rent due from and after the completion date. Also, any rent arrears due by tenants to WLHP will be assigned to DCH in order that DCH can seek to recover them post-transfer;
- 8 Staff – In the Transfer Agreement, WLHP confirms that there are no employees connected with the transferring properties who would have right to transfer to DCH by virtue of the TUPE Regulations;
- 9 Data Protection and Freedom of Information – Both parties are obliged to comply with their obligations under data protection and freedom of information legislation;
- 10 Governing law – The Agreement is governed by Scots Law and is subject to the exclusive jurisdiction of the Scottish Courts.

Having reviewed the terms of the Transfer Agreement and negotiated its terms with solicitors acting for WLHP, we are satisfied that the Transfer Agreement is drafted on appropriate terms, having regard to the nature of the proposed transfer from WLHP to DCH.

Accordingly, we are satisfied that it would be appropriate for DCH to approve the terms of the Transfer Agreement and to enter into the same.

Yours faithfully



Derek W Hogg
Partner
Harper Macleod LLP

Direct Dial: 0141 227 9297
Direct Fax: 0141 229 7167
E-mail: derek.hogg@harpermacleod.co.uk

Report

To: Dunedin Canmore Homes Association Board

By: Natalya Macholla, Managing Director of Customer Services

Approved by: Laura Pluck, Group Director of Communities

Subject: Complaint Handling and Performance 2021/2022

Date of Meeting: 18 August 2022

1. Purpose

- 1.1 The purpose of this report is to provide the Board with:
- An overview of complaint handling and performance across Dunedin Canmore. Housing Association for 2021/22;
 - Information on our learning and customer insight from complaints across 2021/22;
 - An update on developments relating to our onward approach to complaint handling; and
 - Seek feedback on the updated Complaints Policy and Unacceptable Actions Policy.

2. Authorising and strategic context

- 2.1 Under the Group Authorising Framework, subsidiary Boards are responsible for monitoring operational performance and for addressing any specific regulatory requirements including complaints handling.
- 2.2 The commitment to delivering exceptional customer experience and progressing from excellent to outstanding service are key outcomes in our 2021-26 strategy. Our approach and performance relating to complaint handling is a key part of our vision for realising this.

3. Background

- 3.1 The Group Complaints Policy outlines our two-stage complaints process which is compliant with the requirements of the Scottish Public Service Ombudsman (SPSO) model Complaint Handling Procedure (CHP). There is a requirement that we ensure:
- All complaints are recorded;
 - Complaint handling and performance is reported to the Board and Executive Management Team on a regular basis;
 - We record service improvements as a result of complaint handling; and;
 - Publicly report performance and share this information with our customers.

- 3.2 In February 2020, the SPSO launched its new Model Complaint Handling (MCH) guidance which all public organisations across Scotland were required to bring into effect by April 2021 as reported to Board in February 2021. The key change to their complaint handling guidance is the focus on resolving complaints and included the option to close complaints as 'Resolved'. The key focus of these changes being to support organisations in evaluating performance, driving improvement and sharing good practice thus ensuring the provision of excellent service to customers through effective complaints handling procedures.
- 3.3 In line with the new MCH guidance, a complaint is resolved when both the organisation and the customer agree what action (if any) will be taken to provide full and final resolution for the customer, without making a decision about whether the complaint is upheld or not upheld. Working collaboratively with the Complaints Handlers Network we developed guidance for all Registered Social Landlords to use in the deployment of this new approach, including the use of practical examples of when to use the new 'resolved' outcome. This is available to all of our staff who handle complaints. Resolved complaints still need to be reported as overall complaint figures.
- 3.4 The CHP also encourages consistent application and reporting of performance against the KPIs defined in its latest guidance issued in April 2022. There are four mandatory KPIs that we are required to report on. It is a minimum requirement for all organisations to:
- Report at least quarterly to senior management on the KPIs and analysis of the trends and outcomes of complaints;
 - Publish on a quarterly basis information on complaints outcomes and actions taken to improve services, i.e. good practice and lessons learned (there is no requirement to also publish quarterly data on KPIs); and
 - Publish an annual complaints performance report on our website that includes performance statistics in line with the KPIs, complaint trends and actions that have been taken or will be taken to improve services as a result.
- 3.5 For Registered Social Landlords, there are four KPIs that we must adopt. They are quantitative and help organisations and SPSO monitor practice and identify trends by showing: how many complaints organisations received; how long it took to deal with them at each stage; and how many were resolved, upheld, partially upheld or not upheld. The four KPIs we must adopt are:
- Total number of complaints received.
 - The number and percentage of complaints at each stage that were closed in full within the set timescales of five and 20 working days.
 - The average time in working days for a full response to complaints at each stage.
 - The outcome of complaints at each stage.

- 3.6 Over the period of the pandemic, like other organisations, we experienced a considerable downturn in the reporting of complaints. However, this was against a back-drop of restricted service delivery and significant disruption to wider public services. Complaint levels across Scotland have since risen above pre-pandemic levels with the SPSO itself reporting a 17% increase in the complaints they have received when comparing the 2021/22 and 2020/21 reporting years. They also noted an increase in the overall rate of complaints being upheld.
- 3.7 Complaints are managed and monitored in line with our Group Complaints Policy.

4. Discussion

Complaint Handling and Performance 2021/22

- 4.1 The Annual Return on the Charter (ARC) represents the key statistical reporting requirements to the Scottish Housing Regulator (SHR). The SHR has developed a set of indicators for landlords to report against. The following performance indicators relate to complaint handling and is supported by technical guidance provided by the SHR to calculate and report complaint handling performance on an annual basis:
- **The percentage of all complaints responded to in full at Stage 1 and the percentage of all complaints responded to in full at Stage 2.** The complaint response date is the date that the complaint has been closed and issued to the customer to confirm the outcome of their complaint.
 - **The average time in working days for a full response at Stage 1 and the average time in working days for a full response at Stage 2.** The target timescales as set out in the guidance issued by SPSO for handling complaints is within 5 working days at Stage 1 and within 20 working days at Stage 2.
- 4.2 During 2021/22, 399 complaints were received across Dunedin Canmore and 385 (96.49%) concluded in this period. For the purpose of reporting, the discrepancy between the complaints received and resolved in each reporting period is understood by the SHR. It is defined in the technical guidance issued by the SHR that landlords:
- Must count complaints received late in the reporting period, the outcome of which may not be reported until the next reporting period.
 - Must count the outcome of complaints received in the previous reporting period.
- 4.3 A summary of Dunedin Canmore's complaint performance data against key complaint handling performance indicators for 2021/22 is provided in Table 1 below. It is noteworthy that the ARC requires us to combine Dunedin Canmore and Lowther complaint performance data as Lowther deliver factoring services on behalf of Dunedin Canmore and therefore, considered as a service provided by Dunedin Canmore.

Table 1: Dunedin Canmore Annual Return on the Charter 2021/22 complaint performance data (including Lowther complaints)

ARC Indicators	Number of complaints	Percentage	Target
Complaints received in the reporting year	399 <ul style="list-style-type: none"> Dunedin Canmore: 257 Lowther: 142 		
Complaints responded to in full in the reporting year	385 <ul style="list-style-type: none"> Dunedin Canmore: 241 Lowther: 144 		
Percentage of Complaints responded to in full within SPSO timescales		Stage 1: 85.71% Stage 2: 89.28% Overall: 88.83%	96%
Average working days to provide a full response to all <u>Stage 1</u> complaints	<ul style="list-style-type: none"> Dunedin Canmore: 3.95 Lowther: 4.10 Combined: 3.92 		5 working days
Average working days to provide a full response to all <u>Stage 2</u> complaints	<ul style="list-style-type: none"> Dunedin Canmore: 18.75 Lowther: 19.15 Combined: 18.92 		20 working days

- 4.4 As noted in Section 3.6 above, a consistent theme as organisations have emerged from the COVID-19 pandemic, has been a general rise in the number of complaints raised. This is consistent with what we have seen across Dunedin Canmore during 2021/22 when compared to the total number of complaints received during the previous year and indeed the pre-covid year of 2019/20.
- 4.5 During 2021/22, Dunedin Canmore received 399 complaints in comparison to the 533 received during 2019/20 (pre-pandemic year). Table 1 confirms the average working days to respond to Stage 1 and Stage 2 complaints received by Dunedin Canmore as 3.95 days and 18.75 days respectively.
- 4.6 In comparison to other Wheatley Group subsidiaries, Dunedin Canmore reported 58.03% of Stage 1 complaints and 65.31% of Stage 2 complaints upheld or partially upheld. Table 2 below demonstrates how Dunedin Canmore has performed against the other Wheatley Housing Group RSLs in the year on this measure. The performance in terms of responding to complaints within SPSO timescales has, decreased from 99.6% in 2020/21 to 88.83% in 2021/22. Comparison with the other Wheatley Group RSL subsidiaries is outlined in Table 3 below.

Table 2: Percentage of Stage 1 and 2 Complaints, per RSL subsidiary, that were upheld or partially upheld in year.

Subsidiary	Stage 1 % Upheld or Partially Upheld	Stage 2 % Upheld or Partially Upheld
Target	50%	50%
Wheatley Homes Glasgow	55.89%	57.80%
Dunedin Canmore	58.03%	65.31%
WLHP	59.26%	N/A
Loretto	57.97%	66.66%
DGHP	41.73%	66.66%

Table 3: Percentage of all complaints, per RSL subsidiary, responded to in full at Stage 1 and 2 of the complaints process compared to number of complaints received within 21/22.

2021/22 Performance			
Subsidiary	Stage 1	Stage 2	All Complaints
Wheatley Homes Glasgow	97.49%	98.94%	97.67%
Dunedin Canmore	95.72%	102.08%	96.49%
WLHP	100.00%	N/A	100.00%
Loretto	97.87%	100%	98.04%
DGHP	99.06%	100%	97.25%
2020/21 Performance			
Subsidiary	Stage 1	Stage 2	All Complaints
Wheatley Homes Glasgow	97.16%	91.60%	96.21%
Dunedin Canmore	100.00%	91.18%	98.89%
WLHP	100.00%	N/A	100.00%
Loretto	97.30%	100.00%	97.56%
DGHP	96.53%	84.62%	95.81%
2019/20 Performance			
Subsidiary	Stage 1	Stage 2	All Complaints
Wheatley Homes Glasgow	97.27%	95.97%	97.13%
Dunedin Canmore	98.80%	95.83%	98.49%
WLHP	90.91%	100.00%	91.67%
Loretto	97.01%	100.00%	97.18%
DGHP	100.00%	100.00%	100.00%

- 4.7 Table 4 below confirms that 88.83% of all complaints were closed within timescale compared to our target of 96%.

Table 4: WHG Complaints Responded to within SPSO Timescale 2021/22

	All		Stage 1		Stage 2	
	Amount	%	Amount	%	Amount	%
Dunedin Canmore Complaints						
Complaints Responded to within SPSO Timescale	342	88.83%	300	89.28%	42	85.71%

- 4.8 A key indicator for assessing the strength of our ability to handle complaints effectively and appropriately is centred on the escalation of complaints to Stage 2 of the procedure or an overall low number of Stage 2 complaints. If a low volume of complaints are being upheld following an investigation at Stage 2 then this is an indication that issues raised by tenants and customers are being identified, investigated and resolved appropriately.
- 4.9 During 2021/22, there was an increase in the number of complaints escalated to Stage 2 of the complaints process. We have investigated and responded to 20 Stage 2 complaints from Dunedin Canmore tenants. Following investigation, 4 (25%) Stage 2 complaints were upheld. In comparison, we responded to 29 Lowther Stage 2 complaints and following investigation 13 (44.8%) were upheld. Across both Dunedin Canmore and Lowther, complaints about our repairs and maintenance service was the main reason our customers raised a complaint that escalated to Stage 2 of our complaints process. This is reflected across all Wheatley Group subsidiaries. The Repairs Transformation Plan, previously reported to Board reflects areas of improvement identified.

External Review (SPSO and First-Tier Tribunal)

- 4.10 The SPSO have reported that they have a significant backlog of cases as a direct result of the Covid-19 pandemic and the subsequent increase they have experienced in reported complaints (17% increase). In their recent contact with our Customer Insight and Complaints Team they confirmed that some customers are waiting up to 12 months to receive their final decision.
- 4.11 In total, 3 complaints from Dunedin Canmore tenants were subject to external review by the SPSO during 2021/22. After completing their initial assessment of the information provided by our Customer Insight and Complaints Team in relation to our own investigation of the issues raised, the SPSO concluded that:
- All 3 were not accepted by the SPSO for full investigation as they were satisfied that a robust investigation had already been completed by Dunedin Canmore.
- 4.12 The First-tier Tribunal for Scotland (Housing and Property Chamber) considers complaints raised by homeowners and private rented tenants. During 2021/22, 10 complaints were referred to the first-tier tribunal for consideration. The first-tier tribunal considered all 10 cases, which we had investigated at Stage 2, and;

Factoring:

- One case dismissed as resolved by Lowther;
- Two cases were retracted by owner prior tribunal hearing;

Private Sector Letting:

- Two cases dismissed
- Five cases retracted by tenant prior to hearing.

- 4.13 The detail above highlights consistency in the robust arrangements established for handling and investigating escalated complaints, identifying issues, establishing clear strategies for seeking an appropriate resolution and, importantly, mitigating risk for the Group. Critical to our ongoing success in this area is our Group Complaints and Customer Insight Teams continual monitoring of the number of complaints recorded to ensure that any expression of dissatisfaction from customers is appropriately recorded as a complaint and the issue effectively managed.

Learning and Customer Insight from Complaints

- 4.14 As detailed above analysis of Dunedin Canmore complaints confirms that the proportion of complaints received during 2021/22 relating to repairs and maintenance (32%). Of these, 67% were upheld or partially upheld. Complaints relating to repairs included common issues such as quality of service, timescale for completing repairs, notification of incomplete repairs and communication around repair appointments or missed appointments where the contractor did not attend.
- 4.15 It is also noteworthy that we have used significant learning from repairs complaints to help inform the wider Repairs Transformation Plan that was presented to Boards earlier this year. The use of this insight has been critical in forming several of the key areas that have been identified for transformation and improvement.
- 4.16 Despite repair complaint volumes being high when compared against other key business areas, the number of occasions where customers have cause to complain as a proportion of repairs raised, is not considered to be a significant concern or risk factor. Indeed, it must also be read against a back-drop of restricted, remobilising services and national shortages of materials as a result of Brexit and the Covid-19 pandemic. These issues alone have caused delays to customer repairs which in turn has led to dissatisfaction given the ultimate extension to timescales for completing repairs.
- 4.17 Table 5 below provides details of the type of repairs and maintenance complaints received by Dunedin Canmore during 2021/22.

Table 5: Repairs and Maintenance Complaints for Dunedin Canmore during 2021/22

Dunedin Canmore Repairs and Maintenance Complaints	Stage 1				Stage 2				Total No. of By Type
	Resolved	Upheld	Partially Upheld	Not Upheld	Resolved	Upheld	Partially Upheld	Not Upheld	
Contractor Liability	0	0	1	0	0	0	0	0	1
Incomplete Repair	2	7	3	1	0	0	0	0	13
Missed/Late Appointment	1	5	3	3	0	0	1	0	13
Quality Of Repair	1	7	1	3	0	0	0	0	12
Quality of Service	1	9	7	13	0	1	0	0	31
Timescale	2	7	1	4	0	0	0	0	14
Right to Repair	0	0	1	1	0	0	0	0	2
	7	35	17	25	0	1	1	0	86

- 4.18 The second greatest proportion of complaints received was about staff (40%). Despite staff complaint volumes being high when compared against some of our other complaints categories, the number of occasions where customers have cause to complain as a proportion of the number of customer contacts made in any given period, is not considered to be a significant concern or risk factor. It is also noteworthy, that a number of staff complaints received can also be linked to customer challenge around our defined processes and regulatory compliance that we must adhere to.
- 4.19 The range of issues highlighted across our staff complaints include failed customer commitments and overall customer experience. Customer experience complaints are handled by line managers responsible for service delivery and, where appropriate, further training and support is provided to reduce the likelihood of errors happening again. Where trends of poor customer service are noted, this is raised as part of our one-to-one performance discussions with staff. It should be noted that from the review of our complaints we have no concerns over staff attitude to our customers.
- 4.20 Complaints allocated to Tenancy Management was the third highest proportion of complaints received (12%). The range of issues highlighted include tenancy management issues, such as succession to tenancy, requests for management transfers and mutual exchanges.
- 4.21 These matters are a key focus for our community-based staff who arrange meetings face-to-face with customers in order to address these matters. Often these matters are complex given the need for us to adhere to our core policies and procedures whilst managing customer expectations. Housing Leads utilise learning from Stage 1 and Stage 2 complaints in this area to continually improve service delivery. They will present clear information on performance at VMBs and, where necessary, identify local leads to own these complaints, share good practice and the learning from them.

Policy and Practice

- 4.22 To support our wider ambition around complaint handling and performance we have completed a full review of our Complaints Policy, associated guidance and the core complaints information that we hold on our websites, social, media, to ensure that this is clear and easy-to-use and access for our staff and customers. This also includes an area on our website where we regularly report on our complaints performance and demonstrate our learning from complaints.
- 4.23 As part of this most recent review, we have taken the opportunity to streamline our documentation and update our Complaints Policy in line with our Strategy and our new operating model. We have also accompanied this with a review of our Unacceptable Actions Policy in collaboration with the Union. Our updated Complaints Policy and Unacceptable Actions Policy are appended to this report for information and feedback. We would note that there are no material changes to these documents, but the following points are noteworthy:
- The language in the Policy has been updated and aligned with our new ways of working and 2021-26 Strategy;
 - We have clearly articulated our timescales and expectations around complaint responses and made these specific to the channels our customers opt to use. We have introduced more ambitious targets on our digital channels to further strengthen our commitment to digital

channel shift and customer choice, whilst recognising that we will not limit our channels for customers to complain so that we continue to ensure that no one customer is left behind.

- We have incorporated an area within the Policy that clearly outlines key roles and responsibilities surrounding our complaints handling;
- We have emphasised our approach around customer engagement and the co-creation of the onward development of our complaint handling policy and procedures;
- We have incorporated more detail around how we will utilise lessons learned and insight from complaints to continually improve; and
- Included a section on our operational arrangements for complaint handling which reflects the SPSO model complaints handling approach.

4.24 Our Complaints Policy outlines a number of commitments which are pertinent to our successful complaint handling and management. We have listed below a few of these key commitments and details of how we meet our commitments under each, notably:

- **Promote a customer-centric culture focussed on ‘Think Yes Together’** – we regularly promote and instil our ‘Think Yes Together’ culture both at a local level but also in our corporate messaging. Staff are empowered to do the right thing for our customers and act promptly to resolve matters. Importantly, we instil our ‘Think Yes Together’ culture in our induction process for new staff so that it is one of the very first things that they learn about Wheatley.
- **Adopt a uniform approach to complaint management** – we have an agreed method of reporting on complaints each month within our performance management reports. These are used as part of local VMBs, DMTs and also detailed in the monthly Group performance report. In recent months, we have developed the performance reporting further to show key themes and lessons learned from complaints. Our Customer Insight and Complaints Team, a centralised function within Group, continually review SPSO feedback and good practice to ensure that our approach remains up to date. The centralised function also ensures that we are consistent in our approach across all Group subsidiaries.
- **Management decisions taken are informed by the complaints we receive and learning from complaints is communicated effectively across the Group** – as noted above, we have developed our complaints reporting significantly over the current reporting year. The inclusion of insight and greater detail around the root cause of complaints is included in monthly reports to our Managing Directors and Executive Team. Learning from complaints is also reviewed regularly through our Communities of Excellence to help inform future policy and procedure development. Moving forward, we will also be using our corporate website to share learning and lessons learned from complaints with our customers on a regular basis and in line with revised SPSO guidance.
- **Support staff to see how their work practices contribute to complaint management** - there is a significant focus on complaints and how we utilise them to support our continuous improvement approach. As part of this focus, we are reviewing and refreshing training materials for staff, reviewing the introduction of real-time feedback to support resolution and inform learning, combining our complaints information with City Building and looking at specific call control and conflict management training for our Customer First Centre staff. Staff are also

provided with regular insight to complaints and, importantly, their role in preventing complaints at local VMBs where time will be taken to discuss complaint performance, individual cases and lessons learned.

- **Executive Team take individual responsibility** – as noted above, information being reported to the Executive Team on complaints each month has been developed significantly over this reporting year. This provides each Executive Director with important information and content on their business area each month and helps to inform the decisions they will take that impact the Group and their separate directorates. Adhoc requests are also made by the Executive Team to carry out more in depth analysis of complaints and to look at more specific learning journeys.

- 4.25 Our new operating model focusses on our ability to resolve customer enquiries at the first point of contact through our new Customer First Centre. Still in its infancy, we are already seeing several positive outcomes which are impacting our complaint handling and performance. Our Customer First Centre staff take ownership of issues raised by customers, responding promptly and following up on our customer commitments. We expect this to result in the number of promptly 'resolved' complaints increasing across 2022/23 and for the number of Stage 2 complaints to reduce.

5. Customer Engagement

- 5.1 The approaches to service delivery set out in this paper consider feedback received from customers, including the over 5,000 responses to our RSL consultation late last year. We will continue to focus on meaningful and rich customer engagement through our Stronger Voices team with a view to continually improving and refining our delivery approach to complaint handling.
- 5.2 Across the 2022/23 reporting year, we will have engaged as a minimum, 50 customers from across Group and seek their feedback on the improvements they want to see in our complaint handling process. We will also share with them feedback and lessons learned from our complaints to establish key areas that are important to them – using this to define a '*You Said, We Did*' approach. We envision this approach being delivered through a series of focus groups and panel discussions with customers who represent each of our subsidiaries across Group.
- 5.3 Over the next two years, we intend to increase that engagement, including through engagement with our Stronger Voices Team and a range of online engagement services designed to integrate feedback from tenants and owners into the future service design and delivery of our complaints handling processes. Customer input is vital to providing us with assurance that our complaints process is fit for purpose, easy-to access and is trusted to deliver on our customer commitments.

6. Environmental and sustainability implications

- 6.1 There are no direct environmental and sustainability implications associated with this report.

7. Digital transformation alignment

- 7.1 It is noteworthy that complaints route into the business through several channels such as email, our Customer First Centre, web self-service, face-to-face, etc. These channels and methods of inbound contact will be continually reviewed in line with our digital strategy with a clear focus on providing customers with choice and access to personalised services.
- 7.2 In our Complaints Policy, we have explicitly outlined the experience that our customers can expect based on the channel that they submit their complaint through. As outlined in 4.23 above, we have introduced more ambitious targets on our digital channels to further strengthen our commitment to digital channel shift and the introduction of greater customer choice. Our Complaints Policy clearly details that we will aim to respond quicker to complaints that are submitted through our digital channels, notably; email, web self-service and webchat.
- 7.3 Despite the focus on digital channels we are also conscious of not limiting our channels for customers to complain through and therefore voice and face-to-face methods still feature prominently in our Policy. This demonstrates our commitment to providing personalised services for our customers and, importantly, that no one customer will be left behind.

8. Financial and value for money implications

- 8.1 There are no financial and value for money implications associated with this report.

9. Legal, regulatory and charitable implications

- 9.1 There are no direct legal, regulatory or charitable implications as a result of this report. However, the implementation of our activities will be assessed to ensure that they fulfil and comply with any legislative, regulatory or charitable implications that apply.

10. Risk Appetite and assessment

- 10.1 This report correlates with the strategic outcome 'Progressing from Excellent to Outstanding' under the Delivering Exceptional Customer Experience strategic theme.
- 10.2 End-to-end complaint handling, including monitoring and continuous learning and improvement processes are key to mitigating risks of:
- Decreasing customer satisfaction
 - Reputational damage; and
 - Failure to meet SPSO guidance.
- 10.3. The Strategic Risk Register sets out the following risk appetites for strategic outcome 'Progressing from Excellent to Outstanding':
- **Reputation/credibility** - *Minimal, Tolerance for risk taking limited to those events where there is no chance of significant repercussion.*
 - **Laws and regulation** – *Cautious; Limited tolerance for "sticking our neck out". Want to be reasonably sure we would win any challenge.*

11. Equalities implications

- 11.1 There is no equalities impact identified as a result of this report. A specific equalities impact assessment will be carried out before any potential significant service change to our complaints handling process and the outcome reported to the board as part of the approval process for any such changes.

12. Key issues and conclusions

- 12.1 Our five-year strategy sets out an ambition to deliver exceptional customer experience whilst progressing from excellent to outstanding services. We are clear that our approach to complaint handling and our performance in this area are key to us realising this vision. We start from a good base, with our new operating model maturing and with the Customer First Centre having been successful since its launch in December last year.
- 12.2 Over the period of the pandemic, like other organisations, we experienced a considerable downturn in the reporting of complaints. However, this was against a back-drop of restricted service delivery and significant disruption to wider public services. The rise this year sees us surpass pre-pandemic levels and is consistent with what is being seen across the housing and wider public and private sectors.
- 12.3 The increase in the volume of complaints received during 2021/22 has had an impact on our performance figures. We are working to fully embed our new operating model and our Customer First Centre to ensure quicker resolutions, improved follow-up and delivery on our customer commitments and improved quality of responses to our customers. We are already seeing early signs of improvement across early 2022/23 as is reported to Board separately in Q1 performance reports and we will continue to build upon this across the remainder of this reporting year.

13. Recommendations

- 13.1 The Board is asked to:
- 1) note Dunedin Canmore complaints performance during 2021/22;
 - 2) note the work undertaken to learn from the complaints we receive;
 - 3) note the development work we are undertaking to further improve our approach to complaint handling and our performance in this area; and
 - 4) Feedback on the updated Complaints Policy and Unacceptable Actions Policy appended to this report.

Appendices: [redacted. Available under publication scheme here: [Publication scheme | Wheatley Homes East \(wheatleyhomes-east.com\)](#)}]

Appendix 1: Complaints Handling Policy

Appendix 2: Unacceptable Actions Policy

Report

To: Dunedin Canmore Board

By: Jennifer Anderson, Wheatley 360 Lead

Approved by: Laura Pluck, Group Director of Communities

Subject: Review of Protecting People Policy Framework

Date of Meeting: 18 August 2022

1. Purpose

- 1.1 To provide the Board with information around the review of the Protecting People Policy Framework ("PPPF") and suite of Group Protection Policies that sit within this.
- 1.2 To seek comment from the Board on the revised content contained within the individual policies and PPPF, which will then be incorporated and taken onto the Wheatley Group Board for final sign off on each document.

2. Authorising and strategic context

- 2.1 Under the Intra Group Agreement the Group Board are responsible for the designation of policies as Group policies. Individual Boards are responsible for approval of individual operational policies and implementing Group policies to reflect local circumstance. Feedback is being sought from individual Boards on the proposed policy amendments in advance of their presentation to the Group Board.
- 2.2 Our work in this area will align to each of the five strategic themes within our Group strategy as follows:

Strategic Theme	Areas of activity where this theme will be met
Delivering exceptional customer experience	<ul style="list-style-type: none">The policies in the framework are designed to empower our customers to enable them to lead a life free from risk of harm and support them to do so through the provision of advice, support, and guidance, wraparound support services, and clear identified pathways to access additional assistance as required.
Making the most of our homes and assets	<ul style="list-style-type: none">The voice of the customer is represented within our Domestic Abuse Policy through engagement with key partners from the Domestic Abuse Specialist Services Sector, who are well placed to provide comment around the content and policy applicability and suitability in supporting victims.

Changing lives and communities	<ul style="list-style-type: none"> • Our policies allow us to deliver on our strategic outcome around developing peaceful and connected neighbourhoods, where they clearly set out our services and wraparound support for customers, to help staff identify where there are concerns individuals are at risk of harm and abuse
Developing our shared capacity	<ul style="list-style-type: none"> • Having a PPPF supports staff to confidently deal with safeguarding concerns within our communities and affords them the knowledge to be able to safely recognise and respond to any issues of this nature that arise.
Enabling our ambitions	<ul style="list-style-type: none"> • The existence of a suite of policies pertaining to public protection issues puts us in a very strong position as being sector leading in this area. Taking the Domestic Abuse policy, this is a prerequisite for signing up to the Chartered Institute of Housing's Make a Stand Pledge and allows us as an organisation to have signed up and demonstrate our clear commitment as an organisation towards supporting victims and their families.

3. Background

- 3.1 The Group Protecting People Policy Framework ("PPPF") is our group wide approach to keeping our communities safe and provides us with a strong platform for sharing learning and best practice around public protection and safeguarding issues across all Group subsidiaries.
- 3.2 The strategic aim of the PPPF is to ensure that: *we work with customers, staff, and partners to make homes and lives better and safer for all and that we will design and deliver services to minimise the risk of harm and abuse within our communities*
- 3.3 The documents contained within the PPPF include:
- Group Protecting People Policy Framework;
 - Group Multi Agency Public Protection Arrangements (MAPPA) Policy;
 - Group Domestic Abuse Policy;
 - Group Child Protection Policy; and
 - Group Adult Support and Protection Policy.
- 3.4 The PPPF and policies sit within the remit of the Group Protection Team, who assume responsibility for ensuring these documents remain current, compliant with relevant legislative and regulatory requirements, and remain fit for purpose for those who use the documents, to obtain clear guidance around supporting some of our most vulnerable customers.
- 3.5 The policies within the PPPF were approved by Wheatley Group Board in April 2017 and reviewed with updates in April 2019. They are now due again for review under the 3-year cycle outlined in the policy review and consultation section of each policy.

- 3.6 Our staff routinely link in with the Group Protection Team when they are dealing with any cases involving Group Protection issues and access the expertise within the team to help find the best and safest solutions, options, and pathways to support available for their customers. Part of this involves our staff utilising the PPPF and policies within to help support them in their understanding of Group Protection issues faced by customers, their requirements around reporting and what support options are available to best address any concerns.

4. Discussion

- 4.1 Since initial drafting of the PPPF and associated policies, there have been some significant changes which have had a major impact on how we deliver our services and engage with our customers, communities, and partners; most notably the pandemic, Brexit, and the current ongoing cost of living crisis.
- 4.2 The PPPF and suite of policies within were reviewed to take account of the developments above, as well as new legislation implemented, organisational changes, partnership developments and services introduced. They also take cognisance of updated figures and trends across each of the areas covered in the policies, to demonstrate the current picture at this time of writing.
- 4.3 The main changes with the PPPF and each individual policy are summarised below. It is worth noting that for all policies and the PPPF, the following updates were applied across them commonly, to bring them fully up to date:
- Updated throughout to remove references to our previous Group strategy, Investing in our Futures, and replaced with information of relevance contained within our 2021-2026 Your Home, Your Community, Your Future Strategy;
 - Figures provided throughout updated to more current statistics;
 - Updated our objectives within each document to include the creation of tailored training for staff and the development of a communications and engagement strategy;
 - Organisational changes accounted for in terms of our new operating model, partnerships, team structures and services delivered;
 - Formation of a Group Protection Team accounted for;
 - Revised with Wheatley Foundation current service offering, including revised model for Eat Well;
 - Confirmation that a full performance monitoring framework has been established within the Group Protection Team and is compiled for use in statistical data analysis and resource planning;
 - Change from My Contribution to My Appraisal system;
 - Additional detail around some of the work undertaken by the Group Protection Team to support the frontline in dealing with cases, including publishing a regular Group Protection Matters Bulletin, development of staff training and overview sessions;
 - Revised to incorporate the correct section of the GDPR policy which must be considered – which is appendix 2 and not appendix 3;
 - Language updated in line with national change, where significant case reviews are now referred to as learning reviews;
 - Updated to reflect the current work across the Community of Excellence (CoE) network and no longer specifically restricted to the Protecting Communities CoE; and
 - Endnotes section incorporated across the PPPF and MAPPA, Domestic Abuse and Child Protection Policies.

Protecting People Policy Framework (“PPPF”)

- 4.4 This overarching framework which sits above the Group Protection Policies was designed and signed off in 2016, in advance of the policies themselves, which came the following year in 2017.
- 4.5 The PPPF document required to be revised to bring it up to date with the 2019 refreshed policies and the changes that went alongside implementation of these policies in each of the key areas.
- 4.6 The PPPF allows us to define what it means to keep our communities safe from harm and to set sector leading standards in Group Protection areas. The PPPF clearly outlines how the activity and service delivery within each of the policies aligns with our strategy.
- 4.7 The main changes made within the revised version of the PPPF are as follows:
- Updated in line with development work around attendance at additional Multi Agency forums since last iteration of policy was formulated;
 - Revised to update the formal name of the third category of offender managed under MAPPA;
 - Additional points made to strengthen the success measures that will be used to demonstrate the PPPF is making a difference and having a positive impact;
 - Information included around the rationale for sharing information around Domestic Abuse, as no one single agency holds the full picture of risk faced by a victim and their children, however, collectively can see this by working together; and
 - Legislation section brought up to date in line with all amendments within individual policies.

Multi Agency Public Protection Arrangements (MAPPA)

- 4.8 Multi Agency Public Protection Arrangements (MAPPA) are a set of statutory partnership working arrangements introduced in 2007 by virtue of Section 10 and 11 of the Management of Offenders etc (Scotland) Act 2005. The 2005 Act places a statutory duty on the Responsible Authorities in a local authority area to jointly establish arrangements for assessing and managing the risk posed by certain categories of offender. These categories of offender are as follows:
- Registered Sex Offender (RSO);
 - Mentally disordered restricted patient; and
 - Other Risk of Serious Harm offender (previously referred to as violent offenders).
- 4.9 There have been no direct MAPPA legislative changes since the initial draft of the policy. The Children (Scotland) Act 1995 is due to be modified through The Children (Scotland) Act 2020, however this is not currently in place yet. It has been included within the legislation section to future proof the document for when this does come into force.
- 4.10 In terms of guidance, there has been an updated version of the MAPPA National Guidance in March 2022 published, however nothing contained within this document has resulted in any fundamental changes to our policy.

4.11 The main changes made within the revised version of the MAPPA policy are as follows:

- Update of team name non Registered Social Landlord (RSL) requests should be directed to – Group Information Governance Team;
- Confirmation of exact name of legislation which outlines the duty to cooperate requirement for RSL's;
- Revised to provide additional guidance to staff around potential risks to take into consideration when working with RSOs which require to be fed into the responsible authorities to support with their risk management (eg antisocial behaviour, pregnancy of any partners) and also to dispel some common myths around RSOs;
- Revised to include the improved community care allocations process for restricted patients returning to the community;
- Removed reference to short term National Accommodation Strategy for Sex Offenders (NASSO) working group and Scottish Government short life working group on Environmental Risk Assessments, which have both now concluded;
- Removed reference to change of circumstances being picked up at annual review at the latest;
- New section incorporated to explain the occurrence of RSOs having their status outed within the community; and
- Information provided on the keeping children safe scheme, also referred to as the Police Scotland Sex Offender Community Disclosure Scheme.

4.12 As noted above, the policy had the insertion of an additional section on advice and guidance for staff around RSOs having their status 'outed' within the community. The reason for this is linked to a noted rise in occurrences of this activity and therefore a requirement to ensure staff are equipped to feel confident in dealing with these types of enquiries.

Domestic Abuse

4.13 Our service offering as a team and organisation has increased significantly since the original draft of the Domestic Abuse Policy in 2017. There have been legislative changes since the last iteration, which have been included into the document. The changes include:

- Domestic Abuse (Scotland) Act 2018 coming into force in 2019, recognising coercive control as a specific criminal offence; and
- Future legislation which has been passed in the form of the Domestic Abuse (Protection) (Scotland) Act 2021, which received royal assent on 5th May 2021, however, has yet to be formally implemented. As such full details of this new legislation was not included in the document at this time, however in line with the agreed review periods, this will be incorporated when the legislation is formally implemented.

4.14 The main changes made within the revised version of the Domestic Abuse policy are as follows:

- Strengthened to provide some further examples of coercive controlling behaviours in line with the new legislation which came into force criminalising this abuse and also details a wider range of sexual abuse examples;

- Details of established partnerships to support in dealing with cases of Domestic Abuse;
 - Overview of our increased service offering in relation to Domestic Abuse, including attendance at the Multi Agency Risk Assessment Conferences, information sharing, training package to support staff and role of Group Protection for offering support; and
 - Updated with a new section detailing our award winning training package for supporting staff to recognise and respond to domestic abuse.
- 4.15 There were also suggested changes made by colleagues within the Domestic Abuse Specialist Services sector as part of the customer engagement piece carried out for this policy, which are picked up in section 5.4 below.

Child Protection

- 4.16 Child Protection is an area of development for the Group Protection Team within 2022/2023, where we are working to strengthen our service offering, established partnerships and training for staff in relation to these vital issues. Recent concerning cases of child neglect and abuse in the media make the existence of a Child Protection Policy even more pertinent, to ensure staff are adept at spotting the signs of a child or young person at risk, and importantly, having the knowledge around how best to help them.
- 4.17 There was withdrawal of proposed legislation in relation to the named person scheme, which was mentioned within the initial policy, which has now subsequently been removed. The Children (Scotland) Act 1995 is due to receive some modifications through The Children (Scotland) Act 2020, however this is not currently in place yet. It has been included within the legislation section to future proof the document for when this does come into force. The Domestic Abuse (Scotland) Act 2018 was also included within the legislation section as this is applicable.
- 4.18 In terms of guidance, there has been an updated version of the Child Protection National Guidance in 2021, however nothing contained within this document resulted in any fundamental changes to our policy.
- 4.18 The main changes made within the revised version of the Child Protection policy are as follows:
- Information emphasised around requirement to submit the required Child Protection referrals to the Local Authority and also details of each Social Work Child Protection Team across Scotland provided;
 - Enhanced information outlined in terms of how Child Protection concerns may originate;
 - Revised wording around requirement to pass concerns to local authority and contact Police if any criminality is established;
 - Update provided around Group Protection Team Multi Agency Meeting Attendance to support with issues around Child Protection; and
 - Information included to support victims of domestic abuse who wish to remain within their property.

Adult Support and Protection

- 4.20 Adult Support and Protection is another key area of development for the Group Protection Team in 2022/2023, where the intention is to strengthen our service offering and establish partnerships and training for staff in this area. We know that a number of our customers could be described as vulnerable and some of these customers will be susceptible to harm, abuse or neglect, or indeed self-neglect.
- 4.21 Our Adult Support and Protection Policy supports staff to notice concerns and have awareness of the established mechanisms to report these concerns to the appropriate authorities. It also outlines the service provision and support available to our customers through our wraparound support services.
- 4.22 There have been no legislative changes since the initial draft of the policy was made. In terms of guidance, the Adult Support and Protection Code of Practice document was revised in July 2021. This document is primarily aimed at those with the statutory duty to investigate and perform functions under the act, however it is also of relevance to those organisations reporting concerns. There isn't anything specific within this guidance document that changes the nature of the policy in terms of its review.
- 4.23 The main changes made within the revised version of the Adult Support and Protection policy are as follows:
- Updated to include potential for disclosure of Adult Support and Protection issues at Multi Agency Meeting Attendance of the Group Protection Team and role in attendance at these meetings for supporting our customers;
 - Strengthened to outline the steps that will be taken if any customer informs a member of staff that they intend to take their life;
 - Information provided around the 32 Local Authority Adult Support and Protection Teams for ease of staff reporting concerns; and
 - Revised to update role of Multi Agency Meeting Attendance in recognising adult support and protection concerns.

5. Customer Engagement

- 5.1 As part of our overarching policy framework we have identified all policies where customer engagement should form part of the review process. This reflects our strategy commitment that customers have greater influence over our policies.
- 5.2 The Domestic Abuse policy is a policy identified within the PPPF requiring specific customer engagement consideration built into the review process.
- 5.3 Given the sensitivities around customer engagement with victims/survivors who have experienced domestic abuse, including the potential for re-traumatisation, we undertook that engagement via partners within the domestic abuse specialist services sector would be a more suitable alternative, to ensure the voice of the customer is reflected in our policy. This is an addition to the feedback/views we hear regularly from customers affected which are always considered when developing or reviewing policies.

- 5.4 The Domestic Abuse policy was sent to an Operations Manager within ASSIST (Scottish Government funded service to support victims of Domestic Abuse going through Court), Wigtownshire Women's Aid and our partners at Home Connections (Revive England) for comment.
- 5.5 The feedback received from all organisations was that the policy was robust, victim focussed and fit for purpose. All suggested additions and amendments were incorporated into the revised policy document.

6. Environmental and sustainability implications

- 6.1 There are no environmental and sustainability implications relative to the content of this report.

7. Digital transformation alignment

- 7.1 All policies will be held digitally on our Protecting People WE Connect page and when approved and ready for relaunch, a full communications plan, including a digital plan, will be adopted to ensure all relevant staff are aware of the update to these documents, to allow them to engage digitally with the new PPPF.
- 7.2 Our new operating model will support a digital roll out of the updated policies and allow information regarding their launch to reach the relevant staff across Group who have a stake in these documents and the vital content they include to promote and enhance safeguarding our vulnerable customers.

8. Financial and value for money implications

- 8.1 The costs associated with the delivery of the PPPF lie within ensuring staff receive the appropriate training, information, and support to understand the content and the requirements of what is expected from them to keep our customers safe from harm. This is picked up within the current staffing structure of the Group Protection Team, where delivery of training is contained within their remit to work with academy colleagues to provide this and all other associated information, guidance and process mapping is devised by the team and cascaded to staff as necessary.
- 8.2 Value for money is provided where we can support our customers to remain within their homes safely, without requirement to move on to seek safety if this is their desired choice. We achieve this through information sharing and partnership working with key agencies, providing access to pioneering safety products, and ensuring the appropriate safety measures are in place to facilitate this.

9. Legal, regulatory and charitable implications

- 9.1 Each policy within the PPPF has been fact checked to ensure all relevant legislation remains current and compliant in relation to the area in which it covers.
- 9.2 Where there have been any amendments to legislation, or new legislation implemented, this has been incorporated. For example, the Domestic Abuse policy contains details of the new Domestic Abuse (Scotland) Act 2018.

- 9.3 Colleagues within the legal team have reviewed each policy within the framework and the framework itself, and any suggested amendments have been incorporated into the documents.

10. Risk Appetite and assessment

- 10.1 This report cuts across all 5 key themes within our Group Strategy Your Home, Your Community, Your Future; in particular, delivering exceptional customer experience, changing lives and communities, and developing our shared capability.
- 10.2 The existence of this suite of policies helps support our customers from risk of harm, therefore without these documents our risk level around safeguarding and public protection concerns would rise. It is of equal importance that these documents are kept up to date and take full account of legislative, regulatory, and procedural changes, therefore this review of the suite within the PPPF is crucial to adhere to this.
- 10.3 In terms of the Risk Appetite, it would be described as minimal - *preference for ultra-safe business delivery options that have a low degree of inherent risk and only have a potential for limited reward*.
- 10.4 As our policies and subsequent procedures within Group Protection require tight legislative and regulatory compliance, it is essential that we would *'want to be very sure we would win any challenge'*.

11. Equalities implications

- 11.1 The policies were updated accordingly to take cognisance of equalities, including the wording within the Adult Support and Protection Policy; where it referenced 'his or her' this was changed to 'their', and within the Domestic Abuse Policy where it referenced men and women, this was changed to reference 'individuals'.
- 11.2 Policies within the PPPF cover all customers across Group and have been designed to be inclusive, non-judgemental and promote a consistent approach being undertaken when dealing with those impacted by the issues covered across the policy framework.
- 11.3 Equality Impact Assessments (EIA) were undertaken on the following documents as part of this process:
- Protecting People Policy Framework;
 - Domestic Abuse;
 - Child Protection; and
 - Adult Support and Protection.

12. Key issues and conclusions

- 12.1 The PPPF and policies within have been reviewed in line with their 3 year review schedule and updated to reflect all relevant legislative, regulatory, organisational and procedural amendments that have occurred since the last version of each policy.

12.2 This applies to the following documents in the suite:

- Group Protecting People Policy Framework;
- Group Multi Agency Public Protection Arrangements (MAPPA) Policy;
- Group Domestic Abuse Policy;
- Group Child Protection Policy; and
- Group Adult Support and Protection Policy.

12.3 Customer engagement has taken place on the Domestic Abuse policy, which was issued to partners within the Domestic Abuse Specialist Services Sector in line with agreed sensitivities with engaging directly with customers impacted.

12.4 The policy was sent to one of the Operations Manage from ASSIST, Wigtownshire Women's Aid, and the Revive England Manager at Home Connections, to get a balance of input and engagement.

12.5 Each document has been reviewed by colleagues within the legal team to ensure they are fully compliant.

12.6 The policies have been reviewed in line with our strategy and are aligned to the strategic themes and key outcomes accordingly, to ensure compliance and continuity across Group activity.

12.6 The policies within the framework are a key tool for staff to support some of our most vulnerable customers across Group and are utilised to ensure the correct measures are implemented, reporting processes are followed, and support offerings are provided, to help mitigate against any risk of harm or abuse.

12.7 Having a structured PPPF ensures that as an organisation we are taking a coordinated approach towards issues of public protection and safeguarding, which enhances staff confidence in dealing with these issues and ultimately strengthens our response to support our most vulnerable customers.

13. Recommendations

13.1 The Board are asked to review the PPPF and individual Group Protection Policies and provide feedback and comments on each, for incorporation into the final versions to go before the Wheatley Group Board for final approval.

LIST OF APPENDICES:- [redacted: available under the publication scheme: [Publication scheme | Wheatley Homes East \(wheatleyhomes-east.com\)](https://www.wheatleyhomes-east.com/publication-scheme)]

Appendix 1 Revised Protecting People Policy Framework;

Appendix 2 Revised Multi Agency Public Protection Arrangements Policy

Appendix 3 Revised Domestic Abuse Policy;

Appendix 4 Revised Child Protection Policy;

Appendix 5 Revised Adult Support and Protection Policy

Report

To: Dunedin Canmore Housing Board

By: Anthony Allison, Director of Governance

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

Subject: Wheatley Solutions: delivery model update

Date of Meeting: 18 August 2022

1. Purpose

- 1.1 To provide the Board with an update on the Wheatley Solutions delivery model and focus of the Wheatley Solutions Board under its refreshed Terms of Reference ("ToR").

2. Authorising and strategic context

- 2.1 Under the terms of our Intra Group Agreement ("IGA") we have agreed with Wheatley Housing Group that Wheatley Solutions is the central service and corporate service provider to us and partner organisations across the Group. We have subsequently entered into a services agreement with Wheatley Solutions which confirms this.
- 2.2 The form of the Business Excellence Framework, an appendix to the Services Agreement within the IGA, is agreed between Wheatley Solutions and Subsidiary Boards directly. This supports the operational independence of each Board to agree relevant service standards and performance measures which reflect their priorities.

3. Background

- 3.1 Wheatley Solutions was created as a standalone entity in April 2016. The key drivers for its creation were: improving the quality and level of co-creation of services for customers (Wheatley Group subsidiaries); achieving operational and financial efficiencies; and enhancing transparency and accountability.
- 3.2 Wheatley Solutions' approach is characterised by the deep understanding of its staff, and their commitment to ensuring that all partners in the Group can deliver excellent services for their tenants and other customers.
- 3.3 Wheatley Solutions has successfully achieved its objectives through a combination of:
- Formal service agreements and Business Excellence Frameworks defining the service relationship between Wheatley Solutions and subsidiaries.

- Subsidiary staff having an ongoing role in defining the priorities and measures within the service relationship and Wheatley Solutions services being adapted to reflect these;
- Wheatley Solutions Board membership being drawn from subsidiary Boards, who then approve its strategy, business plan and budget and receive and scrutinise finance and performance reports;
- Pooling central services across a growing number of subsidiaries and in turn reducing recharge levels;
- Access to Group-wide contracts which harness the buying power of the Group, using our scale to achieve lower costs and wider reach; and
- Access to in house expertise, such internal audit, for services which would previously have been outsourced with limited ability to influence service priorities.

3.4 The role of Wheatley Solutions has evolved since its creation. More recently, its Board has been given an oversight role in relation to the Group's approach to sustainability and equality, diversity and inclusion. These are areas of concentrated focus and it is appropriate that the Group tasks a single entity with a particular role in overseeing the Group wide strategy in these areas.

4. Discussion

Wheatley Solutions staffing and service delivery model

- 4.1. Wheatley Solutions corporate services expertise and delivery is provided in-house through approximately 560 staff.
- 4.2. Wheatley Solutions staff are seconded from across all Group partners, who remain their legal employers. This model also helps both us and our Group partners to give our own employees training and career development opportunities, with the ability to move around the Group.
- 4.3. Wheatley Solutions brings together staff expertise across a wide range of services, including:

IT & Digital Transformation		Finance	Governance	Procurement
HR	Customer First Centre	Treasury	Litigation & legal services	Assets and sustainability
Communications & Marketing		Internal Audit		
Organisational Development		Data protection		Policy

- 4.4. This in-house provision from Solutions across the full range of corporate services allows partner organisations to:
- access expertise that has led to many innovations including funding, new build development, procurement and IT/Digital transformation;
 - minimise spend on external advisors, including VAT; and
 - share costs with all other Group partners, meaning services are more efficient

- 4.5. Unlike the other services provided by Solutions, the Customer First Centre (“CFC”) is a frontline customer facing service team, but in common with other corporate service teams, the CFC also provides services across all partner organisations.

Delivering benefits for us

- 4.6. Wheatley Solutions is focused on how it can benefit us and our partner organisations. It does not sell services externally, so it can focus on providing the best possible service to other members of the Group.
- 4.7. For example, numerous teams from Wheatley Solutions were key in supporting us with the Barony transfer and more currently, as we progress with the East of Scotland partnership. This included support in shaping the ballot offer; designing the consultation brochures; engaging with customers and other key stakeholders including staff and trade unions; the governance/legal requirements of the ballot and transfer; and the technical migration of the transfer.
- 4.8. Below are a range of examples of where Wheatley Solutions has played a critical role for us and our partners:

Procurement

- 4.9. The scarcity of Personal Protective Equipment (“PPE”) was a business critical challenge for all customer facing businesses during the pandemic. The Wheatley Solutions procurement team were able to use their skill, expertise and foresight to establish supply chains very early and consistently maintain high levels of stock on hand.
- 4.10. As a result of this we never faced any shortages of PPE throughout the pandemic. This ultimately allowed us to protect staff and continue to deliver services to customers that we would not otherwise have been able to.
- 4.11. Beyond the pandemic response, our procurement team has consistently supported partners by harnessing the scale of the Group to deliver efficiencies which can be reinvested in communities or access to opportunities that would not otherwise be available, including:
- New build framework - delivering more certainty on contractor availability and lowers costs;
 - Protected 90% of Group Utilities from market volatility by securing fixed rates – it should be noted that such is market volatility that just this 10% nearly doubled our energy bills;
 - Community benefits – leveraging the scale of contracts to directly benefit our customers and communities.

IT and digital services

- 4.12. The pandemic tested every organisation’s IT resilience and agility. The strength of our IT infrastructure and supply chains for devices such as laptops and phones allowed us to rapidly transition staff to fully homeworking where roles permit. This was essential in supporting staff continuing to undertake their roles, in particular allowing the Customer First Centre to go virtual and staff to make welfare calls to our customers.

- 4.13. Over the last 12 months Wheatley Solutions' IT and digital services team has also significantly invested in group platforms and digital transformation, including
- Cyber Security improvements across Ransomware preparedness, email security, home working service access
 - Supporting the launch of the new CFC through a range of technology deployments, updates to CRM platform and voice services
 - creation of our new Data Team, supporting advanced analytics and reporting and our Digital Team enhancing our digital change and adoption approaches across Group
 - Book, Meet, Communicate, Collaborate digital workplace programme commenced with delivery of Wheatley House project
 - Building a new digital support service for staff providing 8am-8pm support for home workers
- 4.14. This work has been essential in providing the necessary, robust digital infrastructure to allow us to transition to the new operating model that we agreed with our tenants.

Treasury/Governance

- 4.15. We recently undertook a funding and governance restructuring exercise which enhanced our capacity to deliver new homes in the future. This included changes to the overall group covenant package, aligned with the creation of Wheatley Development Scotland to realise efficiencies which can be reinvested in new homes, investment and keeping rents affordable.

Performance measurement

- 4.16. Wheatley Solutions performance is reported in a range of ways, combining quantitative and qualitative measures. As part of the refreshed Group Performance Framework agreed by Boards over April and May performance measures for a number of Wheatley Solutions services were included, such as:
- **CFC** – a range of performance measures such as call answering times, abandonment rates and first time resolution
 - **Sustainability** - CO2 reduction and reaching carbon neutral
 - **Health and Safety** – Number of incidents, days lost and notifiable events
 - **Fire safety** – Accidental fires and fire risk assessments
 - **IT/Procurement** - Online accounts and My Savings
 - **People services** – absence levels, apprentices and graduate opportunities and internal promotions
- 4.17. In addition to the above, our Business Excellence Framework ("BEF") contains an additional range of quantitative performance measures which we have agreed with Wheatley Solutions.
- 4.18. We report progress against the measures in the BEF bi-annually, with a target of 90% of the measures being delivered over the course of each year. The year-end performance for 2021/22 against these measures showed Wheatley Solutions achieved 90% or greater for us and for our partner RSLs.

- 4.19. As part of the BEF we also hold bi-annual reviews with Wheatley Solutions through which our Managing Director provides formal feedback on Wheatley Solutions services and potential areas for refinement.
- 4.20. Areas of particular value highlighted as part of the 2021/22 review included: the support and advice on Dunedin Canmore specific activities and its availability on demand; the service being adapted to meet their specific needs or challenges, such as the enhancement of HR wellbeing services; and having a lead identified for their organisation, such as in finance and governance, who has in depth knowledge of their organisation.
- 4.21. We also highlighted some areas where Wheatley Solutions could refine its approach. One area was ensuring there is communication to partners organisation staff what services are available in Wheatley Solutions. In response Wheatley Solutions created a directory listing all services, what support they can offer and a named contact for Dunedin Canmore.
- 4.22. A further area of feedback was that Wheatley Solutions services would benefit from service standards in key areas. Examples included: how long IT support requests should take to be completed; response times to request for support i.e. email; and timescale for the availability of performance related data.
- 4.23. The Wheatley Solutions Services Agreement and BEF is now being reviewed to reflect more fully our new operating model and to take our feedback, and that of our partners, into account. The review will be focused on co-creation, collaboration and understanding partner's priorities.
- 4.24. Wheatley Solutions is also intending to introduce a rolling programme to test satisfaction with services delivered by it. This will adopt a similar discipline to that of how we test customer satisfaction, with our staff asked to provide feedback on the services they receive and Wheatley Solutions leaders accountable for that feedback.
- 4.25. A question set will be developed based on what partner organisations tell us is important to them from Wheatley Solutions' services, such as:
- Quality of communication
 - Ease of access to support
 - Timeliness of responses
 - Providing tailored support which reflect their organisation
- 4.26. The programme will test satisfaction with Wheatley Solutions as a whole as well as being deployed at service/departmental level. An element of this already exists, with some Wheatley Solutions services, such as Assurance, routinely seeking feedback.
- 4.27. In addition to the above, Wheatley Solutions also delivers services to and engages with Boards directly, such as
- Routine finance and performance reports
 - Governance reports and proposals for Board feedback
 - Thematic reports such as Assurance and cyber security updates

Wheatley Solutions intragroup recharging structure

- 4.28. In addition to transparency on performance and service delivery, there is an established structure for associated recharges. Costs for the provision of Wheatley Solutions services are charged out in full to us and the other trading subsidiaries within the Group on an allocation basis that is representative of use.
- 4.29. As set out in the Group charging policy, this is achieved by allocating costs based on the share of Group turnover. This approach is adjusted in certain cases to take account of the specific nature of the subsidiary (e.g. Care services) or where a subsidiary does not access all services provided by Solutions. The allocations used for 2022/23 are:

Subsidiary	% Allocation
WH Glasgow	68.2%
Lowther Homes	5.4%
Loretto HA	2.6%
Wheatley Care	0.8%
West Lothian HP	0.4%
Dunedin Canmore HA	9.2%
Wheatley Foundation	1.0%
DGHP	12.4%
	100.0%

- 4.29 In order to comply with HMRC transfer pricing requirements, a 5% mark up is added to the core costs recharges. In turn, Wheatley Solutions reimburses us and other relevant RSLs for head office costs for the use of owned office space. This results in Solutions reporting a year financial position close to break even.
- 4.30 For the 2022/23 financial year, Solutions has budgeted costs of £41,032k. This includes all staff and running costs for services, costs for the provision of regulated insurance activities to owners' on behalf of Lowther and head office costs. The table below summarises the 2022/23 budget which is extracted from year 1 of the approved financial projections and shows that after the recharging of its costs to Group subsidiaries a small profit of £3k remains.

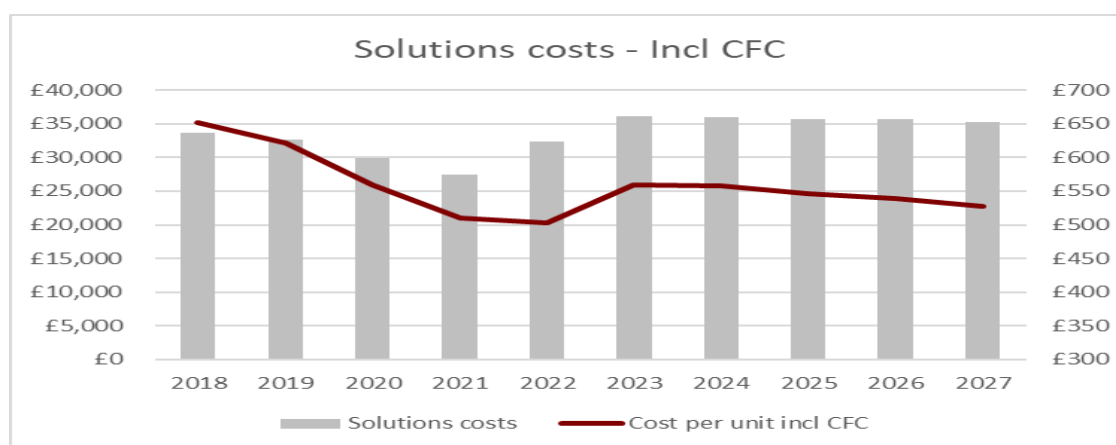
Table 1: Wheatley Solutions 2022/23 approved budget

	2022/23 Budget
	£k
Income	41,035
Expenditure	
Staff costs	(21,772)
Running Costs	(13,862)
	<u>(35,634)</u>
Regulated insurance activities	(3,609)
Head office costs	(1,789)
	<u>(41,032)</u>
Profit before tax	<u>3</u>

Cost efficiencies

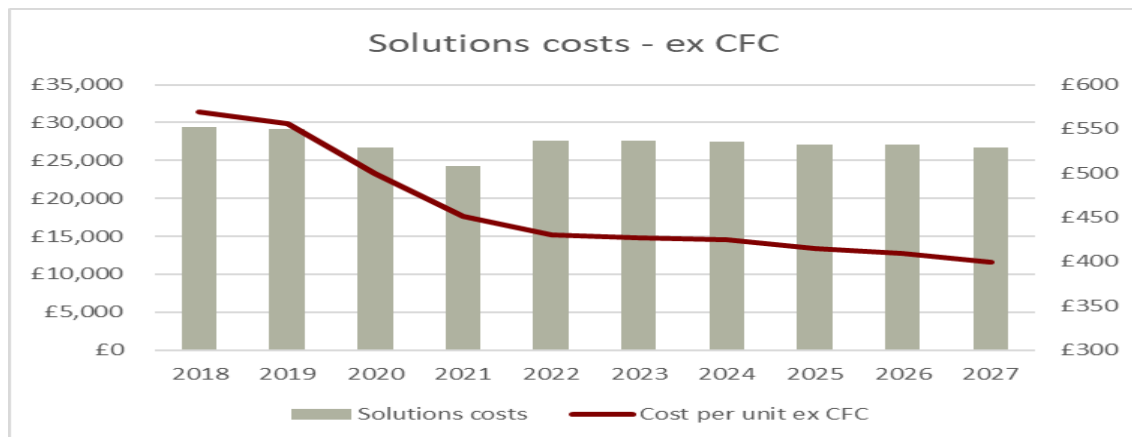
- 4.31 One of the benefits of the in-house provision of support services is the ability to drive cost efficiencies in conjunction with the reshaping of a back office service model and to take advantage of economies of scale through the growth in the size of the Group, contributing to the overall strategic objective to provide the Group's customers with value for money services.
- 4.32 Wheatley Solutions has a well-established track record of delivering efficiencies. From 2018, after adjusting actual costs to restate in real terms to take account of inflation, the cost per unit of Solutions functions reduced from £651 per unit to £503 per unit for the year to March 2022.
- 4.33 These per unit measures include the costs of the services provided by the CFC and the recent changes to their service model which has been significantly reshaped to support our new ways of working. This has created a single point of resolution for all customer queries and freed up housing officers to focus on face to face interactions in their patches.
- 4.34 Additional staffing resources have been deployed in the CFC to support delivery of the new model increasing headcount from 104 FTEs to 260 FTEs through a combination of newly created posts and restructuring of existing staff increasing staff and running costs by £4.5m per annum to £8.6m per annum.
- 4.35 This is the key driver for the increase to Solutions costs between 2021 and 2023 following the phased implementation of the changes in the fourth quarter of 2022. This in turn has uplifted the cost per unit in 2023 to £559 from £503 in 2022. Cost per unit reduces thereafter to £528 by 2027 on the achievement of planned efficiencies as shown in chart 1 below.

Chart 1: Solutions costs and cost per unit



4.36 Taking only corporate support functions provided by Solutions and excluding the costs of the CFC gives a clearer view of the underlying cost of the core support service provision. This is shown in Chart 2 with a cost per unit of £559 in 2018 for core back office services reducing to £430 for the year to March 2022. Total overheads also match this reducing trend with the exception of an increase in 2022 from the expansion of the Solutions service offering to DGHP and the secondment of corporate services staff from DGHP to Solutions. This did not however have an impact on cost per unit as the unit numbers increased correspondingly.

Chart 2: Solutions costs and cost per unit excluding CFC



4.37 The cost per unit of core corporate support services is projected to continue to reduce from £430 at March 2022 to £399 by 2027 as a result of future cost efficiencies which have been targeted in the Solutions financial projections principally within running costs. These targets are supported by our digital transformation strategy and help reduce our transactional costs with our customers. The integration of DGHP to group wide systems will also allow us to take advantage of cost efficiencies in IT support and maintenance costs. These savings will create additional financial resources for partners to reinvest in customer facing services, investment and wrap around support.

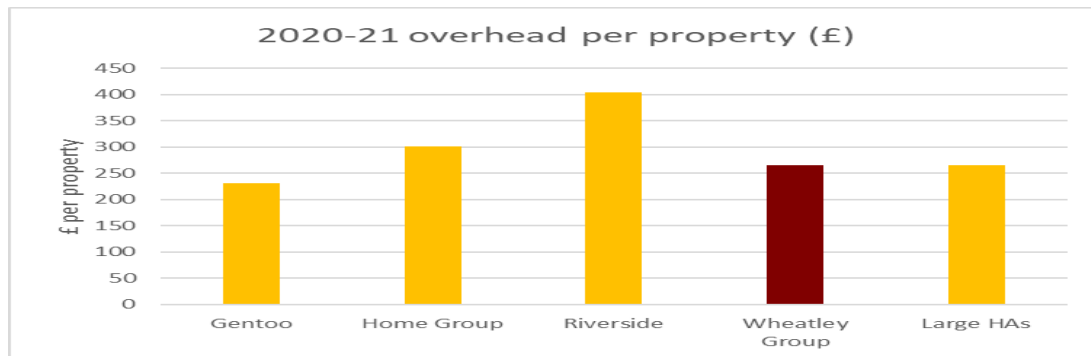
4.38 In order to understand the value for money being delivered by Wheatley Solutions we are part of sector benchmarking through Housemark, a data and insight company for the UK housing sector.

4.39 Our comparator group is large Housing Associations (over 10,000 units), excluding London and South East based organisations given their different economic context. The comparator group includes large organisations such as Riverside, Home Group and Gentoo.

4.40 Housemark applies a standardised benchmarking methodology. The methodology excludes finance and IT costs as they are subject to standalone benchmarking given they are normally the largest corporate services teams. Benchmarking at this level confirms we compare very well. Our finance team is the lowest in its peer group by the cost per property measure and our increased investment in digital transformation has seen us now have revenue costs that are broadly in line with the national average.

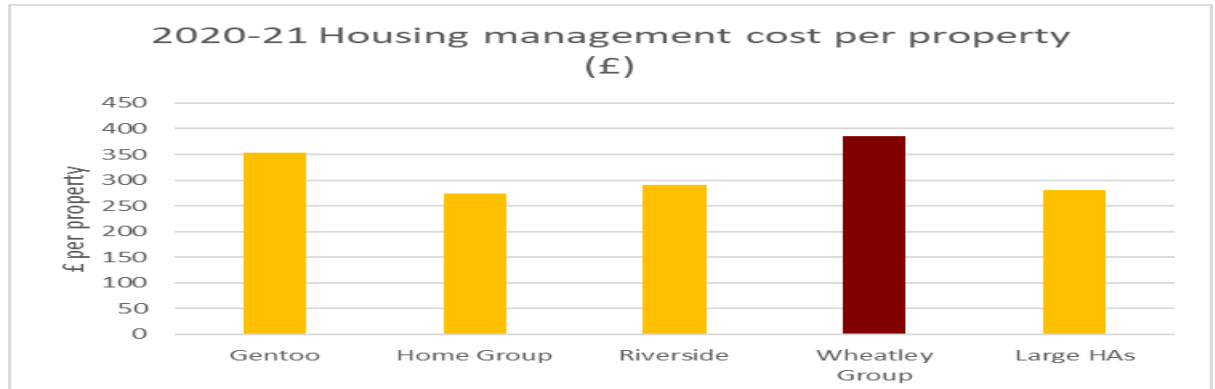
- 4.41 The benchmarking feedback for 2020/21 shows that in their assessment of central overheads, less finance and IT, we compare well with other large housing associations in the UK. The Housemark definition of central overheads includes the majority of the remaining Solutions functions, the Executive team as well as other non-pay overheads such as property insurance costs.
- 4.42 The costs of the CFC are allocated according to the activities staff carry out. A small element is accounted for within Housemark's central overhead measure with the majority reported through their housing management benchmark.

Chart 3: Housemark overhead comparison



- 4.43 The direct benefit of the efficiencies that we deliver and how they support higher investment in value added services to customers is also shown by the Housemark data on our housing management costs which shows that relative to other organisations we invest proportionately more in housing management and customer facing services.

Chart 4: Housemark housing management spend



- 4.44 This represents the critical elements of our housing model, such as 1:200 patch sizes, concierge in MSFs and W360 and which are not replicated in the comparator group. The majority of the costs of the CFC are reported here and the additional resources put in place in 2021-22 will show through this measure when it is next updated.

Future priorities

- 4.45 Wheatley Solutions and its Board's future priorities and focus reflect the priorities and strategies of its partners and the Group more widely. A separate report on the agenda sets out in more detail how it is responding to feedback on the development of digital and online services.

- 4.46 Sustainability is now a key priority, with a strategic project agreed to develop a strategic sustainability framework, our Pathway to Net Zero Group (“PTNZG”) now in place and sustainability incorporated into the Wheatley Solutions Board Terms of Reference.
- 4.47 The PTNZG has held its first meeting and its Chair attended the last Wheatley Solutions Board in May to give it feedback on its first meeting and plan for the year ahead. The Wheatley Solutions Board will continue to oversee and scrutinise the activity of the PTNZG.
- 4.48 As we continue to implement our new staff operating model we have a wider range of activities planned in the year ahead to support our staff thrive under the model. This includes a review of our Group Learning Framework, the continued roll out of new leadership programmes bespoke to reflect our operating model, and finalising our Centres of Excellence programme.
- 4.49 As discussed earlier in the report we will be refining our approach to receiving feedback from partner organisations on Wheatley Solutions services. We intend, for example, to consider how our customer sentiment analysis tool can support more dynamic satisfaction surveying and immediate feedback.

5. Customer Engagement

- 5.1 Wheatley Solutions is reflecting the group and our partner organisation’s focus on enhancing customer engagement and co-creation. Customer engagement is being incorporated into all appropriate Wheatley Solutions activity, as seen in the recent Group Delivery Plan strategic projects.
- 5.2 Recent examples of where we have engaged with tenants in relation to Wheatley Solutions’ service delivery includes:
- Tenants testing elements of the digital services to provide feedback on the user experience - the feedback is being used to make changes; and
 - Scrutiny panel engaged on the planned approach to collecting equalities data

6. Environmental and sustainability implications

- 6.1 There are no direct environmental or sustainability implications arising from this report. A key activity is the development of a group strategic sustainability framework and once agreed implementation will be monitored by the Wheatley Solutions Board.

7. Digital transformation alignment

- 7.1 Our digital transformation programme is a central element of delivering our strategy, ranging from how we engage customers also support staff collaborating, to how we deliver our services and keep our data safe.
- 7.2 The Wheatley Solutions Board is responsible for oversight and scrutiny of the delivery of the overall digital transformation programme. It is a standing item at its Board meetings and is also reflected in its performance measures such as digital maturity level.

8. Financial and value for money implications

- 8.1 Wheatley Solutions has a track record of delivering cost efficiency targets having reduced the cost per unit of core corporate services from £559 per unit in 2018 to £430 per unit in the year to March 2022.
- 8.2 Wheatley Solutions has a strategic objective to provide us and our partners in Wheatley Group with excellent services that represent value for money and future cost efficiencies are targeted in the Wheatley Solutions financial projections which were approved by their Board in February 2022.
- 8.3 Wheatley Solutions is financially neutral and any variance to financial projections are passed on to Group subsidiaries with the risk sitting with the individual entities. In year budgetary control within Wheatley Solutions remains key as an unfavourable financial performance could have a material impact on their ability to meet loan covenants or service interest payments.

9. Legal, regulatory and charitable implications

- 9.1 The existing Services Agreement and Business Excellence Framework allow us to meet our regulatory requirements in relation to having clearly defined arrangements for intragroup services in a group structure.

10. Risk appetite and assessment

- 10.1 Our risk appetite in relation to governance is cautious. The creation of Wheatley Solutions was designed to enhance the governance and oversight of the delivery of corporate services across the Wheatley Group.
- 10.2 There is a risk that Wheatley Solutions services are not appropriately tailored to or focussed on our specific priorities. This risk is mitigated through a combination of the composition of the Wheatley Solutions Board, our services agreement , ongoing staff engagement and the formal bi-annual meeting with our Managing Director.

11. Equalities implications

- 11.1 There are no equalities implications associated with this report.

12. Key issues and conclusions

- 12.1 Wheatley Solutions has allowed us and our partner organisations to access a wider range of services and expertise than may be otherwise possible. In parallel, Wheatley Solutions has delivered a service which has continuously improved whilst harnessing the scale of the group to deliver efficiencies and greater value for money.
- 12.2 The comparatively low costs in Wheatley Solutions are consistent with our objective that efficiency in Wheatley Solutions enables spending more in customer facing activities and services.

13. Recommendations

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

Report

To: Dunedin Canmore Board

By: Lyndsay Brown, Financial Controller - RSLs

Approved by: Steven Henderson, Group Director of Finance

Subject: 2021/22 Financial Statements

Date of Meeting: 18 August 2022

1. Purpose

- 1.1 The purpose of this report is to provide the Dunedin Canmore Board with an overview of the 2021/22 financial statements.
- 1.2 The Board should note that the financial statements have been reviewed by the Wheatley Group Audit Committee and recommended for approval at its meeting which was held on 3 August 2022.

2. Authorising and strategic context

- 2.1 Under the terms of the Intra-Group Agreement between Dunedin Canmore ("DCH") and the Wheatley Group, as well as the Group Authorising Monitor Matrix, the DCH Board is responsible for the on-going monitoring of performance against agreed targets, including the on-going performance of its finances and the approval of the statutory financial statements.

3. Background

- 3.1 This report provides the Board with the final statutory financial statements following the completion of the external audit by KPMG and a reconciliation of the final out-turn to Period 12 2021/22 management accounts.

4. Discussion

4.1 Summary of year-end financial results

- The financial statements are now complete and have been audited. The financial results for the year are summarised below. They reflect the requirements of the 2014 Statement of Recommended Practice ("SORP 2014") for Social Housing Providers.

	Year ended 31.03.22 £'000	Year ended 31.03.21 £'000
Turnover	41,921	41,799
Operating expenditure	(30,634)	(27,361)
Other (losses)/ gains	(361)	7,321
Operating surplus	10,926	21,759
Gain on disposal of fixed assets	1,539	1,768
Net finance costs	(6,640)	(10,803)
Property revaluation – housing properties	1,610	10,131
Property revaluation – office properties	441	409
Surplus for the year	7,876	23,264
Actuarial gain/ (loss) in respect of pension schemes	3,249	(3,272)
Total comprehensive income for the year	11,125	19,992

4.2. Adjustments from 31 March management accounts

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

	Income & Expenditure £'000	Net Assets £'000
March management accounts	3,837	214,291
Revaluation of Properties - Housing	1,610	1,610
Revaluation of Properties - Office	441	441
Revaluation of Properties - Investment	(361)	(361)
Gain on Sale of Fixed Assets	1,539	1,539
Pension adjustment	3,588	3,588
Depreciation and disposal adjustments	703	703
Other	(232)	(233)
DCH statutory accounts	11,125	221,578

- Revaluation of Properties: Housing, office and investment properties were revalued at the year-end by Jones Lang Lasalle. This resulted in an increase of £1,610k to the value of social housing properties and £441k to office properties. Investment properties include mid-market rent units and these have reported a decrease in value £361k.

The completion of the 61 new build properties during the year has an impact on the valuation result as social housing and mid-market rent properties are initially recognised on the balance sheet at cost of construction, then are written down to tenanted market value on completion. The write-down is, however, offset by the grant received to subsidise their construction, which is also recognised through the income statement.

- Gain on sale: Gain on sale of properties, including shared ownership disposals, in the year was £1,539k. The book value of properties sold were calculated using 2020/21 JLL valuations and depreciating the appropriate amount based on number of months to the point of sale.
- [redacted].
- Depreciation and disposal adjustments: As part of the year end work, depreciation charges were calculated at individual component level and disposals processed. This resulted in a decrease of £703k to the charge provided in the management accounts.
- Other: This reflects other items finalised after the preparation of the year end management accounts including a review of invoices received after the year end and any resulting adjustment to accruals.

4.3 **Audit summary**

- The external auditors, KPMG have completed their audit of the financial statements and have issued an unqualified audit opinion.
- During the course of the audit adjustments were identified and made to fixed assets in relation to the property valuation received from JLL and the classification housing stock within fixed assets. In addition, two adjustments were identified and made in relation to the release of accruals and the recognition of deferred income.
- As a standard part of the standard audit process, and in line with previous years, KPMG require the Board of each organisation in the Wheatley Group to sign a “letter of representation” in which the Board confirms certain matters in terms of disclosure and record-keeping. As in previous years, a letter from the Chief Executive has been provided to each Board to provide comfort that the officers have complied with the matters stated in this letter. Both these documents are provided along with this paper (Appendix 2 and 3 respectively).
- The Board are asked to confirm in the letter of representation that the financial statements are prepared on a going concern basis. The assessment that the Association continues in business is based on the preparation and approval of the Association’s 30-year business plan which includes cashflow forecasts, the certainty of revenue streams from rental income and the assessment of the availability of funding provided to Dunedin Canmore through the RSL borrower relationship with WFL1.
- The accounts and letter of representation will be signed following the approval of the Wheatley Group accounts at the Group Board meeting on 25 August 2022. A copy of KPMG’s audit highlights report will be uploaded to Admincontrol and available upon request.

5. Customer Engagement

5.1 No implications

6. Environmental and sustainability implications

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

7. Digital transformation alignment

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

8. Financial and value for money implications

8.1 DC's balance sheet continues to strengthen, with net assets increasing by £11.1m.

8.2 The adjusted operating surplus from core social housing activities moved from £18,458k to £17,748k, after deducting accounting adjustments for grant income on new build completions, depreciation, investment property gains, and the one off gain relating to the business combination. With Barony in the prior year. After including interest costs and capital expenditure on our existing properties, an underlying surplus of £4,548k is reported.

	2022 £k	2021 £k
Operating surplus	10,926	21,759
Adjusted for:		
Depreciation	10,205	10,124
Investment property valuation movements	361	(150)
Gain on business combination	-	(7,171)
New build grant income	(3,744)	(6,104)
Adjusted operating surplus	17,748	18,458
Less:		
Interest costs	(6,640)	(10,804)
Investment in existing social homes	(6,560)	(3,956)
Underlying surplus	4,548	3,698

9. Legal, regulatory and charitable implications

9.1 Under Section 485 of the Companies Act we are required to appoint an auditor for each financial year. Under the Intra-Group Agreement with Wheatley Housing Group we are required to use the Group Auditors. We require to appoint KPMG LLP as the auditors for 2022/23 at the Annual General Meeting. The appointment will be subject to the Group confirming their reappointment at its Annual General Meeting.

9.2 Following approval and signing of the financial statements they require to be submitted to Companies House and the annual return made to the Scottish Housing Regulator.

10. Risk Appetite and assessment

- 10.1 Our agreed risk appetite in relation to compliance with laws and regulation is averse. Averse is defined as “Avoidance of risk and uncertainty is a key Organisational objective.”

11. Equalities implications

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

12. Key issues and conclusions

- 12.1 This paper presents an overview of the statutory accounts for the period to 31 March 2022. The external audit of the financial statements is now complete and an unqualified audit opinion was issued by KPMG.

13. Recommendations

- 13.1 The Board is requested to:

- 1) Approve the 2021/22 financial statements;
- 2) Confirm the preparation of the financial statements using the going concern basis;
- 3) Delegate authority to the Chair and Group Director of Finance to approve any non-material changes to the accounts; and
- 4) Approve the letter of representation from the auditors, and note the related letter of comfort from the Chief Executive.

LIST OF APPENDICES: [redacted: available here [DC 202122 Draft Statutory Accounts v12 signing version.docx.pdf \(wheatley-group.com\)](#)]

Appendix 1 - Financial statements for the year ended 31 March 2022

Appendix 2 - Letter of representation to KPMG

Appendix 3 - Letter of representation from management

Report

To: Dunedin Canmore Housing Board

By: Ranald Brown, Director of Assurance

Subject: Group Assurance Update

Date of Meeting: 18 August 2022

1. Purpose

- 1.1. This report provides the Dunedin Canmore Housing Association Board (the Board) with an update for noting of the following matters:
- the Internal Audit Annual Report and Opinion 2021/22;
 - internal audit work performed during Q3 and Q4 of 2021/22; and
 - the rolling Internal Audit Plan 2022/23.

2. Authorising and strategic context

- 2.1. Under the Group Authorising Framework, the Board is responsible for managing and monitoring its compliance arrangements and operational performance. The activities undertaken by the Assurance Team provide the Board with independent assurance to support the Board in this role.
- 2.2. The Group Audit Committee is responsible for monitoring the Group's assurance activities. The Group Audit Committee has responsibility for instructing and keeping under review the rolling internal audit plan for the Group, and monitor results as presented in the annual internal audit report and opinion. The 2021/22 Internal Audit Annual Report and Opinion was approved by the Group Audit Committee on 13 June 2022, as was the current schedule of work within the rolling Internal Audit Plan 2022/23.

3. Background

- 3.1. The Group's Internal Audit team operates in accordance with the Chartered Institute of Internal Auditors' International Professional Practices Framework (IPPF), which includes the International Standards for the Professional Practice of Internal Auditing (the Standards).
- 3.2. In line with the requirements of the Standards, Internal Audit provides the Board with an Annual Report and Opinion, which summarises the results of the Internal Audit team's work during the financial year and provides an opinion on the Group's internal control, governance, and risk management framework. A copy of the Director of Assurance's Internal Audit Annual Report and Opinion for 2021/22 is set out in **Appendix 1**.

- 3.3. The results of Internal Audit work performed in Q1 and Q2 2021/22 was reported to the Board in November 2021. For Q3 and Q4 2021/22, the Group Audit Committee approved delivery of the following reviews, as part of the Internal Audit Plan 2021/22:

Quarter 3 2021/22	Quarter 4 2021/22
Fire Risk Assessments	Wheatley Foundation ESF Funding
Working from Home	Payroll
Accounts Payable	Repairs
Lowther Homes review	Lowther Homes follow up review
Technology and Business Model coordination group	Data analytics
Boxi replacement readiness review	Follow-Up of Management Actions

- 3.4. The Internal Audit team has now completed these reviews, and details of the findings are set out in the Group Assurance Update report at **Appendix 2**.

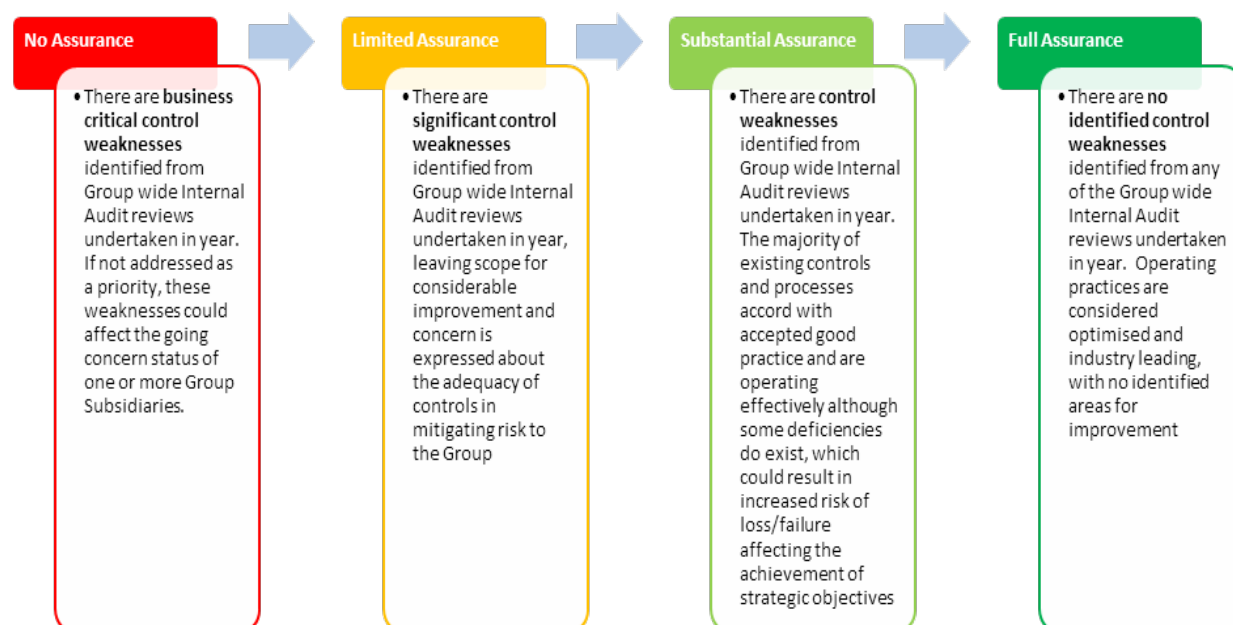
4. Discussion

Internal Audit Annual Report and Opinion 2021/22

- 4.1. The Internal Audit Annual Report and Opinion 2021/22 was approved by the Group Audit Committee at its meeting on 13 June 2022. The Annual Report and Opinion is then reported to each partner Board alongside the annual accounts. The Statement on Internal Financial Control included within the statutory accounts sets out our conclusions.
- 4.2. A copy of the Annual Report and Opinion has been included at **Appendix 1**, sections 3 and 4 of which provide details of all work performed and the Subsidiaries covered. The reviews specifically relevant to this Board are:

Furlough Scheme	Equalities, Diversity & Human Rights	Fire Risk Assessments	Working from Home follow up
ESG Baseline	Technology and Business Model Coordination Group	Digital Strategy Follow Up	Accounts Payable
Payroll	Strategic Projects oversight arrangements	Boxi replacement readiness	Data Analytics: Payroll
Annual SHR Assurance Statement	Repairs	Voids Management	Complaints Handling

4.3. The table below shows the different types of Internal Audit Opinion which may be given:



4.4. Following completion of our approved Internal Audit Plan, we can confirm that sufficient work has been undertaken to enable us to provide an opinion on the adequacy and effectiveness of the internal control environment in operation during 2021/22. In giving this opinion, it should be noted that assurance can never be absolute.

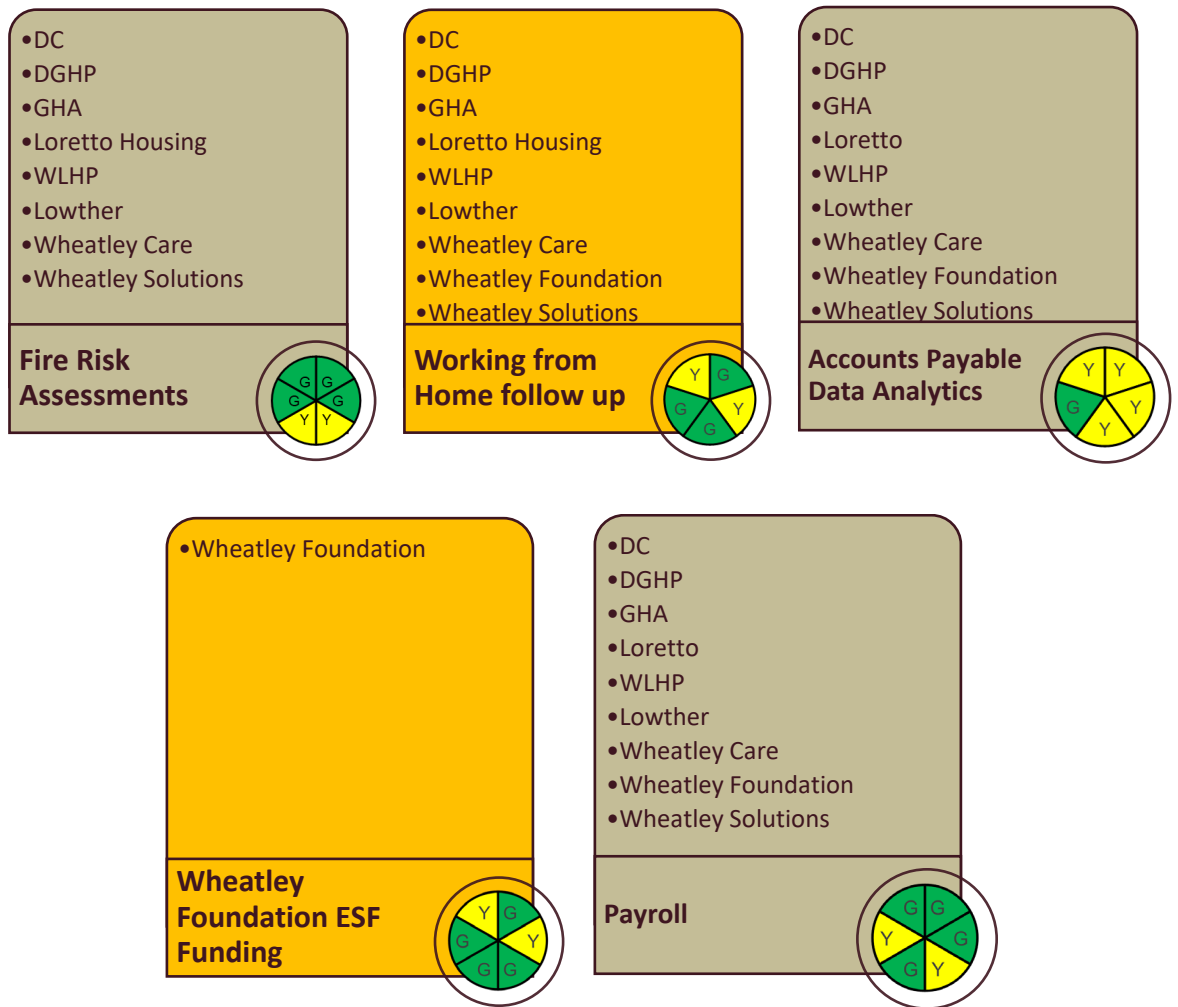
4.5. During the delivery of our Internal Audit plan, we identified no critical weaknesses in the governance, risk management, or internal control arrangements which would put the achievement of Group objectives at risk except for weaknesses in Lowther Homes processes and controls in relation to the administration of deposits. The status of all audit actions will continue to be reported regularly to the Group Audit Committee.

Internal Audit Opinion 2021/22

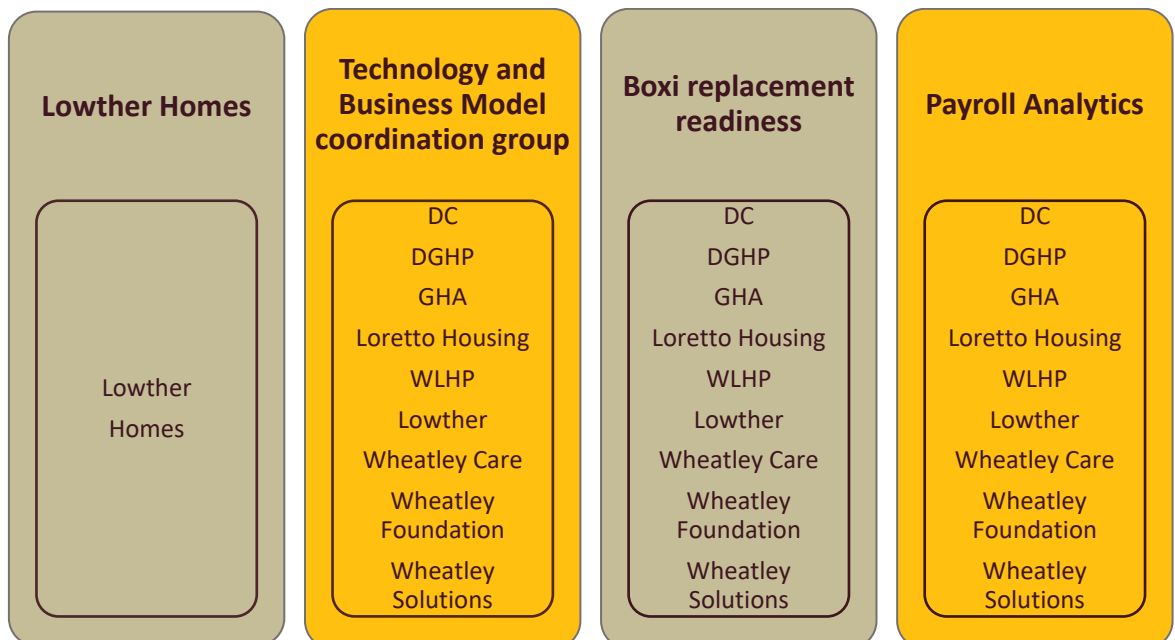
Based on our Group-wide work undertaken in 2021/22 a substantial level of assurance can be given that there is a sound system of internal control, designed to support achievement of relevant organisational objectives, [redacted]

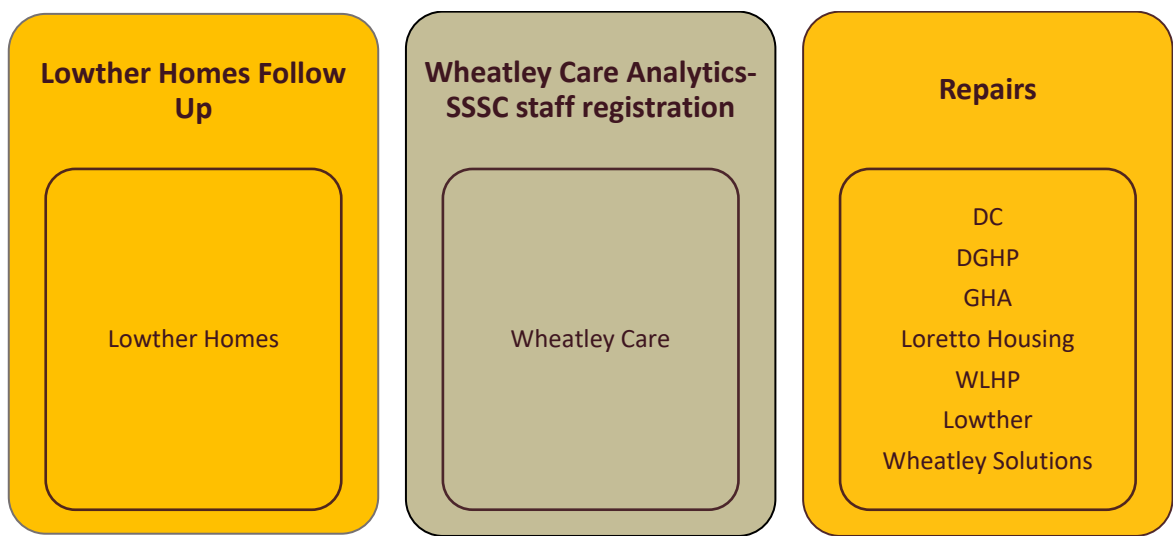
Summary of Q3 and Q4 2021/22 work

4.6. The table below summarises the results of 2021/22 Annual Plan work completed in the period since our last report.



4.7. In addition, the following reviews have also been completed:





- 4.8. More detail on the key findings for each review are set out in the Group Assurance Update at **Appendix 2**. Full reports are available to all Board members upon request.

Rolling Internal Audit Plan to November 2022

- 4.9. The Group Audit Committee reviews the rolling Internal Audit Plan at each of its meetings, approving the work scheduled for the coming quarter. In June 2022, the Group Audit Committee approved the completion of an exercise to review the extent of local compliance checks in place across the Group. The Internal Audit team will work with management to identify areas in which compliance checking should be continued, reintroduced or developed. The team will assist management to review the checking methodology, and to develop routine reporting of the results of compliance checking to senior management and Boards.

5. Customer Engagement

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

6. Environmental and sustainability implications

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

7. Digital transformation alignment

- 7.1. The advisory reports on Boxi replacement readiness and the Technology and Business Model Coordination Group will assist management to implement planned changes to achieve the digital transformation required in order to successfully deliver the Group's strategic aims.

8. Financial and value for money implications

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

9. Legal, regulatory and charitable implications

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

10. Risk Appetite and assessment

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

11. Equalities implications

- 11.1. This report does not require an equalities impact assessment.

12. Key issues and conclusions

- 12.1. The Internal Audit team has completed its planned work for 2021/22 and the Director of Assurance has issued his annual opinion, as outlined at paragraph 4.5.
- 12.2. The Internal Audit team has completed the listed reviews. No significant matters were noted to bring to the attention of Board members and management has agreed actions to address the improvement actions identified during each review. The Internal Audit team will monitor completion of these actions and report progress to future meetings of the Group Audit Committee and this Board.
- 12.3. The Group Audit Committee has approved the Internal Audit team's current programme of work and will continue to oversee and approve the work programme on a quarterly basis.

13. Recommendations

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

LIST OF APPENDICES:

Appendix 1 – Annual Report and Opinion 2021/22

Appendix 2 – Group Assurance Update August 2022

Internal Audit Annual Report and Opinion 2021/22

1. Introduction

The purpose of this report is to provide our view on the adequacy and effectiveness of the Wheatley Group's ("the Group") system of governance, risk management and internal control, as assessed through delivery of our rolling Internal Audit Plan during 2021/22.

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

Our detailed findings from specific reviews have been reported to Management during the year, with a summary of these findings reported to the Committee at each of its 2021/22 meetings. Summary findings have also been reported to Subsidiary Boards and the Group Board where appropriate.

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

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

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

Group Assurance Mission Statement

To enhance and protect the Wheatley Group by providing independent, risk based and objective, assurance, advice and insight

2. Annual Internal Audit Opinion

Scope

In line with the International Standards for the Professional Practice of Internal Auditing (“the Standards”), Internal Audit provides the Group Board, Audit Committee and Subsidiary Boards with an Annual Internal Audit Opinion, as a result of the work completed during 2021/22.

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

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

- the results of all Internal Audit work undertaken (including any upheld instances of fraud or whistleblowing) during the year ended 31 March 2022;
- in accordance with the Wheatley Group City Building Glasgow Assurance approach, we have placed reliance on the internal audit work done by the Glasgow City Council’s Chief Internal Auditor in relation to City Building Glasgow;
- the effects of any material changes in the Group’s objectives, activities or regulatory environment; and
- whether there have been any resource constraints imposed upon us which may have impinged on our ability to meet the Group’s Internal Audit needs.

Basis of Opinion

Sufficient work has been undertaken to enable us to provide an opinion on the adequacy and effectiveness of the internal control environment in operation during 2021/22. In giving this opinion, it should be noted that assurance can never be absolute.

During the delivery of our Internal Audit plan, we identified no critical weaknesses in the governance, risk management, or internal control arrangements which would put the achievement of Group objectives at risk except for weaknesses in Lowther Homes processes and controls in relation to the administration of deposits.

As reported to the Group Audit Committee, Management has acted promptly to address the findings we reported during the year and thereby strengthen the controls in place. Implementing agreed actions is a priority and progress is regularly reported to the Directorate Management Teams, Executive Team, Subsidiary Boards, City Building Glasgow, Group Board and the Group Audit Committee.

Internal Audit Opinion 2021/22

*Based on our Group-wide work undertaken in 2021/22 a **substantial level of assurance*** can be given that there is a sound system of internal control, designed to support achievement of relevant organisational objectives, [redacted]*

3. Summary of Findings

This section summarises the results of Internal Audit advisory reviews completed during 2021/22. Each of these reviews included an assessment of the extent to which the control objectives set out in the Terms of Reference were achieved, as reflected in the charts below.



4. Summary of other work performed

The Internal Audit team has also completed the following advisory and consultancy reviews, which did not include an assessment of the achievement of control objectives, due to the nature of the work performed. Summaries of the findings of all the reviews conducted during 2021/22 have previously been reported to the Group Audit Committee and to Subsidiary Boards.

<ul style="list-style-type: none"> • DC • DGHP • GHA • Loretto Housing • WLHP • Lowther Homes • Wheatley Care • Wheatley Foundation • Wheatley Solutions 	<ul style="list-style-type: none"> • DC • DGHP • GHA • Loretto Housing • WLHP • Lowther Homes • Wheatley Care • Wheatley Foundation • Wheatley Solutions 	<ul style="list-style-type: none"> • DC • DGHP • GHA • Loretto Housing • WLHP • Wheatley Solutions 	<ul style="list-style-type: none"> • DC • DGHP • GHA • Loretto Housing • WLHP • Lowther Homes • Wheatley Care • Wheatley Foundation • Wheatley Solutions 	<ul style="list-style-type: none"> • Lowther Homes 	<ul style="list-style-type: none"> • DC • DGHP • GHA • Loretto Housing • WLHP • Lowther Homes • Wheatley Care • Wheatley Foundation • Wheatley Solutions
ESG Baseline	Digital Strategy Follow Up	Annual SHR Assurance Statement	Strategic Projects oversight arrangements	Lowther Homes	Payroll Data Analytics

<ul style="list-style-type: none"> • DC • DGHP • GHA • Loretto Housing • WLHP • Lowther Homes • Wheatley Care • Wheatley Foundation • Wheatley Solutions 	<ul style="list-style-type: none"> • DC • DGHP • GHA • Loretto Housing • WLHP • Lowther Homes • Wheatley Care • Wheatley Foundation • Wheatley Solutions 	<ul style="list-style-type: none"> • Lowther Homes 	<ul style="list-style-type: none"> • Wheatley Care 	<ul style="list-style-type: none"> • DC • DGHP • GHA • Loretto Housing • WLHP • Lowther Homes • Wheatley Solutions
Technology and Business model coordination group	Boxi replacement readiness	Lowther Homes Follow Up	Wheatley Care Data Analytics	Repairs

5. Follow Up of Management Actions

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

The information below is a summary of all actions followed up during the course of 2021/22.

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

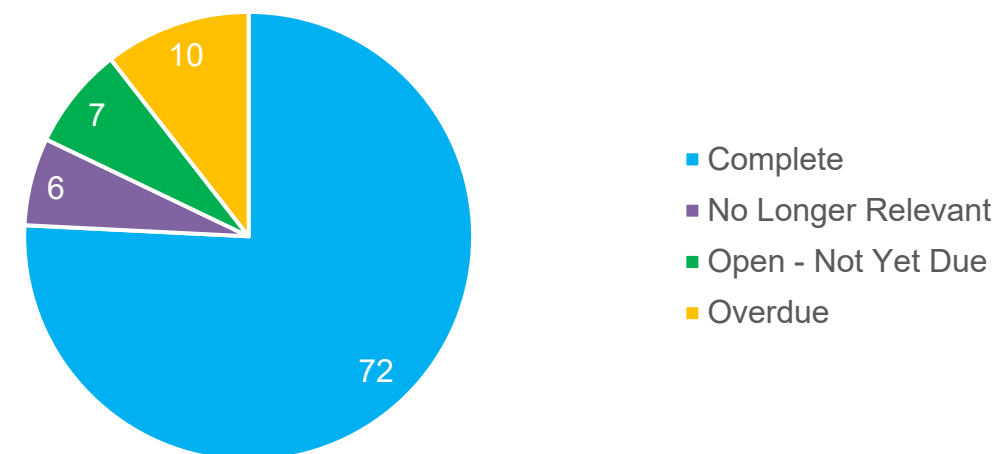
- a) The action has been completed during 2021/22;
- b) The action is no longer relevant or has been superseded;
- c) The action is not yet due for completion; or
- d) The action is overdue for completion.

For the 10 overdue actions, we have discussed the current status with management and identified revised timescales for completion of the original actions. In 8 instances, this is due to the actions being incorporated into projects to be delivered as part of the 2022/23 Delivery Plan. In each case, we are satisfied that the action is in progress and we will continue to monitor full implementation of these actions.

Status	Actions
Actions brought forward from 1 April 2021	23
New actions agreed during 2021/22	72
Total Actions followed up during 2021/22	95

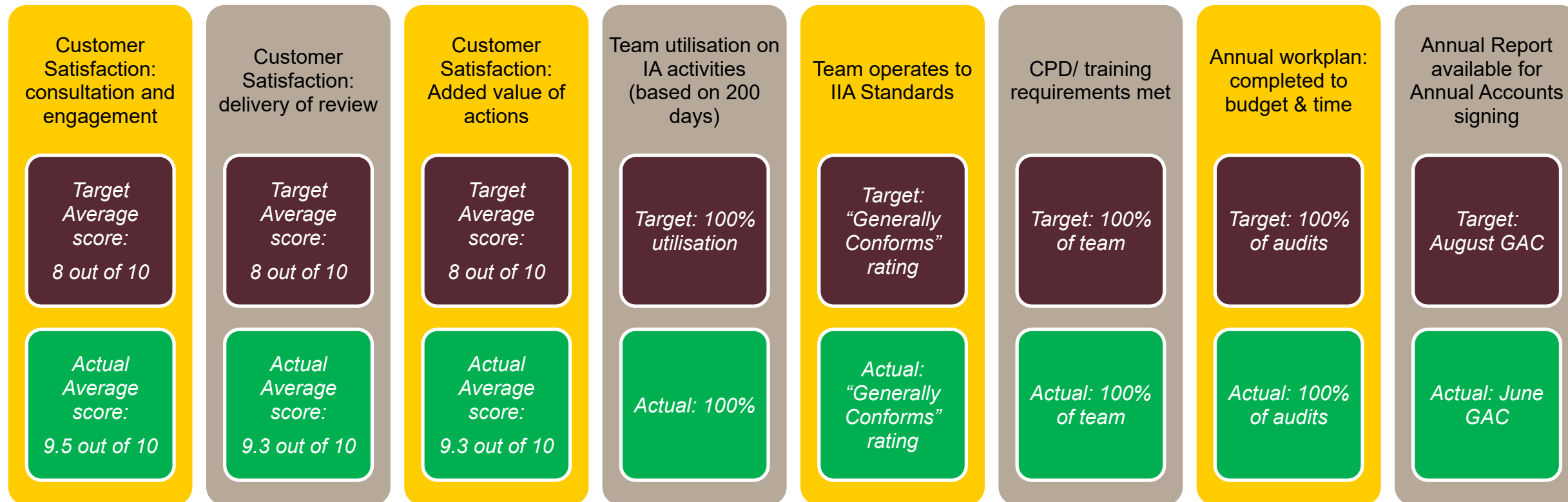
The chart below summarises our assessment of the status of the 95 actions followed up during 2021/22.

Status of all actions followed up in 2021/22

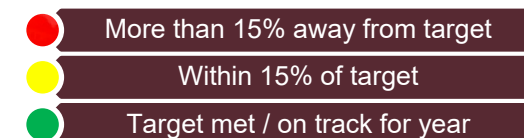


Key Performance Indicators 2021/22

The Internal Audit team's performance against its agreed KPIs for 2021/22 is set out below:



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



7. IA 2021/21 Feedback

The customer satisfaction measures are based on feedback forms completed by auditees following each review. We acknowledge that the average scores received are high, however we believe the supporting commentary reflects the success of improvements we have made to our internal audit methodology in response to the new operating model. In particular Subsidiary Directors commented that:

“Colleagues in audit always, without exception, consult in a very timely manner. They always plan in advance giving significant time for subsidiaries and business areas to respond appropriately.”

“Audit team are always inquisitive about the business and keep themselves informed across the business of changes in processes and approaches.”

“Recommendations are presented in a way where it is clear they can be discussed and feedback will be responded to.”

“The service delivered is very professional. All colleagues we interact with are pleasant, helpful, personable and clear of their remit, what outcomes they/we wish to achieve and the roles and responsibilities of the officers they interact with.”

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

We will explore opportunities for the team to gain more specialist/technical knowledge (eg shadowing services) in areas which would add demonstrable value to the Group Internal Audit process.

- “specific care knowledge can always be improved as it is not their specific expertise or working experience. This would be the case for anyone working outwith the sector.”
- “they are able to work well with 'expert' colleagues in the business as part of the audit to ensure that lack of specialism in the team is not a barrier to helpful findings”

We will offer different methods of agreeing audit actions to best meet management's individual needs. For example, we could facilitate workshops or cross-departmental meetings to share ideas and identify practical solutions.

- “team are great at offering potential solutions that are very practical generally but don't always fit or work for care”
- “Some actions and recommendations span complex processes that are responsibilities of other depts/service areas (including business approach/planning etc),so practical implementation can be more complex”
- “because of the nature of our work on ESG it was difficult to identify practical solutions of significant value. Nevertheless the approach and insight provided was very helpful”

8. IA Compliance with Standards

Internal Audit compliance with professional standards

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

Internal Audit independence

Each member of the Internal Audit team is required to confirm their independence annually. The Independence Statements were last collected in September 2021 and the exercise will be repeated in September 2022.

Conflicts of Interest

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

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

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

9. IA Quality Assurance and Improvement Programme

As part of the IA Team's Quality Assurance and Improvement Programme, we completed our internal quality assurance during 2021/22, comprising:

Ongoing monitoring

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

Annual CPE Completion

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

Annual self-assessment

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

Annual Self-Assessment

The Internal Audit team completed the quality assessment template produced by the Chartered Institute of Internal Auditors (CIIA) and rated performance as:

Generally Conforms

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

The results of the assessment, including identified improvement opportunities were reported separately to the Group Audit Committee.

Appendix 1: Limitations and responsibilities

Limitations Inherent to the Internal Auditor's Work

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

Opinion

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

There might be weaknesses in the system of internal control that we are not aware of because they did not form part of our programme of work, were excluded from the scope of the individual review, or were not brought to our attention. Our audit plan is based on risk to capture the higher risk areas within the Group. As a consequence, Management and the Group Audit Committee should be aware that our opinion may have differed if our programme of work or scope for individual reviews was extended or other relevant matters were brought to our attention.

Internal Control

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

Responsibilities of Management and Internal Audit

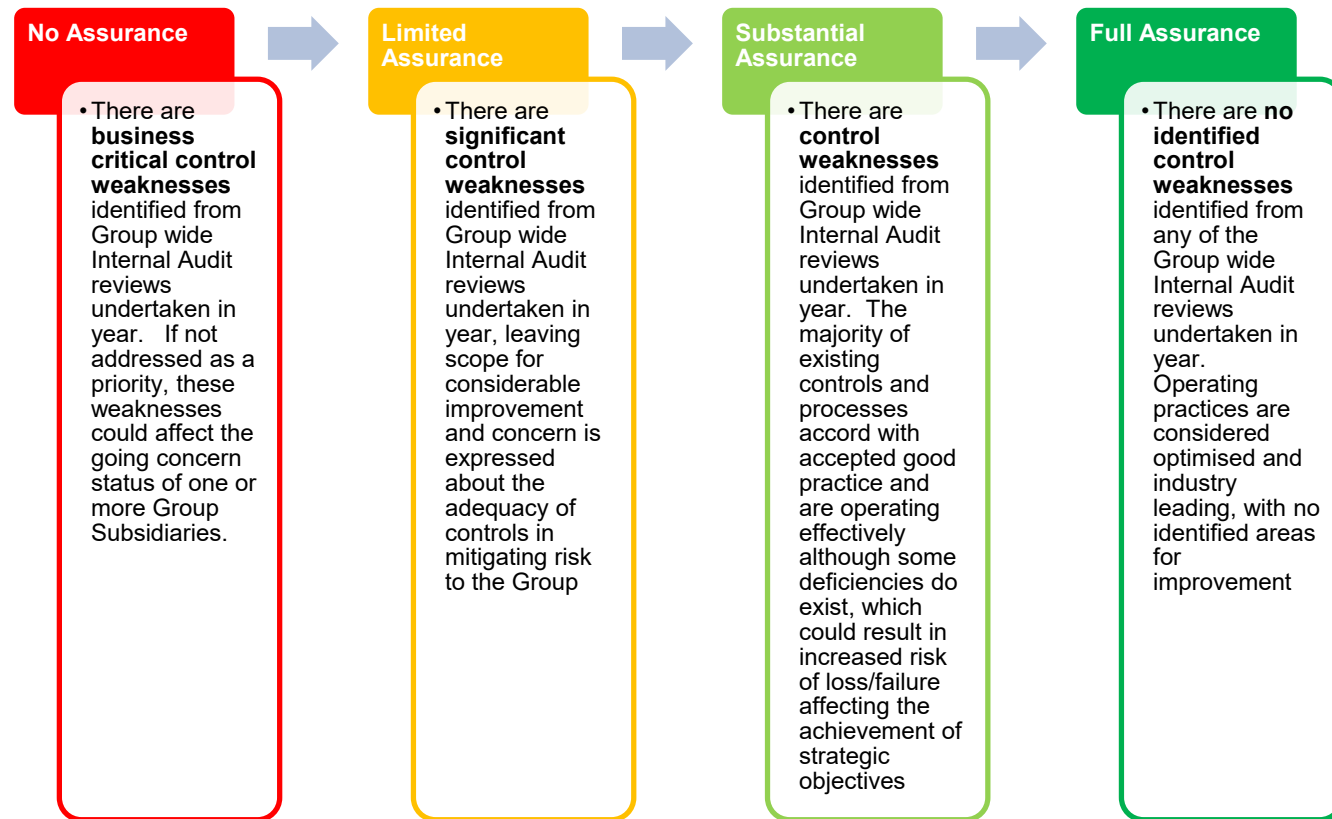
It is Management's responsibility to develop and maintain sound systems of risk management, internal control and governance to ensure the prevention and detection of irregularities and fraud. Internal Audit work should not be seen as a substitute for Management's responsibilities for the design and operation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

Internal Audit endeavour to plan work so that we have a reasonable expectation of detecting significant control weaknesses and if detected, we shall carry out additional work directed towards the identification of consequent fraud or other irregularities. Internal Audit procedures alone, even when carried out with due professional care, do not guarantee that fraud will be detected, and our examinations as Internal Auditors should not be relied upon to disclose all fraud, defalcations or other irregularities which may exist.

Appendix 2: Assurance Opinion definitions

Annual Assurance Opinion Definitions

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



Control Objective Classification

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



Group Assurance Update

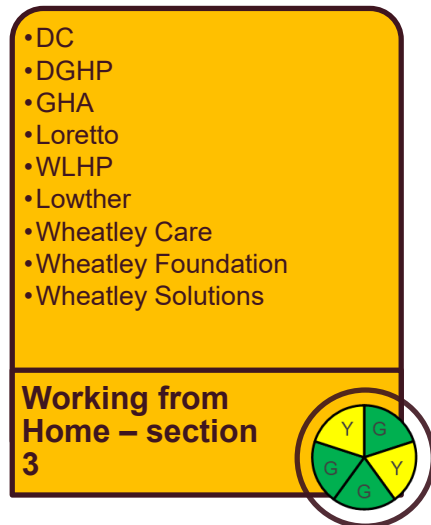
August 2022

1. IA Plan 2021/22 Status

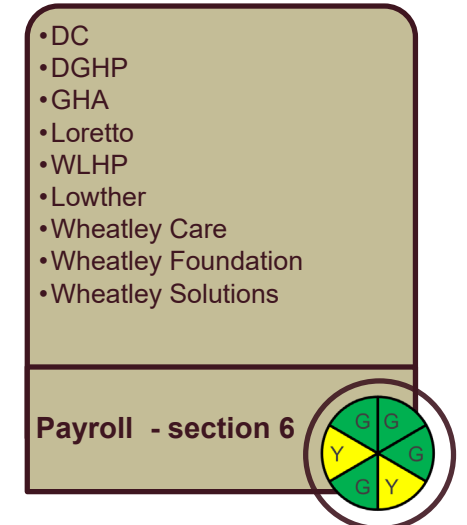
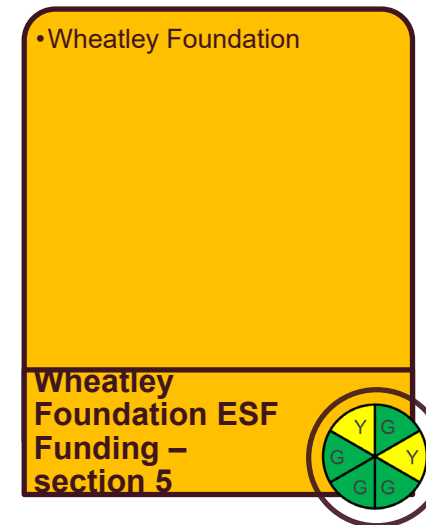
Status of Reviews

This section summarises the results of Internal Audit activity completed during this period.

Quarter 3 – reported to Group Audit Committee in February 2022



Quarter 4 – reported to Group Audit Committee in June 2022

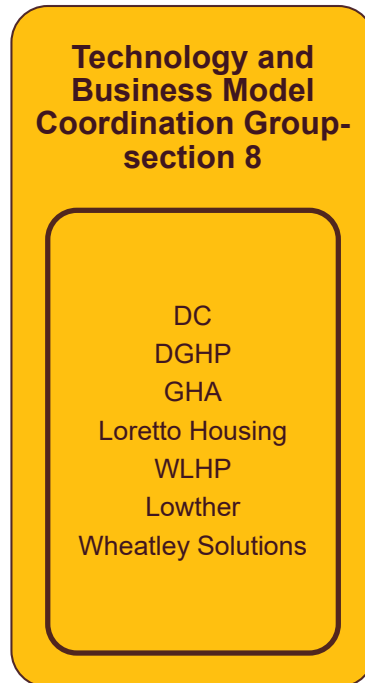


1. IA Plan 2021/22 Status

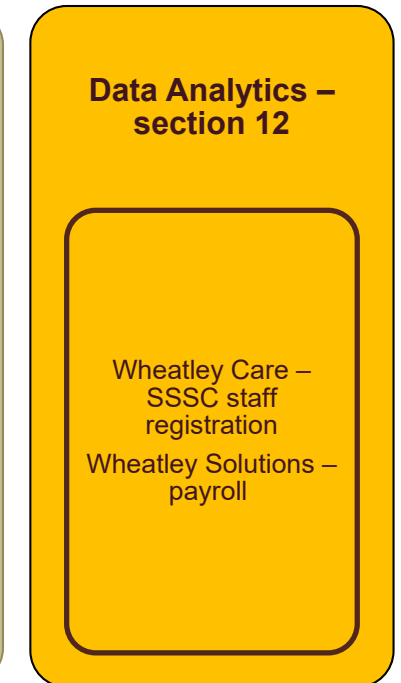
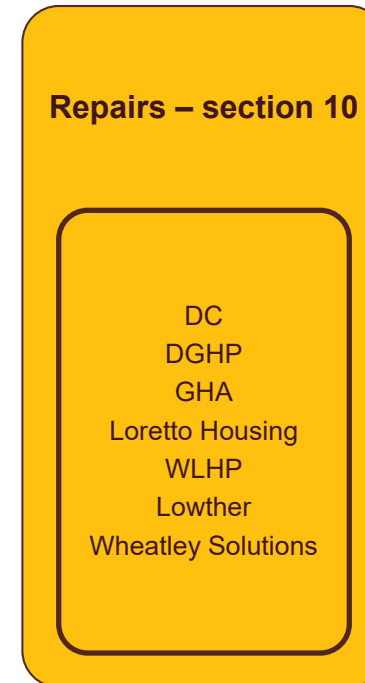
Status of Reviews

This section summarises the results of Internal Audit activity completed during this period.

Quarter 3 – reported to Group Audit Committee in February 2022



Quarter 4 – reported to Group Audit Committee in June 2022



Control Objective Classification:

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

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

2. Fire Risk Assessments

Report Conclusion

This review considered the arrangements in place for capturing and monitoring the completion of actions arising from Fire Risk Assessments (FRAs). We found that in general the procedures are clear, well understood and operating as designed. There is also regular reporting at all levels across the Group of the status of FRA actions, and well-established routes for escalation of any issues.

We noted that the Group has accelerated the completion of FRAs of multi-storey flats and Living Well/Amenity services with a view to completing the programme by 31 March 2022. This is significantly ahead of the original plan and in order to release the staff time required to complete the FRAs, the documented FRA process has been amended. In particular, FRA reports are issued to Duty Holders by email, and actions recorded on PIMSS without a meeting to discuss the actions. While there may be risk associated with providing less support to duty holders to implement their actions, management has assessed the risk of not completing the FRAs as greater.

We noted some opportunities for improvement in the FRA process, particularly the opportunity to accelerate recording of FRA actions in PIMSS (the Group's asset management system). This would provide a more timely picture of FRA action status within performance reporting.

Control Objective Classification



A standard template for FRAs is used across Group and clear guidance is available for staff regarding their completion;



There is clear guidance defining the responsibilities of different roles in relation to FRAs, and individuals are clear about which role they are assigned;



Completion of FRAs and any associated actions arising from the FRAs are accurately recorded and updated timeously within PIMSS;



Duty Holders/ Responsible Officers are notified of identified actions and update PIMSS once actions are complete, in line with due dates;



The FRA programme is effectively and proactively monitored through the PowerBI performance management dashboard; and



Any actions not completed within agreed timescales are appropriately escalated.

2. Fire Risk Assessments

Areas of Good Practice

- ✓ At the end of November 2021, all relevant premises e.g. Workshops, Depots, Offices and Care premises had a current fire risk assessment in place. In addition, the Group Fire Safety Team had completed 106 / 178 (59.5%) of FRAs for MSF and Living Well premises, and remains on target to achieve 100% by end of March 2022.
- ✓ The PAS79 model template and guidance is used to complete FRAs across the Group. This standard is recognised as good practice by the British Standard Institute.
- ✓ A FRA process map is in place outlining key steps and responsibilities and Duty Holders for each subsidiary are clearly documented in the Group Health and Safety Policy.
- ✓ Guidance for staff completing aspects of the FRA process, including detailed reference guides for recording and reviewing FRA data in PIMSS, are published on W.E.Connect.
- ✓ FRA completions are recorded in PIMSS, with due dates for the next assessment being automatically generated based on the property type and the most recent completion date.
- ✓ The FRA Group Performance report in Power BI is refreshed daily and includes dashboards which clearly show any FRAs approaching their due date. It also displays the current status of the FRA actions recorded in PIMSS. The report is available to all Duty Holders and the Group Health and Safety Team. This provides a clear and current overview of actions requiring attention.
- ✓ The Group Health and Safety Lead and Fire Safety Manager hold weekly virtual 'drop-in' workshops for FRAs. Staff can join the call on Teams to discuss FRA action plans and get advice and support on how best to progress these.
- ✓ Reports of all open FRA actions are circulated to Duty Holders and responsible persons twice a week and overdue actions will be flagged to the Fire Working Group and Fire Liaison Group meetings. The status of FRA completions and actions is also regularly reported to ET and Group Audit Committee.

2. Fire Risk Assessments

Opportunities to Improve

Priority Actions

- Fire Safety Officers should ensure all FRA actions arising from inspections are written up, issued and uploaded into PIMSS within 10 days of the visit so that the system provides an up-to-date picture of the status of FRAs and FRA actions.
- Fire Safety Officers should be reminded of the importance of using a standard approach to the recording of FRAs and FRA actions within Group systems, including PIMSS. The Fire Safety Manager should review a sample of FRAs each month to confirm the standard approach is being applied consistently.

Continuous Improvement Opportunities

- The Group Health & Safety team should amend the standing agenda items for Executive Fire Liaison Group meetings to include reports from each Managing Director that confirm that appropriate actions have been taken to complete FRA actions; and provide a status update for any overdue actions.
- The planned update of Fire Safety information held on W.E.Connect should use the FRA process map to clarify which guidance notes are available to staff at each stage in the process, in addition to the review of the existing guidance to confirm it reflects the Group's current operating arrangements.
- Post-FRA meetings with Duty Holders should be re-introduced following completion of the accelerated programme of FRAs in common areas of multi-storey flats and Living Well/Amenity services, to confirm that duty holders have a clear understanding of the FRA actions they must track to completion.

3. Working from Home Follow-Up






Report Conclusion

This review assessed the implementation of the Group's working from home (WFH) policy to assess the extent to which teams across the Group have applied new working arrangements in line with the agreed policy and procedures. We found that the guidance, policy and procedures in place are clear and have been communicated to all staff. In addition, we confirmed that all actions raised in the 2020/21 internal audit review of working from home arrangements have been implemented.

The Group has identified five new staff categories under the Group's working from home model, which includes the agile home worker category. We noted that work to allocate each staff member to one of these categories is not yet complete, with 785 of the Group's 3,025 still being assessed to determine which category is most relevant. The majority of these staff work within Wheatley Care, where the specialised nature of services means an assessment at job role level is not appropriate. Consequently, there will be additional staff who need to complete the home working self-assessments and mandatory training as the allocation process continues.

We identified some opportunities for further strengthening the process, particularly around completion and monitoring of Home Worker Self-Assessments (HWSAs) and WFH mandatory training.

Control Objective Classification

	There is a working from home policy, along with comprehensive ER and H&S guidance, that is available to all staff;
	All relevant staff have completed a home working self-assessment and any issues raised in these have been timeously rectified;
	Contract variations have been signed and returned for all relevant staff;
	All staff have electronic equipment relevant for their role as per the WFH policy; and
	All relevant staff have completed working from home mandatory training available on MyAcademy.

3. Working from Home Follow-Up

Areas of Good Practice

- ✓ The Employee Relations team has published guidance on Working from Home on W.E.Connect, including the Group's Working from Home Policy.
- ✓ A standard contract variation template has been used to ensure consistency in content within contract variations issued to staff now categorised as homebased agile workers. The Employee Relations team uses a staff listing from CIPHR (the Group's HR system) to track which staff members have been issued with contract variation letters.
- ✓ The Group Health and Safety team has provided clear guidance for staff on W.E. Connect in relation to Home Working, including a Home Working Self-Assessment (HWSA) process flowchart and additional manager's guidance.
- ✓ As an additional control to confirm Group Health and Safety have been made aware of all HWSAs that have identified issues, a member of the team reconciles the "unsatisfactory" HWSA assessments recorded in the CIPHR HWSA report to the team's internal record of HWSA assessment issues raised with them directly by managers each month. Any additional "unsatisfactory" assessments are followed up with the relevant manager.
- ✓ The Group's IT team has developed a matrix that maps the standard and optional IT equipment requirements for each new staff category.
- ✓ Completion rates for both HWSAs and WFH mandatory training are reported to the Group's Health and Safety Strategy Group.

3. Working from Home Follow-Up

Opportunities to Improve

Continuous Improvement Opportunities

- The Group Health & Safety team should issue updated guidance about the circumstances in which staff who are not in the homebased agile worker category should complete a Home Working Self-Assessment (HWSA) of their home working environment.
- The Group Health and Safety team should introduce regular reporting of HWSA completion rates at the quarterly meetings of the Health and Safety Operations and Strategy Groups, to remind managers of their responsibilities to confirm required HWSAs are completed. While work continues to allocate staff across the Group to the homebased agile worker category, this reporting should be monthly to encourage an increase of completion rates across Group. In addition, further guidance will be issued to managers about how to record HWSAs within CIPHR (the Group's HR system).
- The IT team should introduce a process to reconcile staff categories in CIPHR and asset data held in MS Intune and Mobile Iron (IT Asset registers) to confirm whether staff have been allocated the appropriate IT equipment for their role. Once staff category allocation has settled, the reconciliation should be incorporated into existing checks for all starters, leavers and movements within the Group.
- The Learning and Development team should issue guidance to all managers on how to access the homeworking training completion report along with guidance to clarify the circumstances in which staff not in the homebased agile worker category should complete the working from home mandatory training.

4. Accounts Payable

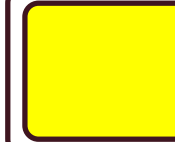
Report Conclusion

The Group uses three payment processes for purchasing: (i) Purchasing cards; (ii) Faster Payments; and (iii) purchase to pay process via the IPOS system. Overall, we found that the controls in place within these three processes are well designed and appropriate for the Group's business needs. The arrangements in place provide the flexibility which staff need in order to make 'Think Yes' related purchases, but there are still clear controls within these processes to ensure that all spend is subject to appropriate approval and monitoring.

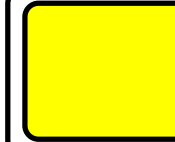
We identified some opportunities to improve the effectiveness of these controls in practice. In particular, staff require additional guidance in the revised scheme of delegation to clarify how different approval limits should be applied, particularly where Solutions staff are authorising spend on behalf of a subsidiary. Additional scrutiny is also required to ensure managers complete their monthly monitoring responsibilities to verify the appropriate use of purchase cards held by their direct reports. Although we noted opportunities of improvement in these areas, we did not identify any instances of fraud.

We used our data analytics tool IDEA to review records of all payments made through the purchase card and faster payment processes in the financial year to date. There is an opportunity to use the output of this analytics to develop management information and performance indicators to enhance the oversight and challenge of the payment methods used across the Group.

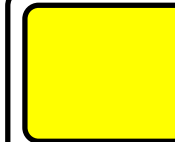
Control Objective Classification



Procedures clearly set out which purchase process to use for different types of expenditure within the new business model;



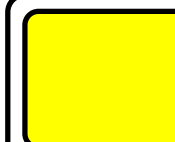
Purchase cards are used appropriately, with manager approval of all expenditure through the receipt-matching process;



Faster payments are used in line with Group procedures and are appropriately authorised before payment;



Purchase orders are raised in advance of services being procured for expenditure processed in IPOS, to facilitate matching and payment of invoices; and



Management information to monitor spend within each payment process is reviewed regularly, with potential exceptions being investigated.

4. Accounts Payable

Areas of Good Practice

The following areas of good practice were noted:

- ✓ Purchasing Card Procedures/guidelines are available to all staff on W.E.Connect. These outline the steps to follow when using a Purchase card, conditions for use and information regarding administration of the cards and reconciliations.
- ✓ Purchase card transaction records are held and updated within the SDOL banking portal. Cardholders upload receipts and purchase details directly in the SDOL and Managers can view all card expenditure made by their staff within one report. This report also highlights where required information has not been uploaded by the Cardholder.
- ✓ An electronic Faster Payment form is in place containing mandatory fields which ensure key data is entered. The form also contains questions which the requisitioner must answer, including whether the beneficiary is already a supplier on IPOS and the reason for the Faster Payment. These questions should prompt the requisitioner and approver to consider if a Faster Payment is the most appropriate payment method for their needs.
- ✓ If any expenditure is committed out-with the IPOS 'Purchase to Pay' process, approval by a second member of staff is required before either a retrospective Purchase Order can be raised in IPOS, or a Faster Payment could be made.
- ✓ Unmatched invoice report is circulated weekly to all IPOS users for actioning. The Accounts Payable team return invoices with no purchase order number to the supplier for them to obtain this from the member of staff who committed the expenditure.

4. Accounts Payable

Opportunities to Improve

Priority Actions

- Managers of purchase card holders should be reminded of the requirement to complete a monthly monitoring return for card expenditure incurred by their team. Where monitoring procedures are not followed this should be escalated to an Executive Team member and cards stopped until the procedures are followed. Managers should also confirm that all cards with no YTD spend are still required.
- The Staff Scheme of Delegation is currently under review. The revised Scheme of Delegation should include further guidance about when the approval levels for different subsidiaries and types of expenditure should be applied. This is particularly important where members of Wheatley Solutions are instructing payments (including Faster Payments) from a subsidiary account. Faster Payment forms should be checked to ensure the approval limits set within the revised scheme of delegation have been complied with and additional checks should be introduced for all Faster Payments over £50k to confirm that the approver has the authority to instruct the payment.

Continuous Improvement Actions

- The content of the Passport to Procurement 2021 training should be published for staff to refer to on W.E.Connect to provide a clear overview on the methods of purchase available to staff and the circumstances in which each can and cannot be used. This will help to inform staff purchasing decisions and promote the Group's preferred payment methods;
- The Accounts Payable team should continue to educate staff on good practice purchase to pay methods and remind staff of the importance of following the IPOS ordering process. Any recurring issues, including repeated unmatched invoices, should be discussed with the individual requisitioners and budget holders to identify any training needs and reiterate the need for the ordering process to be followed.
- Opportunities to develop management information on purchasing activity, such as KPIs and data analytics reports, should be explored to enable further challenge and review of the payment methods being used across the Group.

5. ESF Funding Compliance: Executive Summary

Report Conclusion







The controls in place to ensure compliance with the European Social Fund (ESF) requirements are well designed and were working effectively at the point of this review. We have identified some minor opportunities for improvement which would further strengthen the arrangements in place. In particular:

- Staff should be reminded to follow the standard file structure;
- Any additional support given to participants should be captured to demonstrate the additional value the team is delivering;
- An improvement log should be used to record all learning and good practice examples as the project progresses; and
- Controls to ensure the appropriate retention of project documents should be implemented.

From April 2022 the majority of ESF participant records and supporting evidence will be held electronically on AdvicePro (the Foundation team's workflow management system), unless there is a specific reason to keep a paper record. This will streamline the process for staff and customers, improve the secure handling and storage of personal data, and reduce the risk of inconsistency between electronic and paper records.

We tested a sample of 20 participant files to provide assurance that the arrangements in place are designed to deliver compliance with the ESF funding requirements. We did not complete substantive testing of the accuracy or completeness of any underlying financial data.

Control Objective Classification

	Way Ahead mentors have clear guidance on how participant eligibility criteria should be assessed and evidenced, which is applied consistently.
	Way Ahead mentors have clear guidance on how progressions and outcomes should be assessed and evidenced, which is applied consistently.
	Participant records are up to date and accurately reflect the status of each participant's eligibility and progress.
	ESF drawdowns are supported by engagements (eligibility), progressions and outcomes that are accurately recorded in Hanlon (GCC system) in line with ESF Participant Records and ESF Participant Guidance, and supporting evidence is retained.
	Project performance and compliance is monitored and reported to the Executive Team and Wheatley Foundation Board.
	Project documentation is held securely, with data retention and access policies in place in line with ESF Document Retention Guidance.

5. ESF Funding Compliance: Summary of Findings

Areas of Good Practice

- ✓ A dedicated team has been created to deliver the “Way Ahead” project until 31 March 2023. This includes five Way Ahead Mentors who work directly with participants, a Monitoring Officer and a Project Manager.
- ✓ The team follow the ESF Participant Guidance published on the Scottish Government website, which includes clear criteria about participant eligibility and evidence which must be retained. Standard project documentation is in place, including template outcome score assessments, action plans, stage completion forms, and a registration evidence quality checklist.
- ✓ The Way Ahead Monitoring Officer reviews all stage completions for compliance with the ESF guidance before uploading them into Hanlon (the GCC claim system). Responses to any queries raised in Glasgow City Council’s (GCC’s) initial monitoring reports are also retained alongside the final monitoring reports which confirm that all completions reported in Hanlon to date have been approved.
- ✓ Actual project activity and spend against targets set across the duration of the project are reviewed with the Foundation’s Finance Manager at the monthly Way Ahead Steering Group meetings. This is also incorporated into regular performance updates to the Foundation Board.
- ✓ During testing we confirmed that paper files are held securely in the office and noted that participant files demonstrate the team has a good awareness of GDPR and remove any unnecessary personal details from the records.
- ✓ From April 2022, participant records will be held electronically in AdvicePro, removing any risks related to holding duplicate paper files improving the use of staff time and streamlining the administration of participant files. Paper files will only be held in exceptional cases where electronic records are not suitable due to privacy reasons.

5. ESF Funding Compliance: Summary of Findings

Opportunities to Improve

Continuous improvement opportunity

- Additional guidance should be developed for Mentors to clarify changes to how paper and electronic files should be used and the Group's preferred methods of gathering and recording project information and evidence.
- In preparation for the move to more electronic participant files, staff should be reminded of the need to follow the standard file structure. Where more than one version of an action plan or stage completion form is held on a participant's file, it should be clearly annotated to make it clear which is the primary record or explain why more than one version of it is required.
- When the Way Ahead team offer participants additional support over and above actions which directly remove barriers to employability, such as access to the Group's wraparound services, this should be flagged in Advice Pro to capture the additional value the team is delivering for customers.
- An improvement log should be implemented for the project to record all learning from the GCC monitoring process and capture any changes in approach agreed by the team. This will ensure good practice is captured and available for the team to refer to as needed.
- Arrangements to ensure the correct retention of Way Ahead records and participant files should be strengthened to ensure the required retention periods are followed. Project retention dates should be added to the Foundation's retention schedule and retention dates should be applied to electronic files held in SharePoint.

6. Payroll: Executive Summary







Report Conclusion

The Payroll process is working well and the findings of this review support the positive outcomes of the continuous audit activity we have reported to the Group Audit Committee throughout 2021/22. We have identified some continuous improvement opportunities to further strengthen the control arrangements in place:

- The format of the HR/Payroll Changes spreadsheets and Compliance sheet could be improved to ensure there is clear evidence of appropriate review of all changes to each payroll;
- Access to payroll records held in the S-drive should be reviewed quarterly; and
- Selima staff accessing Wheatley Group data should have unique user access IDs.

We also considered the design of proposed controls within the new self-service approach for expense claims and overtime payments. Overall, the described controls appear to be well designed, however we have identified some additional controls and points for management to consider as they prepare to launch the new Access tool.

Control Objective Classification

	Payments are only made to valid employees, through the correct payroll;
	Payments are accurate and paid in line with scheduled pay dates;
	Amendments to standing payroll data are authorised, accurate and timely;
	Payroll deductions are correctly calculated and processed in line with third-party requirements;
	Payroll data is held securely and protected from unauthorised use; and
	Payroll expenditure is subject to independent review and sign off prior to payment.

6. Payroll: Summary of Findings

Areas of Good Practice

- ✓ There is clear segregation of duty in place across the payroll process.
- ✓ Changes to each payroll such as new starts, leavers and changes in role, or changes to employee pay grades or working status, are all instructed by the Employee Relations team.
- ✓ Once all changes are made to the payroll in Selima, the Employee Relations team reconcile the Annual Remuneration report back to the staff information held in CIPHR for accuracy.
- ✓ The payroll is locked to prevent any additional changes once the Payroll Control reports have been generated for review.
- ✓ A compliance checklist is in place to guide staff through all the checks and tasks which must be completed to finalise the payroll.
- ✓ A rule infringement report which highlights changes between the current and prior payroll, are reviewed by the Payroll Administrator and Payroll Manager to confirm the reasons for these.
- ✓ The Director of Financial and Legal Services completes the final review of each payroll and authorises Selima to process the BACS payment.
- ✓ The Payroll Manager reviews staff access to Selima on a quarterly basis to confirm all access is appropriate and authorised.
- ✓ The Payroll Manager completes regular review of payroll activity to identify any further training needs and shares good practice and areas for improvement with the Payroll team.

6. Payroll: Summary of Findings

Opportunities to Improve

Continuous Improvement opportunities

- A standard format for the HR/Payroll Changes spreadsheets should be agreed and used by all staff. This should include columns to record the name and date for both inputter and reviewer. Where changes are not processed in Selima, the relevant line in the spreadsheet should be marked by the inputter as “N/A” and the reviewer should initial to confirm this has been checked as appropriate.
- A consistent version of the Compliance checklist should be used for all payrolls and it should be clear who is required to sign the compliance checklist, and which parts of it, to ensure the control is applied consistently.
- The Payroll Manager should complete a quarterly review of access to payroll records held in the S-drive to ensure this access remains appropriate and authorised.
- Selima staff accessing Wheatley Group data should have unique user access IDs.

6. Payroll: Proposed controls within the new self-service approach for expense claims and overtime payments



We also considered the design of proposed controls within the new self-service approach for expense claims and overtime payments. Overall the described controls appear to be well designed and we have noted some areas of good practice below. On the following slide we have also identified some additional areas for management to consider as they prepare to launch the new Access tool.

Areas of Good Practice:

- ✓ The move to self-service will streamline the process for expense and overtime claims and reduce the manual processing completed by the Payroll team. All claims will be completed through Access, removing the need for manual forms and authorising emails which could be misplaced.
- ✓ Approved authorisers will be set up within the Access system based on line management responsibility.
- ✓ Staff will be able to view the live status of their claim within the Access system and will have the ability to collate multiple claims in the system before making one submission to their line manager for approval.
- ✓ Video guides on how to use the Access system are available to all users on the Access homepage and the intention is for all managers to receive training on the system before it is rolled out.
- ✓ Approved claims will be uploaded directly into the payroll system Selima via batch import reports, removing any potential for human error.
- ✓ Testing is underway to ensure that the new Access tool is working as expected ahead of it being embedded as business as usual.

6. Payroll: Proposed controls within the new self-service approach for expense claims and overtime payments



Areas for management to consider as they continue to develop the new Access tool:

- Ensure any existing guidance and forms in relation to expenses and overtime claims are updated or removed from W.E.Connect to avoid confusion and clearly direct staff to the new approach.
- Make it a requirement for staff to complete training on the Access system and any related requirements, such as a home-working self-assessment, before any overtime or expenses can be claimed.
- Ensure there is clear guidance for staff about the timeliness of claims and any cut-off dates to ensure historic expenses or overtime owed are not allowed to accumulate.
- Provide clear guidance for approvers on what the Group will accept as appropriate evidence to support each type of claim and how this should be checked by management.
- Ensure managers have visibility of all outstanding claims in Access and explore options to review this centrally on a monthly basis to ensure employee claims are not sitting unactioned.
- Develop second line monitoring and compliance controls to ensure that management are implementing the expenses and overtimes policies consistently and appropriately.

7. [redacted]

8. Technology and Business Model Coordination Group



Report Conclusion

The Group is in Year One of delivering an ambitious five year Strategy. New processes have been introduced during the financial year to facilitate the delivery of Strategic Projects and achievement of Strategic Outcomes, which included early assessment of project interdependencies. As work has progressed throughout 2021/22, including the implementation of a new business model and the establishment of the Customer First Centre, management has concluded that an additional forum is required to support effective and coherent business change due to the expected increase in change activity. This was overseen by the Group Executive Team and New Business Model Steering Group. This advisory review was commissioned to provide matters for management's consideration when deciding how this additional forum should work.

There is a need to ensure that future operational activities associated with strategic change projects are coordinated. A new role of Managing Director of Business Transformation and Customer Experience within the Customer First Centre has been created to support this. Key change initiatives will continue to be agreed by relevant Boards and the Group Executive as part of the strategic planning process.

As part of the review, we spoke to a number of members of senior management and reviewed a draft structure for this additional forum. Work is required to agree and implement a structure / framework through which business change initiatives will be managed in an effective and efficient manner. Core elements of establishing this framework are:

- Creating a group comprising of senior managers from across the business who have responsibility for reviewing proposed business change initiatives to assess their business and technology fit. This group should make recommendations to the Executive Team and support business areas in developing business cases for approval.
- Creating a technical sub-group of the above group to confirm compliance with enterprise architecture and data strategy.

Opportunities to Improve

- Agree and implement a group through which proposed business changes associated with the Group's Strategy can be validated by the business prior to Executive Team approval.
- The above group should have a remit to review proposed business changes for business and technology fit, prior to them being assessed and approved by the Executive Team.
- Establish a technical sub-group of the above group, to provide assurance that proposed business changes are consistent with enterprise architecture and data strategy.

9. Boxi Replacement Readiness

Report Conclusion

The majority of the Group's performance reporting is informed by data extracted from underlying systems using Boxi-reporting. During 2021/22 Management was informed that the software supplier would be ending support for Boxi reporting. To manage the potential risk that Group performance information might become unavailable if there was an issue with unsupported Boxi software, management decided to undertake an exercise to replace the Boxi-reporting with Power BI dashboards. This advisory review assessed the status of the plans for the completion of that exercise.

The review identified that the exercise would benefit from agreement of a more formal mechanism for monitoring progress, development of a more detailed project plan, and continuing work to clarify the volume of work required in order to understand and deliver against updated business reporting requirements, and the associated impact on achievement of planned timelines.

Following discussion of initial findings, the project team developed an updated project plan, which included additional detail about the steps required to review each reporting area (eg Repairs, Rental Income). This updated project plan is a positive development. However, there remains a risk that the lack of clarity about the content and usage of existing Boxi reports may impact on the project team's ability to deliver in line with the timescales outlined in the revised project plan. In addition, the revised plan requires additional clarity about the planned process for confirmation that the replacement performance reports continue to meet all relevant regulatory standards and definitions.

9. Boxi Replacement Readiness

Areas of Good Practice

- ✓ Development of Business Requirement Templates to standardise each business area's needs with appropriate sign-off.
- ✓ Key stakeholders from relevant business areas are appropriately involved in report creation and review including definition of 'Key Measures'.
- ✓ Responsibility for pursuing business change required to report on desired measures lies with the business area.
- ✓ Documentation of definitions of 'Key Measures' are provided alongside relevant performance information.

Opportunities to Improve

Priority Actions

- The timelines included in the revised project plan developed following initial discussion of audit findings should be recorded as milestones in Pentana and progress reported to Finance DMT and ET.
- Work to understand the volume of work required to generate new reporting that meets both business needs and regulatory requirements (where relevant) should be completed to provide assurance on the extent to which planned project timelines are achievable.

Continuous Improvement Actions

- The Data team should monitor the demands on the team during the project and take steps to identify and utilise extra resource (if required) to facilitate successful delivery of the project against revised timelines.
- Formal mechanisms for ensuring feedback received from business areas during the project is appropriately documented, prioritised and monitored should be implemented.
- Data definitions, which have been signed off by the Performance Team, should be provided alongside the dashboards produced either in supporting documents or as part of these dashboards.

10. Repairs: Executive Summary

Report Conclusion

This review considered how effectively repairs are being handled at key stages in the repairs process for the East and West RSLs and Lowther. We used IDEA data analytics software to analyse data held about all reactive repairs raised in the East and West between 1 April 2021 and 31 January 2022. Detailed end to end testing was completed on a random sample of 40 repairs to assess the appropriateness of actions taken at each stage of the repairs process.

This included an assessment of:

- (i) how accurately each repair had been diagnosed, categorised and appointed correctly at the initial call log stage;
- (ii) whether the repair had been timeously and accurately categorised and allocated to the relevant repairs staff within CBG/DCPS;
- (iii) how effectively customer expectations were managed by keeping them fully informed during the full life cycle of the repairs process;
- (iv) whether the repair had been delivered per work programme type and within agreed time scales for completion, and
- (v) the arrangements in place to ensure repairs are completed to agreed quality standards and the customer is satisfied with the final result.

10. Repairs: Executive Summary

Report Conclusion

Glasgow City Council's Internal Audit team also completed independent testing of 25 of these repairs to assess how effectively these had been handled by CBG, and we have considered the outcomes of this testing within our review.

We identified opportunities for improvement across all stages of the repair process. In particular, there should be better communication with repairs customers and between the Customer First Centre (CFC) and CBG, additional training should be given to CFC staff to improve the accuracy of identifying and logging the repairs required, additional quality checks should be completed at key stages of the repairs process, and customers should be encouraged to provide more feedback on the repairs services they receive.

We are satisfied that actions to address all of the opportunities for improvement identified during our review are included within the existing Repairs Implementation Plan. The detailed findings outlined in this report are based on our review of data held within iWorld and ASTRA, and IDEA data analytics completed on available datasets. We did not listen to call records as part of our review.

10: Repairs Summary of Findings

Plans to develop the repairs and maintenance service provided to Wheatley customers in Glasgow and the West were presented to the Wheatley Group Board in February 2022. This included a Repairs Implementation Plan with the following key workstreams:

Programme
management

Customer contact
and
communication

IT and systems

Service and
process redesign

Encouraging
diversity

Cleaner and
greener

Meeting the
needs of owners

Information and
performance

Within this report we have summarised the key findings of our end-to-end review and identified opportunities for improvement. We have mapped each area to the Repairs Implementation Plan and can confirm that there is an existing workstream action which will address each area. We have also included details of our data analytics and testing outcomes to provide additional context for management.

The following slide summarises the areas for improvement we have identified at four key stages of the repair process: (i) Logging, (ii) Appointing, (iii) Delivering and (iv) Completing the repair.

10. Repairs: Summary of Opportunities for Improvement

Stage 1:

Logging the repair:

Accurate diagnosis and logging of repair at CFC and clear communication with customer

Additional training for CFC staff to ensure each repair is diagnosed and entered correctly in MyRepairs

Ensure customers are aware of appointment times and that these are at times suitable for the customer

Develop guidance for CFC staff on use of repairs systems to ensure optimal appointments and improve the efficiency of the repairs service

Regular review of cancellations and reasons for these to ensure they are appropriate and necessary

Use of data analytics to identify performance trends or additional training needs

Stage 2:

Appointing the repair:

Allocation of repairs to correct trades and work orders and keeping customer informed

Additional training for CFC staff on how to accurately log the repair in ASTRA with sufficient detail to inform the allocation of trade and materials required

Ensure repairs are tagged correctly to the original service request to allow issues to be monitored and provide true information about the end to end repair

Communication with customers about repair appointments and work should be improved to ensure customer expectations are properly managed

Communication between staff that are part of the repairs systems should be improved to enable more effective joint working and ensure consistent information is available for customers

Stage 3:

Delivering the repair:

Completion 'right first time' and within timescale, recording of activity and use of cancellations

Consider the re-categorisation of repairs appointments into more achievable and realistic timeframes, considering actual work required, limitations on resource i.e. trade or material availability

Ensure CFC staff are given sufficient training and direction to any cancellation or additional work order requests received from CBG or escalate to the appropriate housing lead for agreement where required

Review the process around cancellations where these are required to ensure that both staff and customers have been informed of any changes to existing repairs and information on ASTRA is up to date

Stage 4:

Completion of the repair:

Quality assurance of call handling and repairs service, customer feedback and lessons learned

Reintroduce quality assurance monitoring of repairs call handling to identify any training needs

Determine what level of landlords assurance/post inspections checks are required to provide sufficient comfort over the quality and VfM the Group receives

Ensure methods of obtaining customer feedback are customer friendly and communicated to customers

Collate all customer feedback in a format which enables lessons learned and actions to be identified

As part of the transformation programme ensure lessons learned are obtained from all Group repairs related complaints

11. [redacted]

11. [redacted]

12. Data Analytics- Payroll Review

Summary of work performed

There are no exceptions to highlight to the Group Audit Committee. The Internal Audit team has developed a planned approach to payroll testing that identifies those controls to be tested through development of continuous auditing and those where a periodic testing approach remains more appropriate. We have confirmed the operation of the controls through a walkthrough test and have started development of the continuous audit testing scripts.

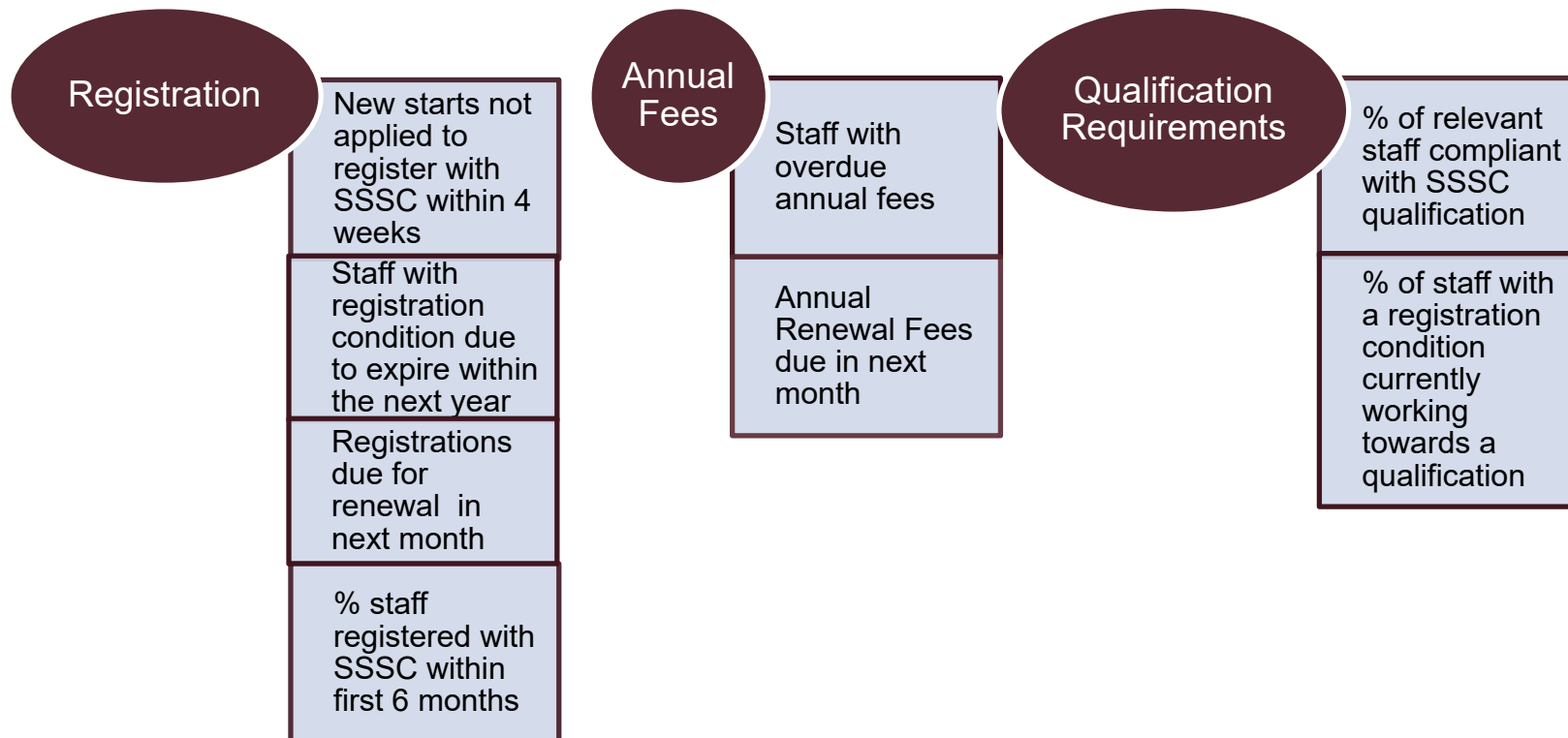
Using the data available for Q4 2021/22 we have used IDEA to confirm:

1. There are ***no duplicate employee numbers being used*** (across all payrolls)
2. We identified ***16 duplicate bank account numbers in use during Q4*** (across all payrolls). These were matched to the annual remuneration reports and HR spreadsheet of changes and most are clearly joint accounts, with the remainder relating to a change in role or employment status.
3. Our testing confirmed that ***none of the duplicate bank accounts belong to Payroll staff***.
4. There were 47 employees who received no Gross Pay in a payroll run during Q4. These relate to leavers, staff on maternity leave and some Wheatley Care staff. We have confirmed with the payroll team that this is due to the nature of the contracts in place for these staff members.

12. Data Analytics- Wheatley Care review

Summary of work performed

The Internal Audit team has developed a planned approach to produce continuous analysis of SSSC registration compliance. Areas for analysis have been identified to improve efficiency of Care management checks. Any exceptions as a result of analytics provided will be reviewed by Care management. Confirmed areas for analysis are as follows:



Initial analytics covering these areas has been completed using data obtained as at the end of April 2022. Results have been returned to the Care Services Innovation and Improvement Manager to review any exceptions noted. No significant issues were identified from the exercise.

We are currently developing scripts in IDEA to allow continuous analysis of these areas to improve the efficiency of Care management checks.

13. Follow Up

Group-wide action status at 30 April 2022

Overall there has been good progress in implementing actions during Q4 2021/22, with 32 of the 51 actions followed up being confirmed by Internal Audit as complete. There are 7 actions where the completion date is not yet due. Two further action has been closed as no longer relevant.

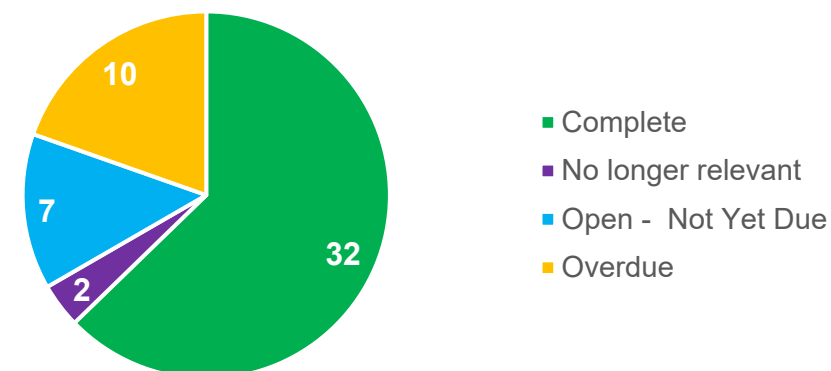
There are 10 overdue actions. In 8 instances, this is due to the actions being incorporated into projects to be delivered as part of the 2022/23 Delivery Plan. Management have agreed revised due dates and we will continue to monitor full implementation of these actions.

Review	Overdue actions	Revised due date
Accounts Payable	1	30/05/2022
Complaints Handling	4	30/09/2022
Equalities and Human Right	2	31/10/2022
Strategic Change	1	30/08/2022
Allocations	1	31/10/2022
Business Continuity	1	30/09/2022

Status	Actions
Actions brought forward from 24 December 2021	29
New actions agreed during Q4 2021/22	22
Total Actions followed up	51

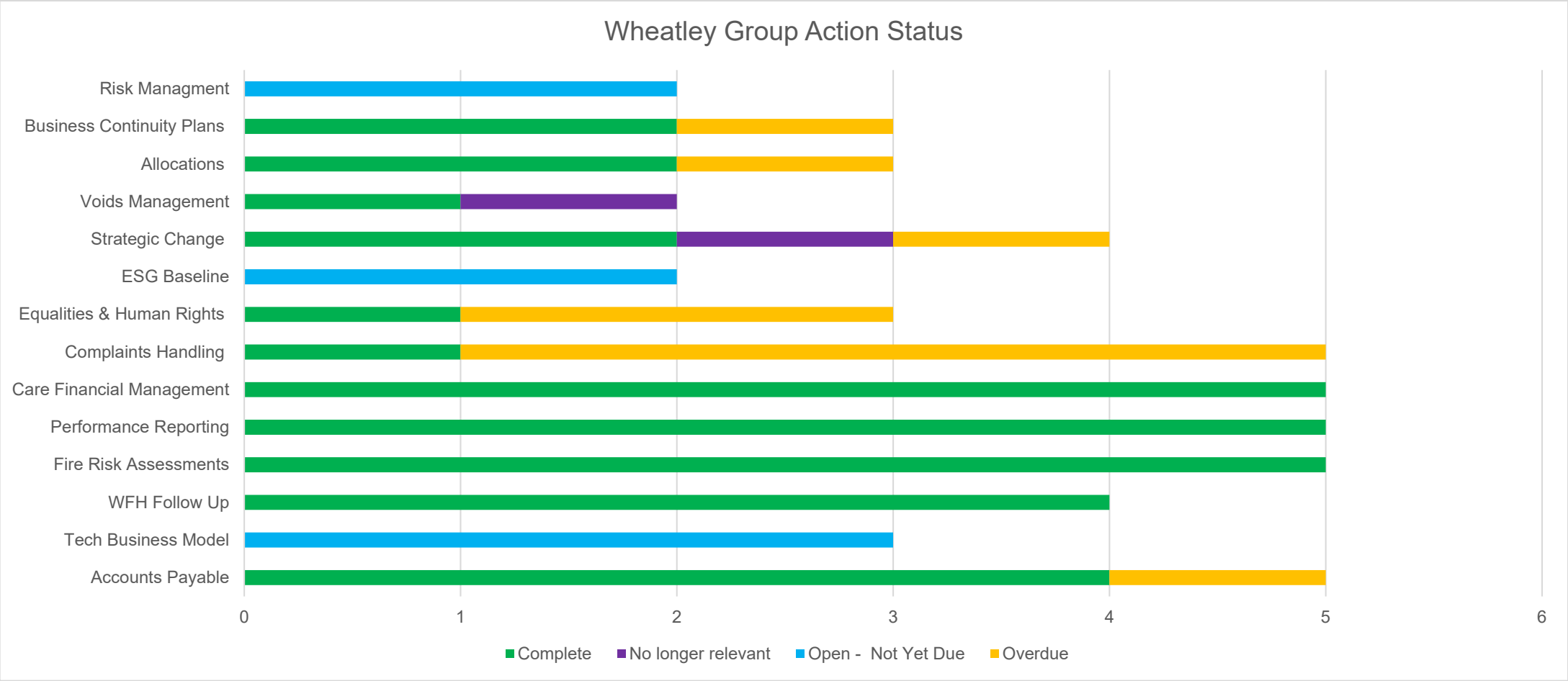
The chart below summarises our assessment of the status of the 51 actions followed up this quarter.

Status of Actions at 12 May 2022



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

13. Follow Up



Report

To: Dunedin Canmore Housing Board

By: Anthony Allison, Director of Governance

Approved by: Steven Henderson, Group Director of Finance

Subject: Annual governance report

Date of Meeting: 18 August 2022

1. Purpose

- 1.1 To update the Board and, where applicable, seek Board approval on the following governance related matters which are reported to the Board annually in August:
- Final schedule of meetings for the remainder of the 2022 calendar year, including the Annual General Meeting ("AGM");
 - Annual Secretary Report;
 - Board appraisal and succession planning;
 - Board recruitment; and
 - Board CPD

2. Authorising and strategic context

- 2.1. The Board is responsible for calling meetings, including General Meetings and ordinary Board meetings throughout the course of the year. All Board member appointments / re-appointments at the AGM require approval by the Parent under the Rules of the Association.
- 2.2. In relation to Board appraisals, under the Group Standing Orders the Group RAAG Committee is responsible for determining the approach each year and agreed to the approach used this year.

3. Background

- 3.1 The matters in this report form part of our annual governance reporting, which precedes the AGM each year. It also provides an update on progress with recruitment for vacancies following Board agreement updates to our Board composition.

4. Discussion

Remaining 2022 meetings

- 4.1 We have two further Board meetings scheduled for this calendar year:
- Pre AGM on Thursday 22nd September; and
 - Thursday 10th November at 5pm.

This will take us to the minimum requirement of 6 scheduled meetings for the calendar year.

- 4.2 It is proposed that we call our AGM for 22 September 2022 at 5.15pm, following which there will be a Board meeting at approximately 6pm. The meeting and business thereof will be called in line with the requirements of our Rules, including reappointments in line with our 3 year succession plan.
- 4.3 It is proposed that our November meeting date is **changed to Thursday 24th November**. This is on the basis that the Group Board will consider our rent setting approach in October this year, rather than September.
- 4.4 Following their resumption, we also have 2 Group events planned for the remainder of the year:
- Wednesday 28 September at 10.30am (Wheatley House)
 - Wednesday 14 December at 13.00 (Social event - Wheatley House)

Secretary's report

- 4.5 In advance of the AGM, Rule 68 states that:

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

- 4.6 The Secretary's report in relation to each Rule referred to in Rule 68 is as follows:

Rule	Secretary report
62	Minutes are up to date and are now being signed digitally via Docusign
63	The seal is not routinely used. It is kept at the registered office.
64 and 65	All registers have been checked and maintained throughout the year and are held at our registered office.
66	Our registered name has been displayed at our registered office and at every office where our business is carried out throughout the year (these displays are being updated to reflect our new name) Our new name is already clearly marked on business letters, notices, adverts, official publications and financial documents.
67	Our books of account, registers, securities and other documents are kept at our registered office.

Appraisal and 3 year succession plan

- 4.7 The Group RAAG Committee agreed our approach to individual member appraisal. As part of this process, the Chair met with Board members and discussed the following topics, with a particular focus on succession:
- Board member reflections on last year
 - Chair's reflection on Board member performance during last year
 - Board member skills and succession planning
 - Board CPD: the planned areas of focus

Reflections on last year

- 4.9 Board members welcomed the return of full in-person meetings, whilst welcoming the flexibility that virtual meetings continued to provide particularly for any shorter, single-item discussions that might be required during the year. Some Board members commented on the need to ensure we continued to develop our communication with the Wheatley Board. It was noted that this had also been addressed as part of the strategic governance review.

Succession planning

- 4.10 Succession planning was discussed with each member based on the current Board approved succession plan. As part of this, each member was invited to discuss their plans for the rolling three-year period. All Board members intend to remain on the Board for the full period or their tenure limited was reached where sooner. Following this feedback, we have revised the Board 3 year succession plan.
- 4.11 The matter of succession planning for the Chair was discussed, since Mary Mulligan will retire from the Board following the conclusion of this year's AGM. Based on those discussions Alastair Murray was identified by Board members as a prospective successor. Alastair subsequently indicated he would be willing to accept the role. As no other Board member indicated an interest in the role no further process is required and Alastair is recommended for appointment as the next Chair. This remains subject to Parent ratification in line with the Intra-Group Agreement, however we pre-authorisation has been received.
- 4.12 The Vice-Chair position was also considered as part of the succession planning process. We currently do not have a Vice-Chair, however following some feedback from the Board appraisal it is proposed that we appoint one. Helen Howden was identified by Board members as a prospective candidate and indicated she would be willing to accept the role. As no other Board member indicated an interest in the role no further process is required and Helen is recommended for appointment as Vice-Chair with immediate effect.
- 4.13 As part of the East of Scotland partnership all existing WLHP tenant board members were offered the opportunity to join this Board. Judith MacGlashan indicated she wished to take up the opportunity and as such will seek election at the Annual General Meeting. In addition, each Board member who has served there fixed three year term must also retire but may be re-election. Jack Cadell and Jill Cronin were elected in 2019 and are therefore required to retire. Both have indicated a willingness to seek re-election.

- 4.14 A copy of the revised succession plan reflecting the above is attached at Appendix 1.

Board CPD

- 4.15 All members indicated their support for the proposed Board CPD focus. We have now held a financial reporting session with KPMG, advised all Board members of an Institute of Director session on the role of the Non-Executive which will run over the next couple of months.

Special General Meeting

- 4.16 We have now engaged with our customers on the proposed change of name to Wheatley Homes East, with 73% of respondents indicating they were happy with the change. Accordingly, we propose to now convene a Special General Meeting to consider and approve this name change. The SGM would take place immediately before the AGM.

5. Customer Engagement

- 5.1. The content of the report is reserved to the Board and is of an internal focus and as such no customer engagement has been appropriate.

6. Environmental and sustainability implications

- 6.1 There are no environmental or sustainability implications associated with this report.

7. Digital transformation alignment

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

8. Financial and value for money implications

- 8.1. There are no finance and value for money implications contained within this report.

9. Legal, regulatory and charitable implications

- 9.1 The SHR Regulatory Standards of Governance that all RSLs:
formally and actively plans to ensure orderly succession to governing body places to maintain an appropriate and effective composition of governing body members and to ensure sustainability of the governing body
- 9.2 The proposals within this report are consistent with us complying with this requirement.

10. Risk Appetite and assessment

- 10.1 Effective governance is important and helps us to ensure we have arrangements in place to achieve our strategic objectives. There is a risk that *our governance structure is not clearly defined, is overly complex and lacks appropriate skills at Board and Committee levels to govern the Group effectively. Failure of recruitment / capacity building to tenant board members or failure of other corporate governance arrangements could lead to serious service and financial failures."*
- 10.2 We seek to mitigate this risk by reviewing our governance structure on an ongoing basis, including the strategic governance review. In addition to this we review our succession planning arrangements formally as part of our annual appraisal process, including linking this to the wider Group board succession planning where it relates to Wheatley appointees.

- 10.3 The report sets out the up-to-date position following a review of our 3 year succession plan during the 2022 appraisal process.

11. Equalities implications

- 11.1 As part of the recruitment process for our vacancies, we will take into account our Equality Impact Assessment guidance.

12. Key issues and conclusions

- 12.1 The report covers key standing processes within our governance arrangements. Our refreshed succession plan reflects the Board's recent changes to the Board composition and need to actively oversee its succession planning.

13. Recommendations

- 13.1 The Board is asked to:
- 1) Instruct the Secretary to call a Special General Meeting for 5pm on Thursday 22nd September to consider a resolution to adopt the name Wheatley Homes East Limited;
 - 2) Instruct the Secretary to call the Annual General Meeting for Thursday 22nd September at 5.15pm;
 - 3) Note the Secretary's Report under Rule 68;
 - 4) Note the Board appraisal feedback;
 - 5) Approve the updated Board 3-year succession plan and that this be reflected in the business of the AGM (appointments/reappointments) where applicable; and
 - 6) Note the succession plan and any reappointments are subject to Group RAAG review and approval

LIST OF APPENDICES:

Appendix 1 – Updated 3 Year succession plan

Board 3-Year Succession Plan

1. Introduction

The Board is committed to succession planning as part of its overall approach to effective governance.

We recognise the importance of succession planning in having an effective Board, which has the appropriate balance of skills and experience. Succession planning plays a key role in achieving an appropriate level of renewal and refreshment on the Board, supporting the Board maintaining and developing the skills and experience it needs to discharge its duties and protect the interests of tenants.

The Board also has a regulatory duty, under the Scottish Housing Regulator's Regulatory Framework, to have a formal succession plan in place.

2. Background and context

Our succession planning arrangements are developed in line with the Group Recruitment and Succession Planning process. The procedure sets the parameters under which our succession plan has been developed, in particular the core requirements of the succession plan in relation to:

- maintaining an up to date record of directors & office holders length of service and retiral due dates;
- details of the core skills and experience each member contributes to the Board, in line with the agreed skills matrix; and
- having an understanding of expected future recruitment requirements

All appointments and reappointments assumed in the plan are subject to:

- tenure restrictions in place from time to time; and
- the requirements of our Rules, including Parent rights with regards to appointment.

3. Current Board tenure and skills

The current tenure stages of each Board member, projected retirement dates and details of the core skills and experience they bring (relative to our agreed skills matrix) are set out below.

Any reappointments beyond the span of this plan will be subject to previous tenure restrictions and Parent reapproval.

Board member	Core skills and experience	9 Years	3 year position
Mary Mulligan (Chair)	<ul style="list-style-type: none"> Working with local authorities, or other government and statutory bodies Social and housing policy in Scotland and the wider UK Knowledge of other relevant sectors – health, charities, social enterprise, education, policing, or other 	2022*	2022
Alastair Murray (Successor Chair)	<ul style="list-style-type: none"> Accountancy and audit, knowledge of relevant statutory requirements Financial and treasury management, funding structures Knowledge of other relevant sectors – health, charities, social enterprise, education, policing, or other 	2029	2025
Helen Howden (Successor Vice Chair)	<ul style="list-style-type: none"> Legal and governance Working as one of a Board team to make good and timely decisions General commercial business, financial & management skills 	2029	2025
Ruth Kynoch	<ul style="list-style-type: none"> Accountancy and audit, knowledge of relevant statutory requirements Financial and treasury management, funding structures Project appraisal, management and financial modelling 	2025	2025
Bryan Pitbladdo (Tenant)	<ul style="list-style-type: none"> Knowledge of the areas, clients, tenants and communities served Project appraisal, management and financial modelling Housing management and maintenance of social housing 	2026	2025
Anne McGovern (Tenant)	<ul style="list-style-type: none"> Governance and working as one of a Board team to make good and timely decisions Knowledge of the areas, clients, tenants and communities served Working with local authorities, or other government and statutory bodies 	2026	2023
Jill Cronin	<ul style="list-style-type: none"> Housing management and maintenance of social housing Organisational strategy and policy development Involvement in planning/delivery of a Value for Money strategy, in a housing or similar organisation 	2027	2025
Jack Cadell	<ul style="list-style-type: none"> Funding, planning and development for housing and regeneration Property, asset management, development, regeneration, surveying etc. Strategic asset management 	2027	2025
Mark Keane (tenant)	<ul style="list-style-type: none"> Knowledge of the areas, clients, tenants and communities served Accountancy and audit, knowledge of relevant statutory requirements Knowledge of other relevant sectors – health, charities, social enterprise, education, policing, or other 	2028	2025
Jane Menzies (tenant)	<ul style="list-style-type: none"> Knowledge of the areas, clients, tenants and communities served Governance and working as one of a Board team to make good and timely decisions 	2029	2025
Judith MacGlashan (independent candidate)	<ul style="list-style-type: none"> Knowledge of the areas, clients, tenants and communities served Knowledge of other relevant sectors – health, charities, social enterprise, education, policing, or other Customer and community engagement 	2027**	2025

*extended as agreed by Group Board

**cumulative across Group

4. Succession Plan 2021-2024

The Annual General Meetings are the key stages in the plan, marking where directors will ordinarily retire and any new members will ordinarily be appointed. Planned retirements and appointments for the next 3 AGMs will be as follows:

2022

Having served her tenure, Mary Mulligan will be retiring as Chair at the conclusion of the 2022 AGM.

During the 2022 appraisal process, Alastair Murray was identified as a successor Chair candidate, with all other Board members indicating their support of this. No other Board member indicated their desire to stand for Chair appointment. The appraisal process also highlighted a desire from the Board to appoint a Vice Chair. Helen Howden expressed that she would be willing to stand for this appointment.

With a background in accounting and having previously served as the Chair of Barony Housing Association, Alastair has the necessary skills and experience to serve in this role. Alastair is currently the Bursar and Treasurer of George Heriot's, one of Scotland's leading independent Schools and has over 25 years' banking experience in both the corporate and not-for-profit sector.

Helen Howden, who also previously served on the Board of Barony Housing Association, has the skills and experience required for the Vice Chair role. A qualified solicitor currently working in governance in the public sector, Helen has worked in private practice as a commercial property lawyer.

Following discussion on our East of Scotland partnership with West Lothian Housing Partnership (WLHP), all existing WLHP tenant Board members were offered the opportunity to join our Board. Judith MacGlashan indicated she wished to take up this opportunity and so will seek election at the 2022 AGM, following transfer.

Jill Cronin and Jack Caddell due for re-appointment at the 2022 AGM.

2023

Anne McGovern, Bryan Pitbladdo, Helen Howden, Alastair Murray due for re-appointment in 2023.

During her 2022 appraisal, Anne McGovern indicated she may retire after her 6 year tenure, however will keep the Company Secretary updated with her succession plans.

2024-2025

There are no planned retirements.

5. Review

The succession plan shall be subject to annual refreshment as part of the Board Appraisal Process.

Report

To: Dunedin Canmore Housing Board

By: Anthony Allison, Director of Governance

Approved by: Steven Henderson, Group Director of Finance

Subject: Strategic governance review update

Date of Meeting: 18 August 2022

1. Purpose

- 1.1 To update the Board on progress with the strategic governance review implementation plan and seek feedback and, where applicable, approval of:
- Board and Committee Terms of Reference;
 - The Chair of the Group RAAG Committee
 - Group Standing Orders;
 - Board and Committee effectiveness review and governing body member individual appraisal policy;
 - Group recruitment and succession planning process;
 - Group Policy on non-executive director conflicts of interest;
 - Disposals and acquisitions policy framework;
 - Group Policy on Gifts, Hospitality, Payments and Benefits; and
 - Template Intra-Group Agreement

2. Authorising and strategic context

- 2.1 The Group Board has overall responsibility for the Group's governance arrangements. Under the Intra Group Agreement the Group Board may designate policies as applying Group wide, with each organisation responsible for ensuring it is implemented within their own operating context.
- 2.2 The Intra-Group Agreement documents the relationship between us and the Group, including our operational independence. It requires approval from all parties, those being Wheatley housing Group Limited, Dunedin Canmore Housing and Wheatley Solutions as the designated corporate services provider.

3. Background

- 3.1 The Group Board considered the implementation plan at its meeting in June 2022 and approved a number of updates which it agreed drew the implementation of the review to a conclusion.

- 3.2 In approving the Group Standing Orders and risk appetite statements the Group Board took into account the feedback from this Board's discussion on both at its previous meetings.
- 3.3 Alongside the strategic governance review we have also taken the opportunity to review our group governance policies, considering any changes or refinements needed to existing policies or where we may need a new policy

4. Discussion

- 4.1. An updated position on the implementation of the strategic governance review recommendations relevant to us is set out in **Appendix 1**. A more detailed update on implementation of the recommendations most relevant to us is set out below:

Board and Committee Terms of Reference

Dunedin Canmore Housing Terms of Reference

- 4.2T he introduction of Board Terms of Reference ("ToR") sought to strengthen our governance by:
- Clearly defining our core role within the Group, including matters reserved to our Board;
 - Responding to feedback from that a single document detailing the role of each individual Board would assist Board members to more easily understand their role; and
 - Formally setting out the role and responsibilities of the Chair, including setting (non-exhaustive) parameters for escalating matters to the Group Board;
- 4.3 Following review and approval by the RAAG Committee the Group Board has approved the ToR with no material changes or points of clarification. The ToR have been incorporated into the refreshed Group Standing Orders discussed later in the report.

Group Committee Terms of Reference

- 4.4 The RAAG Committee undertook a review of the Committee's ToR. An updated version, with relatively minor wording changes to improve clarity and bring into the new style, is included in the Group Standing Orders.
- 4.5 The RAAG Committee and Group Audit Committee both considered and agreed to recommend changes to the Group Audit Committee ToR. The changes seek to respond to the recommendations or suggestions arising from the review which are relevant to the Committee ToR, including:
- Committee chairs should report to the Group Board following each meeting of a committee;
 - The roles of the Board and Group Audit Committee in relation to risk management should be made clearer and explained in more detail in documentation; and
 - Deep dives into potential risk areas should be included in the remit of Group Audit Committee.

4.6 The Committee ToR were been reviewed to take the above into account, as well as wider good practice. Other changes included clarification of:

- the role and responsibilities of the Committee;
- membership of the Committee;
- Committee activities, including oversight of internal and external audit performance and effectiveness;
- The Committee's role in relation to risk management;
- Reporting and escalation arrangements to the Group Board; and
- The role and responsibilities of the Committee Chair.

Matters reserved and delegations/updated Group Standing Orders

4.7 A full refresh of the Group Standing Orders has also been undertaken. This included addressing the following specific recommendations from the review:

- a) Matters reserved to and key responsibilities of the Group Board, which now include the subsidiary oversight as an explicit element of the Group Board's role;
- b) Delegations to the Group CEO; and
- c) The new/refreshed Terms of Reference of our Board, each partner Board and Group Committees, which now formally include in the role of the Chair the routes and parameters for escalation of issues and risks arising in subsidiaries.

4.8 The new Group Standing Orders are attached at **Appendix 2**.

4.9 As well as the changes relating to review recommendations the following main changes have also been made:

- d) Removed all content that is already documented/duplicated elsewhere such as individual constitutions;
- e) Incorporated our approach to virtual and hybrid meetings in the Proceedings of Board and Committee meetings section;
- f) Removed the Group Authorising Framework and Group Authorise, Manage, Monitor Matrix on the basis that it is now all covered in Board and Committee ToR;
- g) Removed the Board appraisal, recruitment and succession sections into standalone documents; and
- h) Updated the Scheme of Financial Delegation to reflect our current Group structure and reflect the role of Wheatley Developments Scotland.

4.10 The Scheme of Financial Delegation levels have not changed from the existing arrangements on the basis we have not identified any issues with the number of matters requiring Board approval being excessively high or low.

Governance policy reviews

4.11 As part of the strategic governance review implementation and the wider policy review process we have identified governance related matters where we propose to evolve the policy environment.

- 4.12 Firstly, the approach to appraisal, succession and recruitment are contained in standalone documents. We have now introduces a standalone policy that covers Board and Committee effectiveness review and individual appraisal. A copy of the policy is attached at **Appendix 3** This has been approved and designated by the Group Board as a group wide policy.
- 4.13 The policy now incorporates our agreement to introduce annual Board effectiveness reviews. In order to retain flexibility the policy envisages that the RAAG Committee agrees the process and approach annually. The same approach, as is the case currently, is proposed for individual appraisals.
- 4.14 A suggestion from Campbell Tickell was that in relation to Board recruitment:
“there should be a policy and procedure which is distinct from the role of the committee.
- 4.15 The Group Board agreed that rather than a policy, we should have a procedure and that the procedure should also be linked to our succession planning approach. A copy of the Group approved policy is attached at **Appendix 4**.
- 4.16 The rationale for combining the two is that succession planning should be directly informing our recruitment. This includes the impact on Board diversity being a specific consideration in succession planning and Board recruitment. It is proposed that the procedure is designated applicable group wide.
- 4.17 By having a procedure rather than a policy we have more flexibility, including where there is an exceptional circumstance where we consider it necessary to depart from the process. In this circumstance agreeing to deviate from the procedure would be preferable to requiring a change of policy.
- 4.18 We have also taken the opportunity to clarify our policy position in relation to (1) managing conflicts of interest and (2) disposals and acquisitions.
- 4.19 At present conflicts of interest are addressed in our constitution, Code of Conduct, and partly through other policies such as Payments, Benefits, Gifts and Hospitality. However, to help manage potential conflicts then it is appropriate to codify this in a clear formal policy.
- 4.20 A new conflicts policy has now been approved by the Group Board and designated as a Group policy. The policy is, is attached at **Appendix 5**. The policy adopts a cautious approach in terms of what we consider constitutes a conflict of interest. The legal and regulatory context section are reflective of the need to have a clear approach in this area. The policy has been reviewed and informed by our external legal advisors.
- 4.21 Disposals and acquisitions is an area where it is also useful to have a consistent policy applied on a Group wide basis. The Group Board approved that the attached policy (**Appendix 6**) be designated as a Group policy. Appendix 6B is the Dunedin Canmore specific policy as a standalone RSL drawn from the Group version.
- 4.22 This reduces the complexity of applying a range of delegations, defines the parameters for acquisitions and disposals and provides a single reference point to refer to before any disposal or acquisition.

- 4.23 The policy also includes consistent templates to be used to record disposals and acquisitions. Additionally, it confers a requirement to report to the Board annually all disposals and acquisitions undertaken in the prior 12 months. This allows the Board to understand the scale of activity being undertaken under delegated authority. This provides a mechanism for the Board to understand if there is an unexpectedly high level of activity in any given year.
- 4.24 Lastly, the Group Policy on Gifts, Hospitality, Payments and Benefits has also been updated. The changes are relatively minor, with the wording tweaked to reflect, for example, the position established during our last review of our Rules for recruitment of individuals closely connected to Board members (that it is permissible, but subject to Group RAAG Committee approval). A copy of the updated policy, approved by the Group Board and designated as a Group policy, is attached at **Appendix 7**.

Template Intra-Group Agreement

- 4.25 The Group has also taken the opportunity to review the form of Intra Group Agreement (“IGA”). The existing version remains relevant and as such only minor changes are proposed, including:
- Reflecting the new Board ToR and documenting an agreement to act in accordance with them; and
 - Reflecting in the language the assumption there will be no sub-Committees of subsidiary Boards.
- 4.26 A track changed copy of the existing template IGA is attached at **Appendix 8**. Having been approved by the Group Board, we are now also asked to consider and approve entering into the revised IGA.

5. Customer Engagement

- 5.1 As a corporate governance related matter, there has been no direct engagement with customers. The review does however reiterate that customer engagement informing decision making is a core facet of good governance.

6. Environmental and sustainability implications

- 6.1 There are no environmental or sustainability implications directly associated with this report. As with equalities, in recognition that sustainability is an important issue for the Group, the ToR for the Wheatley Solutions Board includes it being given governance responsibility for overseeing the delivery of our sustainability framework once approved by the Board.
- 6.2 The feedback from the Board during the review in relation to a desire to have a stronger focus at Board level on sustainability has already been factored into our 2022/23 Group Delivery Plan strategic projects.

7. Digital transformation alignment

- 7.1 There are no direct digital transformation implications associated with this report. In terms of our governance more widely, the Wheatley Solutions Board has a clearly defined role in scrutinising the delivery of our digital transformation programme on behalf of the Group. This is a standing item at all Wheatley Solutions Board meetings with updates provided to us where relevant.

8. Financial and value for money implications

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

9. Legal, regulatory and charitable implications

- 9.1 The strategic governance review implementation plan seeks to support our continued compliance with relevant legal, charitable and regulatory requirements. A number of the changes will support and strengthen our Scottish Housing Regulator Assurance Statement for 2022.

10. Risk Appetite and assessment

- 10.1 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”. This reflects our risk appetite in relation to laws and regulation, which is “averse”, with the avoidance of risk and uncertainty a key organisational objective and a priority for tight management controls and oversight.
- 10.2 Our strategic risk register contains the risk *“The governance structure is not clearly defined, is overly complex and lacks appropriate skills at Board and Committee levels to govern the Group effectively. Failure of corporate governance arrangements could lead to serious service and financial failures.”*
- 10.3 As part of our mitigation of this risk we commissioned the strategic governance review and submitted our governance arrangements to independent external review. As part of the review, Campbell Tickell made a series of recommendations on steps we could take to enhance our risk mitigation. We have now concluded an implementation plan to respond to those recommendations.

11. Equalities implications

- 11.1 There are no equalities implications directly associated with this report. In recognition that equalities is an important issue for the Group, the proposed ToR for the Wheatley Solutions Board include it being given governance responsibility for overseeing our Group approach.

12. Key issues and conclusions

- 12.1 Our implementation plan for the review has now been delivered. The changes made will further strengthen what was recognised in the strategic governance review as already strong, robust governance arrangements.
- 12.2 The review will strengthen our evidence base for the 2022 Annual Assurance Statement regarding compliance with the SHR's Regulatory Framework. We have kept the SHR up to date throughout the process.

13. Recommendations

- 13.1 The Board is asked to:
- 1) Note the revised Group Standing Orders and their applicability to Dunedin Canmore Housing;
 - 2) Note the Board and Committee effectiveness review and governing body member individual appraisal policy and applicability to Dunedin Canmore Housing;
 - 3) Note the Group recruitment and succession planning process and its applicability to Dunedin Canmore Housing;
 - 4) Note the Group Policy on Non-Executive Director conflicts of interest and its applicability to Dunedin Canmore Board members;
 - 5) Note the Disposals and Acquisitions Policy and its designation as a Group wide policy and approve the Loretto specific policy;
 - 6) Note the refreshed Group Policy on Gifts, Hospitality, Payments and Benefits and its applicability to Dunedin Canmore Housing;
 - 7) Approve the refreshed Template Intra-Group Agreement and that we enter into it with Wheatley Housing Group Limited; and
 - 8) Delegate authority to any of the Chair, any Board member, Group Company Secretary or Group Chief Executive to execute the Intra-Group Agreement on our behalf.

LIST OF APPENDICES: [policies redacted: available under publication scheme [Publication scheme | Wheatley Homes East \(wheatleyhomes-east.com\)](https://www.wheatleyhomes-east.com/publication-scheme)]

Appendix 1	Strategic governance review implementation update
Appendix 2	Revised Group Standing Orders
Appendix 3	Board and Committee effectiveness review and governing body member individual appraisal policy
Appendix 4	Group recruitment and succession planning process
Appendix 5	Group Policy on Non-Executive Director conflicts of interest
Appendix 6	Disposals and Acquisitions Policy (Group and specific)
Appendix 7	Group Policy on Gifts, Hospitality, Payments and Benefits
Appendix 8	Template Intra-Group Agreement

Report

To: Dunedin Canmore Housing Board

By: Laura Henderson, Managing Director

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

Subject: Performance update (Q1)

Date of Meeting: 18 August 2022

1 Purpose

- 1.1. This report presents an update on performance delivering against targets and strategic projects for 2022/23 as of the end of quarter 1.
- 1.2. The measures and strategic projects dashboards are presented in Appendix 1 and 2 respectively.

2 Authorising and strategic context

- 2.1. Under the terms of the Group Authorising Framework, the approval of the Group strategy is reserved to the Group Board with each individual Board responsible for agreeing their own 5 year strategy within the overarching group strategic context. The Group Board agreed the 2021-26 strategy in October 2020 and the Dunedin Canmore strategy was approved by this Board in November 2020. A strategy refresh is being undertaken in 2022/23.
- 2.2. The Group Board approved the overarching structure for the implementation of our five year strategy via our Group Performance Management Framework ("PMF") at its meeting in June 2021. Given the need to remain agile and flexible through the life of the strategy our PMF is subject to annual review. The Group Board agreed an updated programme of strategic projects and performance measures and targets for 2022/23 at its meeting in April 2022; reflecting what has been delivered to date, our business operating context and the external operating environment. This Board subsequently agreed the Dunedin Canmore specific performance measures at its meeting on 30 May 2022.
- 2.3. Under the terms of the Intra-Group Agreement with Wheatley Group, as well as the Group Authorise, Manage, Monitor Matrix, our Board is responsible for approving regulatory returns including the Charter. It is also responsible for monitoring performance against agreed targets.

3 Background

- 3.1. This report outlines our performance against targets and strategic projects for 2022/23 as of the end of quarter 1. This includes quarterly progress with those measures that will be reportable to the Scottish Housing Regulator as part of the Annual Return on the Charter 2022/23. It also includes new measures for 2022/23 covering areas of performance related to the implementation of our engagement model, visibility of the Customer First Centre and monitoring of the strength of our Boards and administration.
- 3.2. Several strategic results were new in 2021/22 for the Group's 2021-2026 strategies and therefore involve work to establish baselines. As recently reported to Board, where baselines are outstanding, work will continue through 2022/23 to develop new approaches to collection, collation and reporting of these measures. The measures will be reported once available and based on the appropriate frequency (quarterly or annual).

4 Discussion



Delivering Exceptional Customer Experience

Customer First Centre

- 4.1. The Customer First Centre was fully launched to customers on 1st April 2022. Quarter 1 results to the end of June demonstrate the CFC (Customer First Centre) is performing well against the new measures and targets. Performance for our customer is now discussed, with Group-wide results summarised in Table 1.
- 4.2. Encouragingly, the CFC answered 85.72% of calls from our customers within 30 seconds, and 86.94% of calls Group-wide, against a target of 80%. Our customers wait an average of 24 seconds, and Group-wide 26 seconds, within the target of 30 seconds. The call abandonment rate for our customers is only 3.18% and Group-wide 3.66%, far exceeding the target of 7%.
- 4.3. The percentage of calls to CFC resolved at first contact, by Customer Service Advisors, is 88.45% Group-wide against a target of 90%. Performance in quarter 1 has been lower than in March 2022 (92.33%), partly due to the introduction of DGHP to group systems whereby staff are having to learn new systems and approach.
- 4.4. Importantly, the percentage of CFC customer interactions being passed to Housing and Lowther staff on the frontline is now also being monitored. Year to date this is only 6.13% Group-wide against a target of <10%.


Table 1

Measure	2021/22	2022/23		
	Value	Value	Target	Status
DC - % calls answered <30 seconds (Grade of Service)	N/A	85.72%	80%	✓
DC - Average waiting time (seconds)	N/A	24	30	✓
DC - Call abandonment rate	N/A	3.18%	7%	✓
Group - % calls answered <30 seconds (Grade of Service)	85.42% (March 2022)	86.94%	80%	✓
Group - Average waiting time (seconds)	30 (March 22)	25.75	30	✓
Group - Call abandonment rate	3.81% (March 2022)	3.66%	7%	✓
Group - % first contact resolution at CFC (Customer Service Advisors)	92.33% (March 2022)	88.45%	90%	⚠
Group – Percentage of CFC customer interactions that are passed to Housing and Lowther staff for resolution	N/A	6.13%	<10%	✓

Tenancy Sustainment

- 4.5. We continue to support our customers to stay in their tenancies as evident with the high tenancy sustainment rates across both the Scottish Housing Regulator's measure and our revised indicator which excludes deaths and transfers to other homes in the Group.






Table 2

Tenancy Sustainment	Charter	2022/23 Target	Revised	2022/23 Target
Dunedin Canmore	92.27%	90% 	94.22%	91% 
Group	90.40%	90% 	92.07%	91% 

Complaints Handling

- 4.6. We are on target for 4 of the 5 complaints measures in Table 3 and have improved for all compared to 2021/22. The number of complaints received in quarter one this year is 99 compared to 53 in the same period last year.



Table 3

Measure	2021	2022		
	Value	Value	Target	Status
Average time for full response to all complaints (working days) - overall (ARC)	5.83	5.03	6	
Average time for full response to all complaints (working days) - Stage 1 (ARC)	3.92	3.58	5	
Average time for full response to all complaints (working days) - Stage 2 (ARC)	18.92	17.50	20	
Percentage of stage 1 complaints responded to within 5 working days (SPSO (Scottish Public Sector Ombudsman))	92.76%	93.98%	100%	
Percentage of stage 2 complaints responded to within 20 working days (SPSO)	85.00%	100%	100%	

Customer Voices

- 4.7. The aim of the Stronger Voices approach is to empower everyone in our communities to make their own choices about the services they want. As part of this new way of engaging, staff will look to find ways of actively involving tenants, of all ages and backgrounds, including using digital channels.
- 4.8. Table 4 below details the new Customer Voices measures introduced for 2022/23 to monitor progress against annual targets set in our commitments to tenants and shows that all are on target for quarter one.

Table 4

Customer Voices Measure	Target YTD	Actual YTD	Annual Target
Number of Customers involved in the Customer Voices programme	51	103 	200
Number of the Customer Voices activities carried out	15	28 	54
Number of Geographical/ Regional panels	0	0 N/A	3
Number of customers involved in Geographical/ Regional panels	0	0 N/A	75
Number of Scrutiny panels	0	0 N/A	1

- 4.9. This quarter, customers worked together with staff in activities such as area walkabouts with both NETS and Housing Teams, Fun days and online focus groups. Customer Voices for Dunedin Canmore will be invited to an in-person event at New Mart Road at the end of August to hear all about our engagement events to date. The upcoming panels scheduled to take place in September and November this year will focus on Community Safety and

Welfare benefits/Fuel Advice wraparound services respectively, with a third panel focusing on Investment and Compliance in February 2023

- 4.10. A review of the first quarter of the programme, including lessons learned, is being undertaken and will inform planning and targets, and support us in increasing the number of customers involved as the year progresses.



Making the Most of Our Homes and Assets

New Build Programme

- 4.11. Our target is to deliver a total of 121 new homes in 2022/23; 29 of which carried over from 2021/22. Of these new homes, 12 are MMR and 109 social rent.
- 4.12. As shown in Table 5, no handovers were due by the end of June. Our first handovers of the year are expected in quarter two at the Wisp 3C and South Gilmerton.

Table 5

Sites	TYD Handovers	YTD Target	Diff.
Dunedin Canmore	0	0	0
The Wisp Phase 3C (Social)	0	0	0
Roslin Ph1 (Social)	0	0	0
Penicuik (Social)	0	0	0
South Gilmerton (Social)	0	0	0
Lanark Road, Edinburgh (MMR)	0	0	0

Planned to Reactive Spending

- 4.13. We set a Strategic Result to achieve a ratio of planned to reactive spend on maintaining our properties of 60% to 40%. Spend figures are subject to investment programme profiling throughout the year.
- 4.14. As shown in Table 6, our planned spend ratio has increased slightly compared to last year to just below the 60% target. Planned spend will increase from Q2 in line with delivery on investment programmes.

Table 6

Percentage Spend	2021/22 Planned spend	2022/23 YTD Planned	2022/23 YTD Reactive
Dunedin Canmore	58.6%	59.5%	40.5%
Group total	65.9%	47.1%	52.9%

Volume of Emergency Repairs

- 4.15. The table below shows our position against the Strategic Result to reduce the volume of emergency repairs by 10% by 2026 compared to the new agreed baseline year of 2021/22. We are showing a good variance reduction of 2.24% compared to Q1 2021/22.





Table 7

Completed emergency repairs to end of June 2022	YTD 21/22	YTD 22/23	Variance
Dunedin Canmore	1,744	1,705	-2.24%
Group total	26,408	25,407	-3.79%

Repairs Timescales and Right First Time

- 4.16. Demand continues to be high for repairs in the East, which covers both Dunedin Canmore and WLHP (West Lothian Housing Partnership). 6,224 repairs were raised between April and June this year compared to 5,710 in the same period last year. The numbers of live and overdue repairs have been reducing during the quarter from 1,123 live and 445 overdue repairs in April to 766 and 133 at end of June.
- 4.17. The average time taken to complete our emergency and non-emergency repairs is detailed in the table below. We are within target for emergency repairs but remain higher than target for non-emergency repairs. Over the quarter, in-month improvement was recorded from 6.71 days in April to 5.97 days in June. Further improvement in non-emergency timescales is anticipated with the reduction in live and overdue repairs.

Table 8

Repairs completion timescales (Charter)	Emergency (hours)		Non-emergency (days)	
	Target	Current Value	Target	Current Value
Dunedin Canmore	3.00	2.58 	5.50	6.16 
Group	3.00	2.61 	5.50	8.51 

- 4.18. Right first time performance is at 94.71%. While under target, it has improved during the quarter with in-month performance in June at 95.11%. Further improvements in non-emergency repair timescales will positively impact performance in the right first time measure.

Table 9

Percentage of repairs right first time (Charter)	2021/22	2022/23 YTD	Target	
Dunedin Canmore	94.14%	94.71%	95%	
Group	90.42%	90.72%	N/A	

Repairs Satisfaction

- 4.19. Targets for satisfaction with the repairs service have been set to incrementally increase annually to 95% by 2026. The target for 2022/23 has been increased from 87% last year to 89% this year. We are currently just below target for this measure.
- 4.20. Development of new approaches in 2022/23 to collection, monitoring and reporting of customer experiences, alongside the repairs transformation, aims to increase the number of completed surveys in future years and help inform year on year improvements on satisfaction levels to 95% by 2026.



Table 10

Repairs Satisfaction	Current Value	2022/23 Target
Dunedin Canmore	88.15%	89%
Group	88.96%	89%

Medical Adaptations

- 4.21. Time to complete medical adaptations has improved to 9.13 days compared to 2021/22 at 10.85 days and well within the targeted timescale. We have completed 54 adaptations in the year to date and currently have eight households waiting. There has been a significant improvement in timescales at Group level with 31.25 days in quarter one, compared to 42.6 days in 2021/22.

Table 11

Medical Adaptations (Charter)	Current Households Waiting	Number Completed YTD	Average Days to Complete	Target
Dunedin Canmore	8	54	9.13 days	35 
Group	152	619	31.25 days	35 

Gas Safety

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

Table 12

Gas Safety Checks Unmet	2021/22	YTD 2022/23
Dunedin Canmore	0	0
Group	0	0



Changing Lives and Communities

Peaceful Neighbourhoods

- 4.23. Our Group strategic measure is Over 70% of our customers live in neighbourhoods categorised as peaceful. Peaceful communities are defined as communities where customer reported incidents of antisocial behaviour to Police Scotland are reducing and social deprivation indicators (SIMD) in the associated data zone are improving.
- 4.24. The proven most effective way to achieve this target is by reducing the incidence of customer reported antisocial behaviour by our customers to Police Scotland. Currently, 67.9% of our communities are categorised as 'Peaceful' against a target of 68.5% for 2022/23.
- 4.25. There are currently 3 live ASB packages within our communities.

Accidental Dwelling Fires

- 4.26. We set a Group wide Strategic Result to reduce accidental dwelling fires (ADFs) by 10% by 2025/26, this is against the baseline of 215 ADFs in 2020/21. We have had two ADFs in the first quarter of 2022/23. This compares to three in Q1 2021/22.

Table 13

Number of recorded accidental dwelling fires	2021/22	2022/23
		Q1
Dunedin Canmore	8	2
Total Group YTD	148	24
Upper limit this year to achieve strategic result	210	205

- 4.27. To support this reduction, there is an additional Strategy Measure to ensure 100% of applicable properties have a current fire risk assessment in place. This continues to be achieved.

Table 14



Fire Risk Assessments	YTD	Target
The percentage of relevant premises - HMOs that have a current fire risk assessment in place	100%	100%

Reducing Homelessness

- 4.28. During the first quarter, we have made 45 lets to homeless applicants, this contributes to the Group total of 703 lets made this year, against the Group target of 500.

- 4.29. When we consider the targeted measure of percentage of relevant lets made to homeless applicants – ‘relevant lets’ exclude mutual exchange, transfers and LivingWell lets for which we are limited to let to homeless applicants – we are at 54.2% against a target of 50%.

Table 15

Percentage Lets to Homeless Applicants	Relevant Lets			Charter	
	YTD 2022/23	Target	2021/22 Result	YTD 2022/23	2021/22 Result
Dunedin Canmore	54.2%	50% 	66.6%	48.4%	56.0%
Group	51.7%	56% 	57.2%	48.4%	54.2%



Developing our Shared Capability

Sickness Absence

- 4.30. We are just above the within the 3% sickness target at 3.28% for the year to date. DC housing has 1 member of staff on Long Term Sick which was due to a planned hospital admission and surgery.

Table 16


Sickness Rate	Target	2022/23 YTD	2021/22
Dunedin Canmore	3%	3.28% 	3.21% 
Group	3%	4.19% 	4.07% 

- 4.31. Our top two reasons for absence across Group are Stress/Anxiety (39%) and Minor Illness (21%). 37% of stress/ anxiety absence was work related.
- 4.32. To support staff the Group’s new Employee Assistance Programme provider PAM assist was rolled out in May this year, this includes a helpline and a PAM Assist App.
- 4.33. As part of our on-going support to colleagues suffering from Long Covid we are providing access to professional treatment specifically designed to combat several of the common symptoms associated with Long Covid - respiratory disorders, chronic fatigue, chest pains etc. The treatment is provided by Hampden Sport Clinic and comprises of a combination of traditional physiotherapy and hydrotherapy treatments with each employee receiving, on average, 6 sessions. Hydrotherapy is a medically supported intervention for Covid-19 recovery which is known to provide positive health outcomes. Colleagues diagnosed with Long Covid will be automatically referred for this treatment.

Board Governance and Administration

- 4.34. The following measures are indicators of the underlying strength of our Boards and administration and will be reported quarterly in line with the Board timelines:
- Number of vacancies across Group and Subsidiary Boards
 - Attendance levels across Group and Subsidiary Boards
 - Instances where Board reports are not issued 7 days in advance of Group and Subsidiary Boards.
- 4.35. This quarter there were six vacancies across Group and Subsidiary Boards. Average attendance levels across Group and Subsidiary boards in Q1 was 79%. There were also no instances where board reports were not issued 7 days in advance of Group and Subsidiary Boards

Table 17

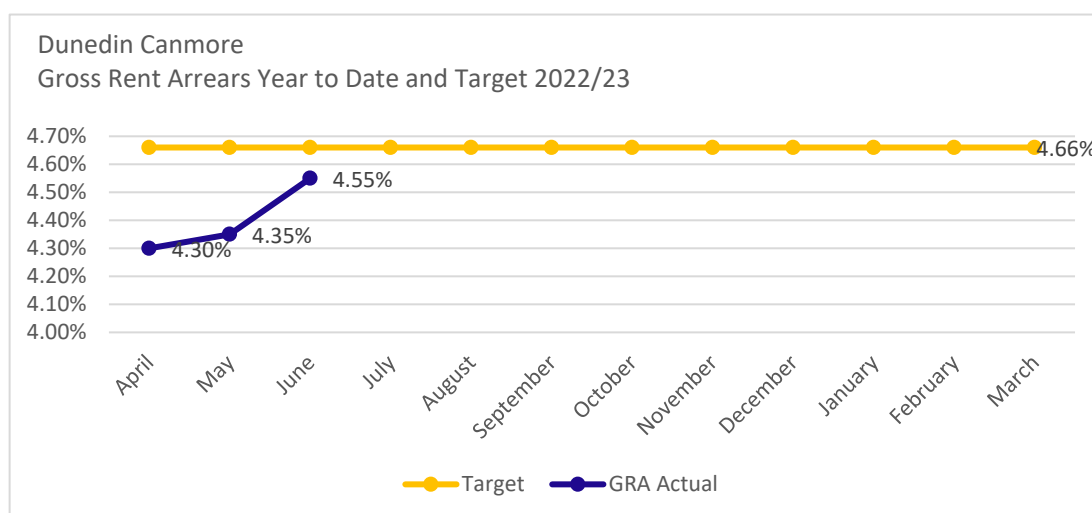
Indicator	Target	2022/23 (YTD)
Instances where Board reports are not issued 7 days in advance of Group and Subsidiary Boards	5%	0% 



Enabling our Ambitions

Gross Rent Arrears

Chart 1



- 4.36. As agreed in the annual review of the Strategy, the Group's strategic aim is to reduce gross rent arrears to 4.5% by 2026 and ours is to reduce arrears to 4.47% within this timeframe. Our target for this year is 4.66% and we are currently at 4.55%.
- 4.37. The Scottish Housing Regulator published their final quarterly dashboard of 2021/22 for Social Landlords on 25 May 2022. This reported that average arrears levels ended the year at 6.53% and for larger housing providers (>10,000 homes) this was 8.48%. We continue to outperform sector and peer group averages.

- 4.38. As reported by Housemark, arrears have increased over the last two years of the pandemic and the expectation is they will continue to increase due to the higher cost of living and the impact this is having on our customers.
- 4.39. The housing management activities currently being undertaken to ensure income maximisation as well as supporting our customers include;
- Housing officers identifying uncommon, missed payments that may suggest customers require support from our wrap-around services
 - Promotion of our fuel advice services ahead of the next forecasted increase in fuel costs
 - Creation of an 'arrears club' for officers to receive peer support on complex cases and share best practise
 - Ongoing 1:1 support with Head of Housing discussing top 5 cases to ensure these cases reflect the appropriate stage within our escalation process.

Average Days to Re-Let (Charter)

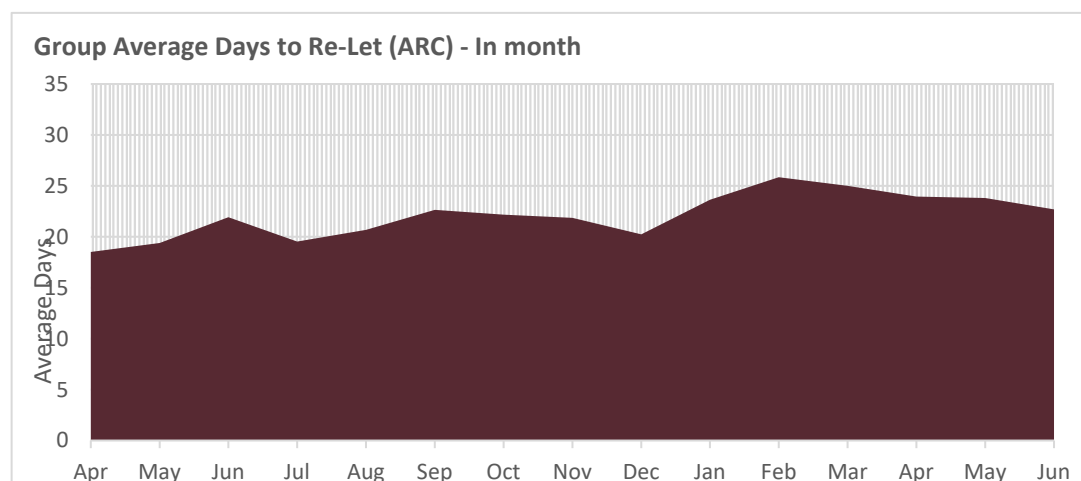
- 4.40. Our letting times improved from 17.74 days in April to 15.56 days in May, however June seen an increase to 20.92 days and has now moved to over 10% above target. The increase in June for was due to 3 lets with a higher void time due to extensive works required, as well as 1 tenancy for the purposes of SAVOLO assessment. Going forward, we expect to be on track with the trend seen in the earlier months this year.

Table 18

Average days to re-let (Charter)	2022/23 YTD	2022/22 Target	2021/22 Results
Dunedin Canmore	17.81 ■	16	18.79
Group RSLs (Registered Social Landlord)	23.40 ■	16	21.55

- 4.41. Chart 2 provides the in-month results for the Group from last year to current month, with an improving trend from February 2022.

Chart 2



Summary of Strategic Project Delivery

- 4.42. An update on progress with strategic projects is attached at Appendix 2.
- 4.43. The following table summarises the current status of projects by programme stream. One project has completed, 15 are on track and one is overdue.

Programme Stream	Complete	On track	Slippage	Overdue
Repairs	0	3	0	1
CFC	1	2	0	0
Engagement	0	3	0	0
Assets & Sustainability	0	2	0	0
Governance	0	2	0	0
Other	0	3	0	0
Total	1	15	0	1

- 4.44. The project which completed was:

CFC interim review (CFC Programme Stream).

- 4.45. The project which is overdue is:

Service & process redesign (Repairs Programme Stream)

- 4.46. It is proposed that the project CFC year 1 evaluation, part of the CFC Programme Stream, be redefined for 2022/23 as CFC second interim review. This would support a full external evaluation to be carried out after one full year of operation in Q1 2023 with a second interim review carried out in Q4 2022 for purposes of updating ET (Executive Team) and Boards on progress during 2022/23.

5 Customer Engagement

- 5.1. We presented an overview of the 2021/22 Charter results to the Tenant Scrutiny Panel in May 2022. We will also present a comparison with the national average – once SHR (Scottish Housing Regulator) publish the returns in Autumn – and provide an update on performance in the first part of 2022/23.
- 5.2. Our new engagement model continues to imbed, with all quarter 1 targets met. We have taken learning from our most recent method of engagement of SMS messaging, and the use of Microsoft Forms to gauge customer feedback, the response rates we have seen as a result of using this method has been noteworthy and we intend to explore more ways to use this simplistic tool. We have also identified that more focus is required in feeding back to customers on outcomes of our engagement activities including the use of our websites and social media platforms.

- 5.3. Several strategic projects facilitate opportunity for customer engagement, as reflected in the progress notes in Appendix 2. This will directly impact the way we deliver services or the way they can be drawn down by customers.

6 Environmental and sustainability implications

- 6.1. We have added two new sustainability measures to support our ambitions in this area; the first to monitor the average new build CO2 output and the second to increase the percentage of stock at EPC 'B' rating. These will be reportable annually and are therefore not included in quarterly updates.
- 6.2. A key project for 2022/23 is the development of a strategic sustainability framework. As part of this we anticipate further measures will be developed for future incorporation into our PMF.

7 Digital transformation alignment

- 7.1. Our strategy is underpinned by digital transformation. The measures and strategic projects for 2022/23 have been fully reviewed to ensure we have the appropriate technical and resource capacity alongside our Digital Programme.

8 Financial and value for money implications

- 8.1. The measures, targets and projects included in this report were agreed as part of the PMF and Delivery Plan for 2022/23. This approach focuses service delivery and improvement on the key priorities within the Group Strategy to make sure that financial and other resources are aligned with these priorities.
- 8.2. There are no direct financial implications arising from this report. Any financial requirements related to actions and projects within the report are subject to separate reporting and agreement

9 Legal, regulatory and charitable implications

- 9.1 The Scottish Housing Regulator requires an Annual Return on the Charter from each RSL (Registered Social Landlord). Key indicators within this return are also included in quarterly performance reporting. RSL Subsidiary Boards approve the returns, and the figures are included in the year-end performance report to the Board. RSLs are also required to involve tenants in the scrutiny of performance, which the Group does through its Tenant Scrutiny Panel, and to report to tenants on performance by October each year.

10 Risk Appetite and assessment

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

11 Equalities implications

- 11.1. Project monitoring and evaluations consider equalities information and Equalities Impact Assessments are undertaken at the outset of new programmes to ensure compliance with equality legislation, where applicable.
- 11.2. There is a project under the governance programme stream dedicated to advancing our commitment to equality, diversity and inclusion.
- 11.3. Additionally, the expansion of our Customer Voices is focused on creating a more diverse range of voices actively participating in our engagement structures. In turn, this will support co-creation and influencing which is based on a more diverse range of perspectives.

12 Key issues and conclusions

- 12.1. We continue with strong performance in a number of key areas. Complaint response timescales are improving, tenancy sustainment remains high, emergency repair timescales on average are being completed in less than three hours, medical adaptation completion timescales are well within target and gross rent arrears are also better than target. We are also above target on the percentage of relevant lets to homeless applicants and contributed 75 of the 703 Group total in the first quarter of this year, against the Group target of 500.
- 12.2. Areas remaining in focus include non-emergency timescales, new build completions and average days to relet.
- 12.3. Our project delivery is on track for the first quarter of the year.

13 Recommendations

- 13.1. The Board is asked to:
 - 1) note the contents of this report; and
 - 2) one change to the strategic projects for 2022/23 as per the proposal at 4.45.

List of Appendices:

Appendix 1 - Strategic Results Dashboard
Appendix 2 - Strategic Projects Dashboard


Appendix 1 - Dunedin Canmore Board - Delivery Plan 22/23 - Strategic Measures

1. Delivering Exceptional Customer Experience				
	2021/22	YTD 2022/23		
Measure	2021	2022		
	Value	Value	Target	Status
Average time for full response to all complaints (working days) - overall	5.83	5.03	6	✓
Average time for full response to all complaints (working days) - Stage 1	3.92	3.58	5	✓
Average time for full response to all complaints (working days) - Stage 2	18.92	17.5	20	✓
Percentage of stage 1 complaints responded to within 5 working days (SPSO)	92.76%	93.98%	100%	⚠
Percentage of stage 2 complaints responded to within 20 working days (SPSO)	85.00%	100%	100%	✓
Group - Percentage of calls to the CFC resolved at first contact	92.33% (March 2022)	88.45%	90%	⚠
Group - Call abandonment rate	3.81% (March 2022)	3.66%	7%	✓
Group - Percentage of CFC customer interactions that are passed to Housing and Lowther staff for resolution	New	6.13%	<10%	✓
Group - % calls answered <30 seconds (Grade of Service)	85.42% (March 2022)	86.94%	80%	✓
Group - Average waiting time (seconds)	30 (March 2022)	25.75	30	✓
% new tenancies sustained for more than a year - overall	93.18%	92.27%	90%	✓
Number of customers involved in Customer Voices Programme	New	103	51	✓
Number of customer voices activities carried out	New	28	15	✓
Number of East Regional Panel sessions	New	0	0	✓








	2021/22	YTD 2022/23		
Measure	2021	2022		
	Value	Value	Target	Status
Number of customers involved in East Regional Panel	New	0	0	✓
Number of Scrutiny focus groups	New	0	0	✓

2. Making the Most of Our Homes and Assets

	2021/22	YTD 2022/23		
Measure	2021	2022		
	Value	Value	Target	Status
Reduce volume of repairs	1,744 (Apr to Jun 2021/22)	1,705	-2.24%	⚠
Average time taken to complete emergency repairs (hours) – make safe	3.4	2.58	3	✓
Average time taken to complete non-emergency repairs (working days)	6.49	6.16	5.5	⛔
% reactive repairs completed right first time	94.14%	94.71%	95%	⚠
Number of gas safety checks not met	0	0	0	✓
% of tenants who have had repairs or maintenance carried out in last 12 months satisfied with the R&M service	86.44%	88.15%	89%	⚠
Average time to complete approved applications for medical adaptations (calendar days)	10.85	9.13	35	✓
% Planned repair spending	58.58%	59.53%	60%	⚠
% Reactive repair spending	41.42%	40.47%	40%	⚠
New build completions - Social Housing	36	0	0	✓
New build completions - Mid-market	25	0	0	✓
Number of HSE or LA environmental team interventions	0	0	0	✓



	2021/22	YTD 2022/23		
Measure	2021	2022		
	Value	Value	Target	Status
Group - Number of open employee liability claims	8	8	Contextual	
Group - Number of days lost due to work related accidents	211	78	Contextual	
Number of new employee liability claims received	0	0	0	

3. Changing Lives and Communities





	2021/22	YTD 2022/23		
Measure	2021	2022		
	Value	Value	Target	Status
% ASB resolved	100%	91.94%	98%	
% Lets Homeless Applicants - overall (ARC)	56%	48.39%	Contextual	
% Relevant lets to Homeless Applicants	63.36%	54.17%	50%	
Number of lets to homeless applicants	206	45	Contextual	
Dunedin Canmore - Total number of jobs, training places or apprenticeships created including Wheatley Pledge	80	49	21	
Group - Over 70% of our customers live in neighbourhoods categorised as peaceful	70.1%	67.9%	68.5%	
Group - 100% of relevant properties have a current fire risk assessment in place	100%	100%	100%	
Group - The percentage of non-relevant properties that have a current fire risk assessment in place	100%	100%	100%	
Number of accidental fires in workplace	0	0	0	
Number of accidental dwelling fires recorded by Scottish Fire and Rescue	8	2	Contextual	

4. Developing Our Shared Capacity


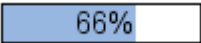



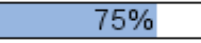
2021/22	YTD 2022/23
---------	-------------


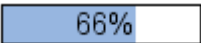
Measure	2021	2022		
	Value	Value	Target	Status
Group - Number of vacancies across Group and Subsidiary Boards	New	6	Contextual	
Group - Attendance levels across Group and Subsidiary Boards	New	79%	Contextual	
Group - Instances where Board reports are not issued 7 days in advance of Group and Subsidiary Boards	New	0%	5%	
Sickness Rate	3.21%	3.28%	3%	

5. Enabling Our Ambitions

Measure	2021/22	YTD 2022/23		
	2021	2022		
	Value	Value	Target	Status
% lettable houses that became vacant	7.37%	7.44%	7.3%	
% court actions initiated which resulted in eviction - overall	11.11%	50%	33%	
Average time to re-let properties	18.79	17.81	16	
Gross rent arrears (all tenants) as a % of rent due	4.16%	4.55%	4.66%	


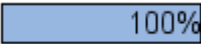




Appendix 2 - Dunedin Canmore Board - Delivery Plan 22/23 - Strategic Projects

A. Repairs Programme Stream							
Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
Improve Customer Contact & Communications	31-Dec-2022			01. Taking into account customer feedback, implement revised customer comms for all repair types (including owner repairs)	30-Jun-2022	Yes	Milestones 1 and 2 complete. In progressing Milestone 3, work is on-going with Localz on messages to customers and the repairs event (e.g. agreeing an appointment, reminder on day of repair, operative on route, etc.) that will trigger a message being sent. Detailed technical design work is underway and the full action plan will be reprogrammed to reflect implementation timescales.
				02. Proposals for customer feedback to Boards developed and agreed	30-Jun-2022	Yes	
				03. Approach to real time repairs feedback on repairs agreed	31-Dec-2022	No	
Develop IT & Systems	31-Dec-2022			01. CBG Servitor upgrade implemented	31-May-2022	Yes	Milestone 1, the Servitor upgrade, is now complete.
				02. Localz phase 1 installation (pilot with CBG)	31-Oct-2022	No	
				03. Localz phase 1 full roll out programme agreed	31-Dec-2022	No	
Service & process redesign	30-Jun-2022			01. DGHP improvement plan defined and agreed	31-May-2022	Yes	Update provided in separate Board paper on transformation programme.
				02. Quick wins for the repairs service in the West implemented (opening up appts, better communication between CBG and CFC,	30-Jun-2022	No	

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
				approach to customer comms)			
				03. Planning complete for implementing redesigned repairs delivery model	30-Jun-2022	Yes	
				04. DC approach to migrate to Group Servitor agreed	30-Jun-2022	Yes	
Meet the needs of owners	31-Mar-2023			01. Review owner billing inc. suitability of existing SoRs and approach to lower value jobs	30-Jun-2022	Yes	Milestones 1 to 4 are now complete.
				02. Review current approach to owner repairs and define & agree reshaped owner repairs service delivery model	30-Jun-2022	Yes	During May and June this involved:
				03. Review processes that support owner repairs service and refine	30-Jun-2022	Yes	<ul style="list-style-type: none"> • Lowther staff reviewing bills • meetings with senior staff in Lowther, CB and My Repairs
				04. Design and deliver customer engagement focus groups involving Lowther Tenants, that will improve communication and shape Lowther's repair service	31-Jul-2022	Yes	<ul style="list-style-type: none"> • cross Group staff Focus Groups • customer focus groups.
				05. Implement revised processes to support owner repairs	31-Dec-2022	No	Improvements to current owner repairs approach and processes identified and work has begun on implementing quick wins.
				06. Deploy revised owner repair service delivery model	31-Mar-2023	No	Customer focus groups included both Tenant and Owner customers and were in-person, online and some via telephone. Sessions focused on overall Lowther repair service and



Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
							communication, including billing. Improvements identified to billing include wording/description of location of works & quantities


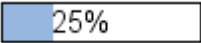
B. CFC Programme Stream

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
CFC interim review	31-May-2022			01. External interim review concluded	30-Apr-2022	Yes	Project is complete.
				02. Present findings of interim review to Group Board	30-Apr-2022	Yes	Full external interim review now concluded, and findings reported to Group and subsidiary Boards.
				03. Present findings of interim review to RSL Boards	31-May-2022	Yes	
CFC year 1 evaluation	31-Mar-2023			01. Scope of full evaluation agreed by ET	31-Dec-2022	No	It is proposed that the full year 1 evaluation is moved to Quarter 1 of the 2023/24 reporting year to allow for one full year of operation.
				02. Undertake evaluation of the first year of the CFC including customer experiences	28-Feb-2023	No	
				03. Present findings to ET	31-Mar-2023	No	It is anticipated that a further interim review will be carried out across Quarter 4 of this reporting year and this will be defined across Quarter 3.
RSL digital services model	31-Mar-2023			01. Review existing digital services offering with customers, including existing usage rates, functionality, and	31-Aug-2022	No	Work is ongoing towards completion of milestone 1. A draft service catalogue spanning our main

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
				projected future lifespan			customer engagement channels has been defined, and Group Board have agreed key digital metrics (June Board).
				02. Scope future RSL digital services model, including role of apps, online services, repairs digital offering and self-service	31-Oct-2022	No	
				03. Undertake themed engagement discussions with Glasgow 1000 Panel on digital services	28-Feb-2023	No	
				04. Present recommendations to ET for next 3 years	31-Mar-2023	No	


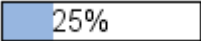
C. Engagement Programme Stream

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
Wheatley Whole Family approach	30-Sep-2022		<div><div>50%</div></div>	01. Complete the research phase, including survey of households with children and follow up focus groups	31-May-2022	Yes	Milestones 1 and 2 are complete. Most recently, report and recommendations were presented to ET on 28 June.
				02. Present findings and proposed approach to ET	30-Jun-2022	Yes	
				03. Engagement with customer voices on the proposed Whole Family approach	31-Aug-2022	No	
				04. Final implementation approach agreed by ET	30-Sep-2022	No	
Engagement Framework – Phase 2	31-Mar-2023		<div><div>40%</div></div>	01. Develop a programme of engagement using customers' preferred methods	31-May-2022	Yes	Milestones 1 and 2 are complete. Most recently, Engagement Plans, including funding mechanisms, were agreed
				02. 2022/23 Engagement plans, including mechanisms	31-May-2022	Yes	


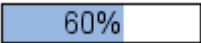

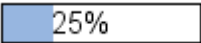
Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
				for allocation of funding, agreed by Boards			by Boards in May.
				03. Develop learning and development programme for staff as well as Customer and Community Voices	30-Sep-2022	No	Work on the Learning and Development programme (Milestone 3) is now well underway and the programme will now be launched by the end of September.
				04. Customer voices feedback to group wide governance event(s)	31-Mar-2023	No	
				05. Complete recruitment of Customer and Community Voices	31-Mar-2023	No	
Customer data collection exercise (Contact info, equalities and communication preferences)	30-Nov-2022			01. Project approach and proposed resource requirements agreed Group Executive	31-May-2022	Yes	Milestone 1 is complete, with the project approach and resource requirements approved by ET end of June.
				02. Data collection exercise undertaken (RSL tenants, Lowther tenants & Care customers)	30-Sep-2022	No	
				03. Update to Group Executive on outcome of data collection exercise and proposed actions	31-Oct-2022	No	
				04. Update to Boards on outcome of data collection exercise	30-Nov-2022	No	

D. Assets & Sustainability Programme Stream

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
Corporate Estate	31-Mar-2023			01. East Glasgow and Bathgate Hubs complete	31-Jul-2022	No	Work is ongoing towards completion of milestones.


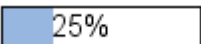

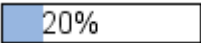
Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
Strategic Sustainability Framework	31-Jan-2023			02. West Glasgow Hub complete	30-Sep-2022	No	This includes work on site currently for milestones 1 to 3 and proposal for Lipton House being developed.
				03. East Hub (NMR) complete	30-Sep-2022	No	
				04. CFC Lipton House complete	31-Dec-2022	No	
				05. South Hub (Dumfries) complete	31-Mar-2023	No	
				01. Pathway to Net Zero Advisory Group recruited and in place	31-May-2022	Yes	Milestones 1 and 2 complete, with: <ul style="list-style-type: none"> • The Pathway to Net Zero Advisory Group held its first meeting on 13 May. • Supplier to undertake independent review identified and proposal agreed.
				02. Commission an independent review of energy efficient technologies and low emission heating systems installed to date	31-May-2022	Yes	
				03. Draft framework reviewed by Advisory Group	31-Jul-2022	No	
				04. Update on sustainability framework and independent review to Group Board	31-Aug-2022	No	
				05. Independent review complete	30-Sep-2022	No	
				06. Draft framework and outcome of independent review to ET	31-Oct-2022	No	
				07. Draft framework approved by Group Board	31-Dec-2022	No	
				08. Group wide launch of strategic sustainability framework	31-Jan-2023	No	

E. Governance Programme Stream

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
Strategic Governance Review	16-Nov-2022			01. Wheatley Homes Glasgow – all legal steps taken to officially change name	31-May-2022	Yes	Milestones 1 to 3 complete. The stock transfer completion date (Milestone 4) was projected, subject to relevant approvals e.g. funders. This is now assumed to be September 2022. Funder consents require approval from each RSL Board which is planned and on track for the August Board cycle.
				02. East of Scotland partnership – stage 1 consultation complete	31-May-2022	Yes	
				03. East of Scotland partnership tenant ballot completed	30-Jun-2022	Yes	
				04. WLHP stock transfer completed	31-Jul-2022	No	
				05. Lowther Homes – undertake first annual self-assurance statement (externally validated) and present to Board	16-Nov-2022	No	
Equality, Diversity & Inclusion	31-Oct-2022			01. ET agree proposed survey approach for staff and tenants	31-May-2022	Yes	Milestone 1 complete. ET agreed we should undertake a mailing to tenants in August, providing a clear audit trail for our SHR compliance and in keeping with revised SFHA guidance. We have undertaken 3 focus groups (totalling 20 tenants) to co-create the content for the tenant mailing. The mailing will be undertaken during August.
				02. EDI update to Group Board, including revised Equality, Diversity and Inclusion Policy for approval	25-Aug-2022	No	
				03. Equalities results from customer data collection exercise analysed and proposed actions to Group Executive	30-Sep-2022	No	
				04. Update SHR Annual Assurance Statement on progress with equalities	31-Oct-2022	No	


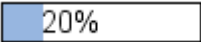
Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
							Policy and update on track for ET in early August pre Group Board. The policy was rescheduled to the September Group Board as part of the Group Board agenda planning.

H. Other - Changing Lives & Communities

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
Implement year 2 of the Group Homelessness Framework	31-Mar-2023			01. Undertake a review of existing customer engagement in homelessness service design and delivery	30-Jun-2022	Yes	Milestone 1 complete on target. review of existing engagement has been undertaken. slides on findings have been prepared. Project plan has been drafted which details key tasks to deliver each milestone.
				02. Develop an action plan to maximise engagement opportunities	30-Nov-2022	No	
				03. Undertake a review of existing tenancy sustainment performance reporting and develop and agree a new consistent group wide approach to reporting	31-Dec-2022	No	
				04. Proposal drafted and available for ET review	31-Mar-2023	No	
Review of group allocations policy and systems	31-Mar-2023			01. Updates to policy agreed by ET and RSL Boards for consultation with tenants	31-May-2022	Yes	Milestone 1 complete with staff and customer focus groups undertaken.
				02. Undertake customer consultation	31-Jul-2022	No	We are now analysing focus group responses.
				03. Present findings to Wheatley Board	31-Aug-2022	No	

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
				04. Present findings to RSL Boards	30-Sep-2022	No	
				05. Undertake testing of the new system in D&G	31-Mar-2023	No	

J. Other - Enabling our Ambitions

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
NETs Digital service	30-Nov-2022			01. Undertake build phase	31-Jul-2022	Yes	Milestone 1 complete. Work towards completion of Milestone 2, User Testing Phase 1, commenced June 2022.
				02. Undertake testing of the product	31-Aug-2022	No	
				03. Commence pilot	30-Sep-2022	No	
				04. Go Live	30-Nov-2022	No	
				05. Provide update to Board	30-Nov-2022	No	

Report

To: Dunedin Canmore Board

By: Chris Cameron, Finance Manager

Approved by: Steven Henderson, Group Director of Finance

Subject: Finance Report to 30 June 2022

Date of Meeting: 18 August 2022

1. Purpose

- 1.1 The purpose of this paper is to provide the Board with:
- An overview of the management accounts for the period to 30 June 2022 including Q1 forecast;
 - To seek approval to amend loan agreements, arising from the business transfer agreement between WLHP and DCH;
 - To note the amendments to the Treasury Management Policy;
 - To seek approval for an amendment to our loan agreement to permit the acquisition of Strathclyde Camphill Housing Association ("**Camphill**").

2. Authorising and strategic context

- 2.1 Under the terms of the Intra-Group Agreement between Dunedin Canmore ("DCH") and the Wheatley Group, as well as the Group Authorising Monitor Matrix, the DCH Board is responsible for the on-going monitoring of performance against agreed targets, including the on-going performance of its finances.

3. Background

Financial performance to 30 June 2022

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

	Year to Date (Period 3)		
£000	Actual	Budget	Variance
Turnover	8,613	8,587	26
Operating expenditure	6,973	6,800	(173)
Operating surplus	1,640	1,787	(147)
<i>Operating margin</i>	<i>19%</i>	<i>21%</i>	<i>(2%)</i>
Net interest payable	(1,558)	(1,621)	63
Surplus	82	166	(84)
Net Capital Expenditure	4,325	3,346	(979)

4. Discussion

4.1 Period to 30 June 2022

We have reported a statutory surplus of £82k for the period to 30 June 2022, which is £84k unfavourable to budget. The main driver of the variance is higher spend in repairs and maintenance.

Key points to note:

- Operating expenditure is £173k adverse to budget driven by higher repairs and maintenance costs which are £219k over budget due to the higher level of customer demand for reactive repairs throughout the first quarter.
- Gross interest payable of £1,559k is £64k favourable to budget, arising from lower floating interest rates in the first quarter and lower loan balances drawn down than assumed in the budget.
- Net capital expenditure is £4,325k for the year to date, £979k lower than budget. Grant claims of £2,753k are £1,844k lower than budget, linked with lower levels of new build spend, primarily at Penicuik and Wallyford sites.
- The core capital investment programme spend is £1,866k, £396k higher than budget due to core programme spend being ahead of budget profile.

4.2 Q1 2022/23 Full Year Forecast

The Q1 2022/23 Full Year Forecast is summarised below.

	Q1 Full Year Forecast		
£000	Budget	Forecast	Variance
Turnover	41,034	41,034	-
Operating expenditure	(27,797)	(28,308)	(511)
Operating surplus	13,237	12,726	(511)
<i>Operating margin</i>	<i>32%</i>	<i>31%</i>	<i>(1%)</i>
Net interest payable	(6,490)	(6,430)	60
Surplus	6,747	6,296	(451)
Net Capital Expenditure	19,960	18,609	1,351

- The full year forecast net operating surplus is expected to be £12,726k, £511k unfavourable to budget, mainly due to higher than budgeted repairs and maintenance costs. After taking account of financing costs, the statutory surplus of £6,296k is £451k unfavourable to budget.

Key points to note:

- Repairs and maintenance spend is forecast to be £640k higher than budget driven by reduction in backlogs, continuing high demand year on year as well as higher costs per repair with inflationary pressures on materials costs.
- Bad debt costs are expected to be £110k lower than budget reflecting a continuation of the favourable performance at June.
- Interest payable is forecast to be £6,436k, £60k lower than budget as a result of the forecast reduction in net capital expenditure.
- Forecast net capital expenditure of £18,609k is £1,351k lower than budget.
 - Core programme works are forecast to be £265k lower than budget with works deferred until 2023/24.
 - The new build programme expenditure is forecast at £27,794k, which is £1,917k lower than budget. This is mainly due to lower spend at Lanark Road which is now delayed until 2023/24.
- It is our aim to manage the forecast variations to budget on individual lines within the parameters of the overall budget for 2022/23. The Q1 forecast presented to the Board has been prepared on a prudent basis and reports an underlying surplus of £5,494k, compared to the budgeted underlying surplus of £5,680k.
- Further support to customers in light of the cost of living situation is under consideration, and the Board will be updated at its next meeting, including any budgetary impact.

4.3 Funding Update

- *WLHP/DCH Business Transfer Consent*

Following a successful tenant ballot, the dissolution of West Lothian Housing Partnership Limited (WLHP) is to proceed by way of a business transfer to us on 5 September 2022. Our funders have consented to the reorganisation, subject to provision of various documentation (including the Business Transfer Agreement).

On winding up, WLHP will no longer be a member of the RSL borrower group and will be removed as a Guarantor in Wheatley's funding arrangements.

- *Strathclyde Camphill Housing Association – consent to acquisition*

Wheatley Homes Glasgow is proposing to proceed with the transfer of engagements of a small 15 unit housing association in Glasgow. This acquisition has been approved in principle by the Boards of WH Glasgow and Wheatley Housing Group, subject to the conclusion of the due diligence and final Board approval.

Upon acquisition, the units of Camphill will become owned by WH Glasgow. These units will remain unsecured.

- As a Guarantor in the borrower group we are required to approve the Amendment Letter, Officer's Certificate and proforma minute for each of our lenders to remove WLHP and to consent to the transfer of engagements of Camphill. These documents are included in Appendix 2 and have been prepared by our solicitors. These documents will amend our debt facilities with our lenders to allow the proposed reorganisation subject to the respective final Board approvals to proceed.

4.4 Update to Treasury Management Policy

- The Treasury Management Policy (TMP) applies to the whole Group. Periodic updates are required every 5 years, most recently in June 2020. Several material changes have been made to the Group's funding arrangements since 2020 which have accelerated the requirement to update the TMP ahead of schedule. The key areas which have been changed and/or are introduced for the first time in the 2022 version of the TMP are set out below:
 - a. Changes resulting from the accession of DGHP and Wheatley Developments (Scotland) Limited to the RSL Borrower Group and WFL1 funding arrangements which took effect on 1 April 2022; and
 - b. The increase of £15m to the on-lending agreement between GHA and Lowther which was agreed in May 2021.
- The TMP makes clear that any new funding, whether at WFL1, WFL2 or for any RSL on a bilateral agreement (such as new lending with Allia or THFC) is subject to the approval of Wheatley Group Board, prior to the relevant subsidiary board approvals.
- The 2020 TMP was reviewed by independent treasury risk consultants, Chatham Financial Europe (formerly, JC Rathbone Associates) who confirmed it was comprehensive and met best practice for the sector. The proposed amendments to the TMP do not fundamentally alter the processes and procedures set out in the policy documentation and, accordingly, we have not submitted these relatively minor revisions for external review. The Group Board approved the revised TMP (Appendix 3) at their June 2022 meeting.
- The approved June 2022 TMP is appended to this paper (clean version) as is the redline version which sets out the formatting and content changes from the June 2020 policy document.

5. **Customer Engagement**

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

6. **Environmental and sustainability implications**

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

7. Digital transformation alignment

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

8. Financial and value for money implications

- 8.1 The statutory surplus for the period to 30 June 2022 is £138k unfavourable to budget. The underlying results for the period to 30 June 2022 were £479k unfavourable to budget, primarily due to overspend on core programme investment, which is expected to move back in line with budget throughout the year, however repairs costs are expected to continue to be higher than budget for the year, leading to lower than budgeted underlying surplus forecast.

9. Legal, regulatory and charitable implications

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

10. Risk Appetite and assessment

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

11. Equalities implications

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

12. Key issues and conclusions

- 12.1 This paper presents the financial performance position for the period to 30 June 2022 and Q1 full year 2022/23 forecast.

13. Recommendations

- 13.1 The Board is requested to:
- 1) Note the management accounts for the period to 30 June 2022 at Appendix 1;
 - 2) Approve the amendment to loan agreements relating to the business transfer agreement between WLHP and DCH and to permit the transfer of engagements of Strathclyde Camphill Housing Association at Appendix 2; and
 - 3) Note the amendments to Treasury Management Policy in Appendix 3 & 4.

LIST OF APPENDICES:

Appendix 1: Period 3 – 30 June 2022 Finance Report with Q1 full year 2022/23 forecast

Appendix 2: Amendment to loan agreement documents - WLHP/DCH business transfer consent – Strathclyde Camphill consent to transfer [redacted]

Appendix 3: TMP (June 2022 Update) [redacted: available under publication scheme [Publication scheme | Wheatley Homes East \(wheatleyhomes-east.com\)](https://www.wheatleyhomes-east.com/publication-scheme)]



Year to 30 June 2022 Finance Report

2) Period 3 2022/23 YTD – Operating Statement

	Year to 30 June 2022			Full Year
	Actual £ks	Budget £ks	Variance £ks	
INCOME				
Rental Income	7,920	7,893	27	31,882
Void Losses	(145)	(131)	(14)	(524)
Net Rental Income	7,775	7,762	13	31,358
Grant Income Recognised in the Year	0	0	0	6,411
Other Income	838	825	13	3,265
TOTAL INCOME	8,613	8,587	26	41,034
EXPENDITURE				
Employee Costs - Direct	1,063	1,072	9	4,244
Employee Costs - Group Services	516	516	(0)	2,065
ER/VR	0	0	0	464
Direct Running Costs	1,014	1,008	(6)	3,782
Running Costs - Group Services	304	333	29	1,334
Revenue Repairs and Maintenance	1,317	1,098	(219)	4,639
Bad Debts	61	75	14	302
Depreciation	2,698	2,698	0	10,967
TOTAL EXPENDITURE	6,973	6,800	(173)	27,797
NET OPERATING SURPLUS / (DEFICIT)	1,640	1,787	(147)	13,237
<i>Net Operating Margin</i>	19%	21%	-2%	32%
Interest receivable	1	2	(1)	6
Interest payable	(1,559)	(1,623)	64	(6,496)
STATUTORY SURPLUS / (DEFICIT)	82	166	(84)	6,747
	Year to 30 June 2022			
	Actual £ks	Budget £ks	Variance £ks	
INVESTMENT				
Total Capital Investment Income	2,753	4,597	(1,844)	16,832
Total Expenditure on Core Programme	1,866	1,470	(396)	5,617
New Build & Other Investment	4,163	5,707	1,544	29,711
Other Capital Expenditure	1,049	766	(283)	1,464
TOTAL CAPITAL EXPENDITURE	7,078	7,943	865	36,792
NET CAPITAL EXPENDITURE	4,325	3,346	(979)	19,960

Key highlights year to date:

Net operating surplus of £1,640k is £147k adverse to budget. Statutory surplus for the period to 30 June is £82k, £84k unfavourable to budget. The main driver of the variance is higher than budgeted repairs and maintenance costs.

Total income is £26k favourable to budget:

- Gross rent is £27k favourable to budget. Void losses are £14k higher than budget with the variance relating to higher voids in DC Harbour while fire mitigation works are completed.

- Other Income is £13k higher than budget, primarily due to the workshop reporting a surplus of £56k, which is £13k favourable to budget.

Total expenditure is £173k adverse to budget:

- Total running costs (direct and group services) are £23k favourable to budget with Group recharges £29k favourable to budget due to a number of departments currently reporting lower costs across Wheatley Solutions, contributing to the underspend against budget.

- Revenue repairs and maintenance is £219k unfavourable to budget due clearance of repairs backlog by c600 jobs, an increase in demand and inflationary pressures on the cost of materials.

- Interest payable of £1,559k is £64k lower than budget linked to lower floating interest rates in the first quarter and lower loan balances drawn than assumed in the budget.

Net capital expenditure of £4,325k is £979k higher than budget. The variance is driven by lower than expected grant claims offset in part by lower capital expenditure.

- Capital investment income relates to the cash receipt of new build and medical adaptation grants and is £1,844k lower than budget. The lower levels of grants claimed are linked to the lower level of new build spend as noted below.

- Investment programme spend is £396k higher than budget due to core programme spend being ahead of budget profile for the majority of spend lines, as well as higher capitalised voids and repairs. The programme will be managed within the full year budget envelope.

- New build spend of £4,163k is £1,544k lower than budget due to an underspend at Penicuik (£1.2m, partially due to accelerated spend in Q4 21/22, which was originally budgeted for 22/23), Roslin (£0.4m) and Westcraigs (£0.9m). This is partially offset by accelerated spend at Roslin Ph2 (£0.6m) and Wallyford (£0.9m).

- Other Capital Expenditure of £1,049k is £283k higher than budget, primarily due to the works at the New Mart Road office refurb being earlier than assumed in the budget.

3) Underlying surplus – P3 June 2022

Key highlights:

- The Operating Statement (Income and Expenditure Account) on pages 2 and 3 is prepared in accordance with the requirements of accounting standards (Financial Reporting Standard 102 and the social housing Statement of Recommended Practice 2014).
- However, the inclusion of grant income on new build developments creates volatility in the results and does not reflect the underlying cash surplus/deficit on our letting activity.
- The table below therefore shows a measure of underlying surplus which adjusts our net operating surplus by excluding the accounting adjustments for the recognition of grant income and depreciation, including capital expenditure on our existing properties.
- In the period to June 2022, an underlying surplus of £913k has been generated which is £479k adverse to budget. The variance is driven by the timing and acceleration of core investment expenditure as well as higher repairs costs. The full year budget reflects an underlying surplus of £5,680k.

Dunedin Canmore Underlying Surplus - June 2022				
	YTD Actual £ks	YTD Budget £ks	YTD Variance £ks	FY Budget £ks
Net operating surplus	1,640	1,787	(147)	13,237
add back:				
Depreciation	2,698	2,698	0	10,967
less:				
Grant income	0	0	0	(6,411)
Net interest payable	(1,559)	(1,623)	64	(6,496)
Total expenditure on Core Programme	(1,866)	(1,470)	(396)	(5,617)
Underlying surplus	913	1,392	(479)	5,680

4) Period 3 – Property Services Operating Statement

Key highlights year to date:

•Dunedin Canmore Property Services provides in house repairs and maintenance services to Dunedin Canmore, West Lothian Housing Partnership and Lowther Homes. In the year to June 2022, DCPS is reporting a surplus of £56k, which is £13k favourable to budget.

•Income of £4,849k in the year is £1,594k favourable to budget.

•Correspondingly, cost of sales are reporting a £1,491k adverse variance to budget largely as a result of higher levels of subcontractor work and material costs due to the increased demand for repairs services, as well as additional investment work carried out in the period. Salary costs are also £88k higher than budget, due to the appointment of 5 new roles within DCPS to pick up emergency call outs improving response times.

•Gross profit of £751k is £103k favourable to budget.

•Overhead expenditure includes vehicle, rent and running costs, rates, insurance and other staff and office related costs. These are £90k adverse to budget for the year attributed mainly to increased waste disposal in line with increase in work level.

	Year to 30 June 2022			Full Year Budget £ks
	Actual £ks	Budget £ks	Variance £ks	
INCOME				
Internal Subsidiaries	4,763	3,198	1,565	13,873
External Customers	86	57	29	222
TOTAL INCOME	4,849	3,255	1,594	14,095
COST OF SALES				
Staff	1,051	963	(88)	3,777
Materials	837	579	(258)	3,271
Subcontractor & Other Costs	2,210	1,065	(1,145)	4,500
TOTAL COST OF SALES	4,098	2,607	(1,491)	11,547
GROSS PROFIT/(LOSS)	751	648	103	2,548
Margin %	15%	20%	6%	18%
Overheads	695	605	(90)	2,462
NET PROFIT/(LOSS)	56	43	13	86

5) Period 3 – Dunedin Canmore Harbour

	Year to 30 June 2022			Full Year
	Actual £ks	Budget £ks	Variance £ks	Budget £ks
INCOME				
Rental Income	212	213	(1)	853
Void Losses	(51)	(11)	(40)	(43)
Net Rental Income	161	202	(41)	810
Local Authority Contract Income	90	121	(31)	477
Other Income	2	1	1	13
TOTAL INCOME	253	324	(71)	1,301
EXPENDITURE				
Employee Costs	209	207	(2)	829
Direct running Costs	74	93	19	349
Revenue Repairs and Maintenance	8	15	7	61
Bad Debts and Depreciation	0	0	0	0
TOTAL EXPENDITURE	291	315	24	1,239
NET OPERATING SURPLUS / (DEFICIT)	(38)	9	(47)	62

Key highlights year to date:

- The service is reporting a deficit of £38k which is £47k adverse to budget.
- Net rental income of £161k is £41k unfavourable to budget due to Fire mitigation works being undertaken which require a whole floor at a time to be empty to allow the works to progress, which is resulting in higher void levels.
- Local authority income is £31k adverse to budget. This is due to ongoing discussion with City of Edinburgh Council regarding the revised contract.
- Employee costs of £209k are £2k adverse to budget due to overtime.
- Running costs of £74k include insurance, travel, safety equipment, printing, stationary and mobile costs. Costs are £19k favourable to budget in the year to date, largely due to lower registration and property costs.
- Repairs and maintenance expenditure of £8k are £7k under budget for the year so far.

6) Management information – Repairs and investment

Key highlights year to date:

Repairs and maintenance

- Reactive repairs spend is £287k unfavourable to budget, largely driven by continuing high customer demand. Completed jobs in the months of April – June have increased 20% on 2019/20 figures.
- Cyclical repairs spend of £381k has been incurred YTD, £68k favourable to budget due to the timing of programmed works. Cyclical works are expected to be fully spent as the year continues.

Repairs and maintenance	Year to 30 June 2022		
	Actual £ks	Budget £ks	Variance £ks
Responsive Repairs	936	649	(287)
Cyclical Maintenance	381	449	68
	1,317	1,098	(219)

Investment

- Investment spend for the period to 30 June is £1,866k against a budget of £1,470k. The variance reflects higher than budgeted core programme spend, which is ahead of profile, but is anticipated to move back in line with budget as the year progresses. Disabled adaptation spend is £15k adverse to budget, offset by disabled adaptation grant received in the year of £17k.
- Void costs of £264k have been incurred which is £72k unfavourable to budget. The average cost per void job is 25% higher year and year due to higher material costs, more properties being in a greater state of disrepair when inspected by the Housing Officer and major/ full clearances being needed.

DC Investment Works	YTD 30 June 2022		
	Actual £k	Budget £k	Variance £k
Investment Works Income			
Disabled Adaptions Grant	17	0	17
Investment Works IncomeTotal	17	0	17
Investment Works Expenditure			
Investment	1,355	1,051	(304)
Disabled adaptations	51	36	(15)
Voids	264	192	(72)
Capitalised Staff	196	191	(5)
Investment Works Expenditure Total	1,866	1,470	(396)
Net Total	1,849	1,470	(379)

7) Management information – New Build Programme

Development Name	Year To Date (£'000)			FY Budget
	Actual	Budget	Variance	
GILMERTON	7	-	(7)	-
NEWMILLS RD PH2	3	-	(3)	39
PENICUIK	662	1,815	1,153	5,151
ROSLIN	217	599	382	1,661
ROSLIN PH2	930	338	(592)	2,333
ROWANBANK	45	568	523	2,714
SOUTH GILMERTON	235	-	(235)	84
SOUTHFORT	-	231	231	692
VICTORY LANE	2	-	(2)	-
WALLYFORD 5 A/B	-	-	0	-
WALLYFORD PH 2	1,446	667	(779)	4,275
WESTCRAIGS	106	1,030	924	8,426
WISP 3C	169	225	56	301
Property Aquisition	45	-	(45)	-
Capitalised Interest Costs	81	-	(81)	-
Capitalised staff costs	216	235	18	938
Total Cost	4,163	5,707	1,544	29,470

Grant Income	2,736	4,597	(1,861)	16,832
Net New Build Costs	1,428	1,111	(317)	12,639

Investment spend at end of P3 totalled £4.2m against budget of £5.7m, a negative variance of £1.5m.

- **Penicuik (SR/57):** Under construction, progress satisfactory. Spend lower than budget YTD due to accelerated spend in Q4 21/22, with spend to accelerate in Q3 and Q4.
- **Roslin (SR/38):** Under construction, progressing well.
- **Roslin Phase 2 (MMR 14 and SR/24):** Under construction, progressing well. Restructuring of site timelines by the Contractor has led to work on Wheatley developments taking precedent over private works, leading to overspend YTD as budgeted spend has been brought forward.
- **Rowanbank (SR/33):** Under construction, progress satisfactory, although some delays have been experienced with material and labour supply.
- **South Gilmerton (SR/52):** Final 18 units, delayed from 2021/22, forecast for completion August 2022.
- **Wallyford Phase 2 (MMR/15 and SR/45):** Remaining Golden Brick properties completed in July 2022, with related payment made in July. Progress in site is satisfactory.
- **West Craigs phases 1 and 2 (MMR/168 and SR/132):** Updated cost report presented to WDSL in June 2022, with contract with Cruden signed in June 2022. Preparations for site start underway, formal start anticipated to be 15 August 2022 (delayed from an anticipated start date of March 2022), although activity will commence in advance. Certificate 1 expected to be received start of August 2022
- **The Wisp 3C (SR/35):** Completion now expected to be September 2022, two months later than planned, due to delays in obtaining final legal documentation for services.
- **Lanark Rd (MMR/12):** Further liaison is required with the developer, Square and Crescent, to determine whether on site affordable delivery can still be secured. 2023/24 will be the earliest potential completion date for this project if it progresses. Project is turnkey.
- **Macmerrey (SR/36):** with Balfour Beatty. Missives concluded and site acquired in July 2022.
- **Victory Lane :** Now part of Lowther programme – no additional spend expected due through DC.

8) Balance sheet

Period 3

	30 June 2022 £'000	31 March 2022 £'000
Fixed Assets		
Social Housing Properties	372,631	369,689
Other Fixed Assets	7,671	6,622
Investment Properties	34,860	34,860
	<u>415,162</u>	<u>411,171</u>
Current Assets		
Stock	742	717
Trade debtors	693	541
Other debtors	4,523	7,011
Rent & Service charge arrears	1,402	1,291
less: Provision for rent arrears	(665)	(796)
Prepayments and accrued income	626	616
Intercompany debtors	3,175	2,321
Cash & Cash Equivalents	559	1,953
	<u>11,056</u>	<u>13,654</u>
Creditors: within 1 year		
Trade Creditors	(583)	(2,102)
Accruals & Deferred Income	(31,580)	(29,002)
Prepayments of Rent and Service Charge	(1,741)	(1,607)
Other Creditors	(404)	(853)
Amounts due to Group Undertakings	(7,176)	(6,687)
	<u>(41,484)</u>	<u>(40,251)</u>
Net Current Liability	<u>(30,428)</u>	<u>(26,597)</u>
Long Term Creditors		
Loans	(34,278)	(34,147)
Amounts due to Group Undertakings	(128,850)	(128,849)
Pension Liability	0	0
	<u>0</u>	<u>0</u>
Net Assets	<u>221,607</u>	<u>221,578</u>
Capital and Reserves		
Share Capital	-	-
Revenue Reserve	221,607	221,578
	<u>221,607</u>	<u>221,578</u>
Association's funds	<u>0</u>	<u>0</u>

Key highlights year to date:

The balance sheet reported reflects the audited statutory accounts to 31 March 2022 and includes year end statutory adjustments, including the revaluation of both housing and investment properties and actuarial valuation of the defined benefit pension scheme.

- The value of our **fixed assets** reflects additions in the year less depreciation.
- **Debtors** include trade and other debtors of £5.2m, which is a reduction vs 21/22 of £2.4m. This is due to receipt of £4.2m of grant income owed from SG, with £1.7m new grant now claimed. Prepayments and accrued income of £0.6m has remained relatively stable, while an intercompany balance of £3.2m has increased £0.9m in the year due to additional balances owed from WLHP and Lowther. Rent arrears of £0.7m (after bad debt provision) have increased £0.2m YTD.
- **Cash at Bank** – At 30 June 2022 cash at bank was £0.6m.
- **Short-Term Creditors** – Amounts due within one year of £41.5m includes £7.2m due to other Wheatley entities and £31.5m in accruals and deferred income. The increase in accruals and deferred income relates to grants received in advance of new build completions. The remaining balance includes rent received in advance from our tenants, trade and other creditors (factoring deposits and payroll creditors).
- **Loans** of £163.1m relate to funding drawn down from WFL1, and external funding of £34.1m due to THFC and Allia (inclusive of rolled up interest charges).

9) Quarter 1 Forecast to 31 March 2023

	2022/23 Budget £ks	Q1 Forecast £ks	Variance £ks
INCOME			
Rental Income	31,882	31,882	-
Void Losses	(524)	(524)	-
Net Rental Income	31,358	31,358	-
Grant Income Recognised in the Year	6,411	6,411	-
Other Income	3,265	3,265	-
TOTAL INCOME	41,034	41,034	-
EXPENDITURE			
Employee Costs - Direct	4,244	4,244	-
Employee Costs - Group Services	2,065	2,065	-
ER/VR	464	464	-
Direct Running Costs	3,782	3,782	-
Running Costs - Group Services	1,334	1,315	19
Revenue Repairs and Maintenance	4,639	5,279	(640)
Bad Debts	302	192	110
Depreciation	10,967	10,967	-
TOTAL EXPENDITURE	27,797	28,308	(511)
NET OPERATING SURPLUS / (DEFICIT)	13,237	12,726	(511)
<i>Net Operating Margin</i>	32%	31%	-1%
Interest receivable	6	6	-
Interest payable	(6,496)	(6,436)	60
STATUTORY SURPLUS / (DEFICIT)	6,747	6,296	(451)

	2022/23 Budget £ks	Q1 Forecast £ks	Variance £ks
INVESTMENT			
Total Capital Investment Income	16,832	16,001	(831)
Total Expenditure on Core Programme	5,617	5,352	265
New Build & Other Investment	29,711	27,794	1,917
Other Capital Expenditure	1,464	1,464	-
TOTAL CAPITAL EXPENDITURE	36,792	34,610	2,182
NET CAPITAL EXPENDITURE	19,960	18,609	1,351

Comments

This table shows the 2022/23 budget presented to the Board compared to the Q1 forecast for 2022/23. The forecast out-turn reflects the results for the year to date as well as expected expenditure for the remaining 9 months of the year.

The forecast statutory surplus of £6,296k is £451k unfavourable to budget as a result of higher than budgeted repairs and maintenance.

- Running costs - group services are projected to be £19k favourable to budget for the year due to central cost savings which have been allocated appropriately across the Group.
- Repairs and maintenance spend is forecast to be £640k higher than budget driven by reduction in backlogs, continuing high demand year on year as well as higher costs per repair than previously seen and inflationary pressures.
- Bad debt costs are expected to be £110k lower than budget with the forecast reflecting a continuation of the favourable performance at June.
- Interest payable is forecast to be £6,436k, £60k lower than budget as a result of the forecast reduction in net capital expenditure.

New build expenditure and grant income as well as core investment programme expenditure have been updated to reflect the revised spend profile.

- New build expenditure is forecast to be £1.9m under budget mainly relating to reprofiled spend at Lanark Rd (£1.5m) which has deferred to 2023/24, and Penicuik (£1.2m), partly due to accelerated spend in Q4 last year, and partly due to some costs extending into 2023/24. This is offset by higher than budgeted spend at MacMerry.
- Grant income is expected to be £0.8m below the original budget reflecting the lower than expected spend detailed above.
- Core programme works are forecast to be £265k lower than budget taking into account the deferral of works to 2023/24.



Report

To: Dunedin Canmore Board

By: Laura Henderson, Managing Director

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

Subject: Risk Register

Date of Meeting: 18 August 2022

1. Purpose

1.1 This report asks the Board to:

- Note the summary of risk management activity; and
- Consider and approve the proposed changes to the Corporate Risk Register at **Appendix 1**.

2. Authorising and strategic context

- 2.1. In accordance with the Group Standing Orders, the Board is responsible for managing and monitoring its Corporate Risk Register and Risk Appetite. The Group Board is responsible for managing and monitoring the Wheatley Group Risk Management Framework.
- 2.2. Risk registers are in place across the Group and are reported to each subsidiary board on a quarterly basis. These capture risks that may impact on the delivery of the Board's strategic aims.

3. Background

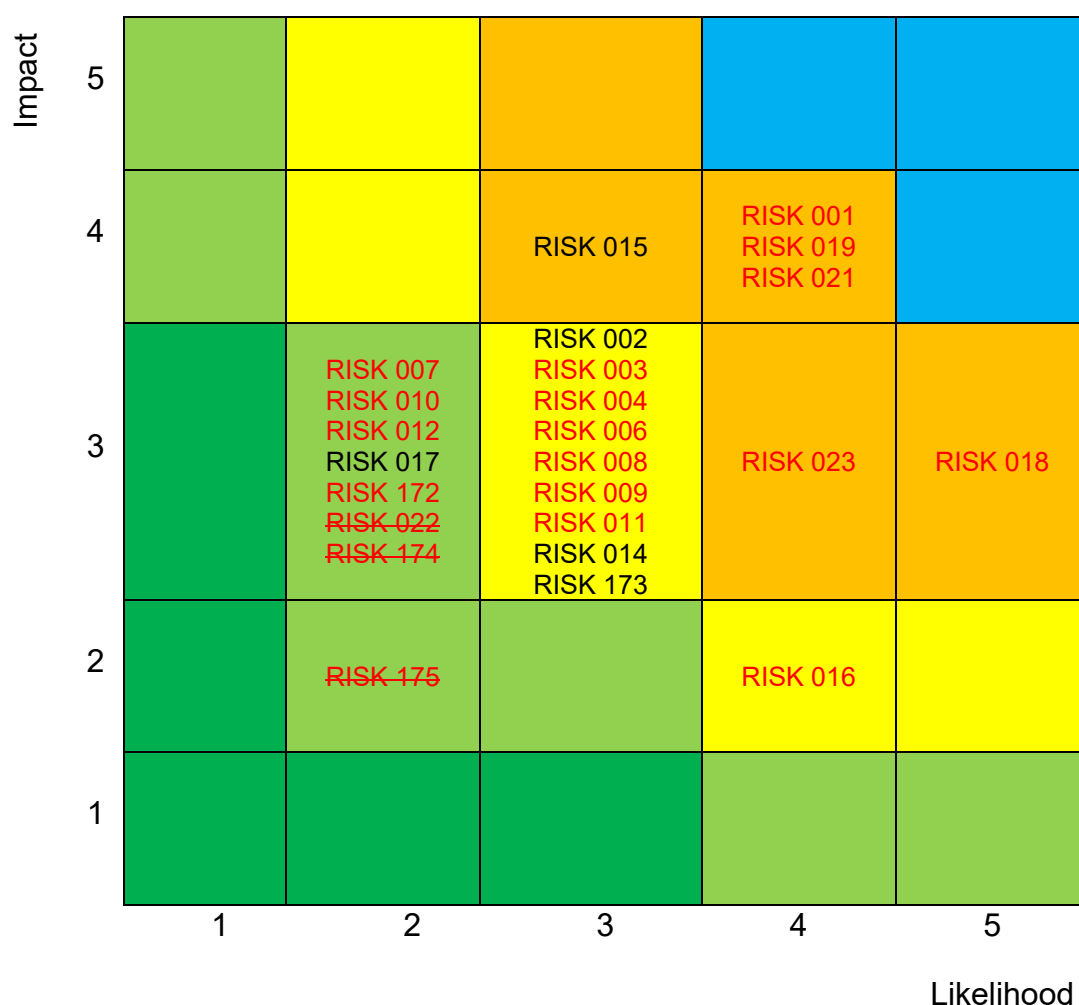
- 3.1. This paper summarises the proposed changes to the Corporate Risk Register, for consideration by the Board.
- 3.2. The Internal Audit team facilitated a risk workshop on 26 May 2022 to discuss the Board's proposed risk appetite statements and to review the Corporate Risk Register to identify any additional risks that may impact on the achievement of the Board's Strategic Outcomes. A Board risk appetite statement was approved and has been incorporated into this quarterly risk update to the Board, as have the identified changes to the risk register.

4. Discussion

4.1. There are currently 24 risks within the Corporate Risk Register, with residual risk scores ranging from 4 to 16, as shown in the chart below. These risks have been identified for inclusion in the Corporate Risk Register following discussion with the Board, the Managing Director and the Group Director.

4.2. The risks highlighted in red font for further discussion relate to:

- Risk with a residual risk score that is outwith risk appetite; and
- Risks with proposed changes.



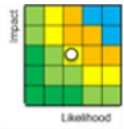
4.3. All of the risks within the Corporate Risk Register have been reviewed and updated where required by the relevant risk owner. The full Register is shown at **Appendix 1**.

Risks outwith Risk Appetite

4.4. For the first time we are reporting risks that are outwith the new risk appetite statements. As this is a new process, we will expect to see instances where clarification is required. Where risks are outwith risk appetite, management is asked to consider the following: i) is the residual risk score correct; ii) has the

correct risk appetite statement been used; iii) are additional controls required to further mitigate the risk?

- 4.5. There are two risks with a residual risk score that is greater than the approved risk appetite. These are set out in the table below:

Risk	Residual Risk Score	Risk Appetite Score	Commentary
[redacted]			
RISK 003: Fire Safety		Minimal	The residual risk score has been reduced, following review by management, although this remains outwith risk appetite. The risk scoring reflects the high potential impact associated with fire and the Group's limited ability to influence the behaviour of those external to the organisation.

- 4.6. The implementation of any identified actions will be monitored by management and residual risk scores will be reviewed as part of the scheduled quarterly review of all risks.

Changes to the risks within the Corporate Risk Register

- 4.7. The following table summarises management's proposed changes to the Corporate Risk Register.

Risk	Commentary
RISK 001: Impact on our customers of the cost-of-living crisis.	A new risk added to reflect the potential impact which the cost-of-living crisis may have on the Group's ability to support the economic resilience of all customers in need due to increased demand for wrap-around and/or Wheatley Foundation services.
RISK 021: Reduced availability of financial support from Scottish Government and/or local government	Revised title and risk type and update to risk description.
RISK 018: Supply Chain Disruption	Revised wording of risk description and additional controls added.
RISK 023: Climate Change impact on Group assets and services	Update to controls.

Risk	Commentary
RISK 004: New operating model implementation	Update to risk description and controls.
RISK 003: Fire Safety	Update to risk score and controls.
RISK 008: Compliance with funders' requirements	Update to controls.
RISK 006: Customer Satisfaction	Update to controls
RISK 009: Governance Structure	Update to controls
RISK 011: Securing new funding and adverse market changes	Risk description updated.
RISK 016: Laws and Regulations	Update to controls.
RISK 007: Rent arrears arising from Universal Credit	Revised title and scoring, and updates to risk description and controls.
RISK 012: Business Continuity/ Disaster Recovery	Update to controls.
RISK 172: Development Program	Update to risk scoring and controls.
RISK 174: DC Stock Condition	Deleted as no longer required.
RISK 022: Covid-19 vaccination roll out	Deleted as no longer required.
RISK 010: Group Credit Rating	Update to controls and revised scoring.
RISK 175: Property Services	Deleted as no longer required.

4.8. The Board is asked to consider and approve the proposed changes.

5. Customer Engagement

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

6. Environmental and sustainability implications

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

7. Digital transformation alignment

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

8. Financial and value for money implications

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

9. Legal, regulatory and charitable implications

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

10. Risk appetite and assessment

- 10.1. There is no single risk appetite associated with this paper. Instead, the review of risks within the Corporate Risk Register, as outlined in this paper is designed to provide assurance on the controls in place to manage risks such that the residual risk score is within risk appetite and to identify additional actions management plans to reduce residual risk further, where required.

11. Equalities implications

- 11.1. This report does not require an equalities impact assessment.

12. Key issues and conclusions

- 12.1. Management's review of the Corporate Risk Register has identified 2 risks outwith risk appetite, where additional commentary has been provided. There is one proposed new risk, 3 risks identified for deletion, and proposed changes to a further 13 risks for Board consideration.

13. Recommendation

- 13.1. The Board is asked to:

- 1) Note the contents of this report; and
- 2) Review and approve the proposed changes to the Corporate Risk Register.

LIST OF APPENDICES:

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



Corporate Risk Register

18 August 2022



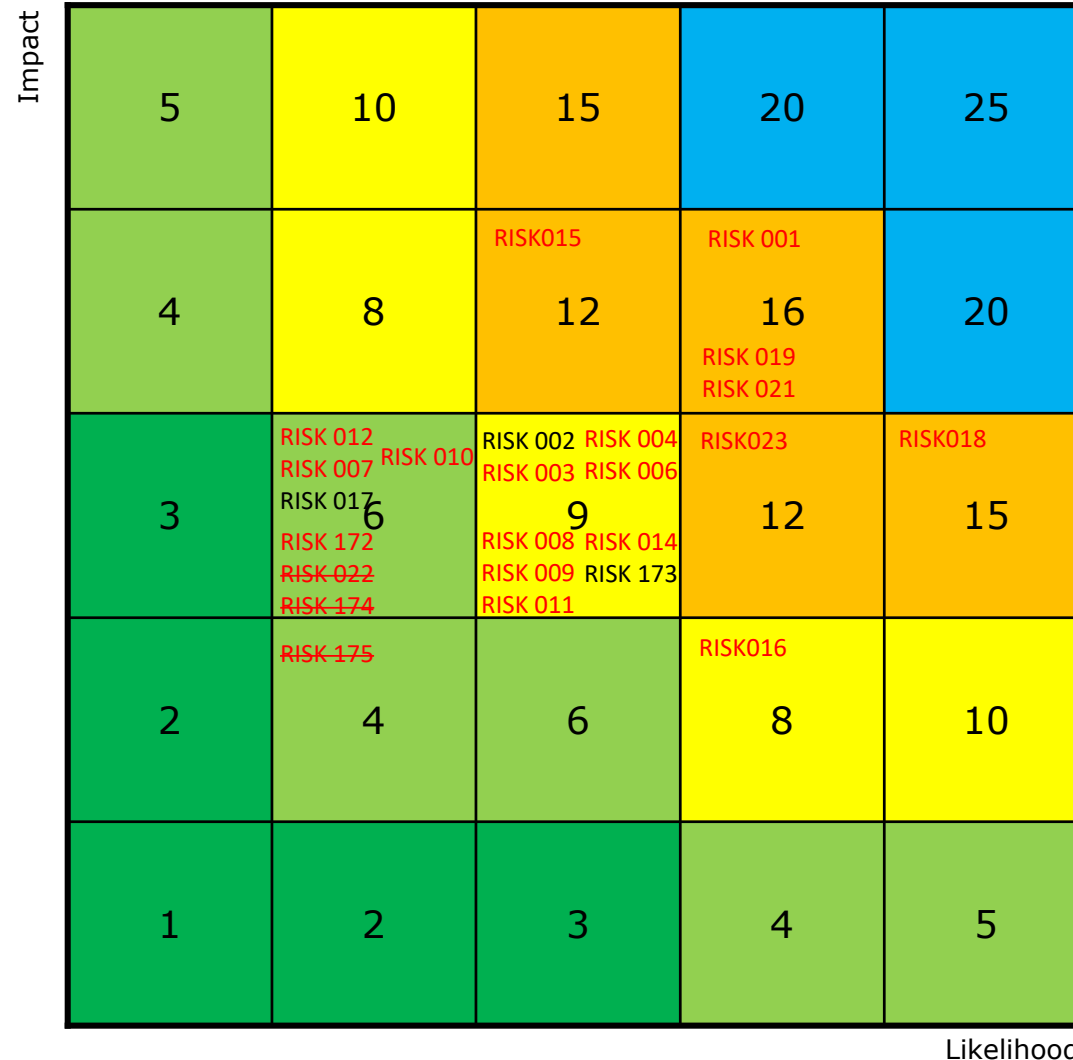
DC Risk Register at 18 August 2022

The following slides set out the risks within the risk register in descending order of residual risk score. Where risks have the same residual risk score, they are shown in descending order of inherent risk score.

Any risks with a residual risk score of 12 or more have been highlighted in the page header as high residual risks. Any risks with an inherent risk score of 20 or more have been highlighted in the page header as high inherent risk. Any risks with proposed changes have been highlighted in the page header, with the proposed changes being identified in red font. Risks in these three categories are highlighted in red text in the chart to the right, which shows the spread of risks within the Corporate Risk Register by residual risk score (e.g. RISK 010 has a residual risk score of 8).

Risk appetite is a statement of how much risk each Board is willing to take in pursuit of its strategic objectives. The Group approach defines appetite in 5 levels ranging from Averse to Hungry. Each appetite level corresponds to scores within the 5x5 risk matrix. The background colours in the chart represent the following risk appetite classifications.

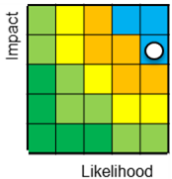
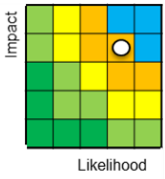
Appetite Classification	Score	Definition
Averse	1 - 3	Avoidance of risk and uncertainty is a key Organisational objective.
Minimal	4 - 6	Preference for ultra-safe business delivery options that have a low degree of inherent risk and only have a potential for limited reward.
Cautious	7 - 10	Preference for safe delivery options that have a low degree of inherent risk and may only have limited potential for reward.
Open	11 - 19	Willing to choose the one that is most likely to result in successful delivery while also providing an acceptable level of reward.
Hungry	20 - 25	Eager to be innovative and to choose options offering potentially higher business rewards (despite greater inherent risk).



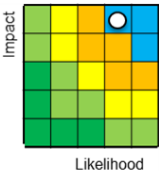
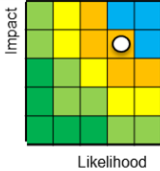
DC Risk Register – high inherent and residual risk scores, and outwith risk appetite [redacted]



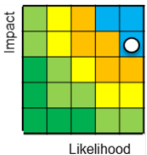
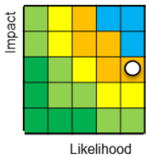
DC Risk Register – proposed new risk, high inherent and residual risk scores

RISK001 – Impact on our customers of the cost of living crisis		Risk type: Operational		Strategic Outcome: Supporting economic resilience in our communities		
Description: The cost of living crisis will result in increased financial hardship for some of our customers. There is a risk that the Group will not be able to deliver its strategic outcome to support economic resilience for all customers in need due to the increased level of demand for wrap-around and / or Wheatley Foundation services.				Controls: New Rent and Income Framework rolled out from April 2022, which emphasises support for customers. Analysis carried out by UC team of impact on customers and expected pressures presented for ET for consideration. Wrap-around services tailored for the needs of our customers.		
Inherent risk	Residual risk	Risk appetite level:	Within Risk Appetite?	Previous / Next detailed Board scrutiny	Scrutiny Date	Risk Owner
		Hungry	Yes	Proposals for the Group's response to the crisis will be presented to Group Board / Subsidiary Boards in August and September.	August / September 2022	Group Director of Communities

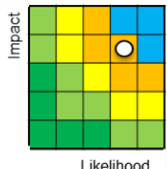
DC Risk Register – proposed changes, high inherent and residual risk scores

RISK021 – Post-2021 Housing Policy and Grant availability Reduced availability of financial support from Scottish Government and / or local government		Risk type: Financial Operational	Strategic Outcome: Raising funding to support our ambitions			
Description: There is a risk that without sufficient Scottish Government financial support we may be unable to deliver some of the Scottish Government and EESSH2 targets in relation to energy efficiency. This is compounded by the impact of increased inflation on the funding available and the costs of required work. Inflation will also impact on the Scottish Government and / or local authority financial support available for new build targets resulting in an inability to deliver strategic outcomes.			Controls: Wheatley Group staff are meeting with Scottish Government representatives regularly to proactively present the case for housing investment to Ministers and senior officials directly and through our representative bodies SFHA and CIH. This includes participating in the Scottish Government review of grant availability. A Green Investment Plan proposal has been developed and will form the basis of direct discussions with the Scottish Government. Financial scenario planning in place to understand potential impact on our investment programme -under a variety of grant scenarios.			
Inherent risk	Residual risk	Risk appetite level:	Within Risk Appetite?	Previous / Next detailed Board scrutiny	Scrutiny Date	Risk Owner
		Open	Yes	Group Board (funding session including research/presentation from Prof Sean Smith) Group Board (themed on development, investment and finance) Group Board sustainability / EESSH 2 workshop	October 21 Feb 22 Mar 22	Group Director of Finance and Digital Services

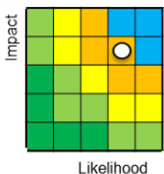
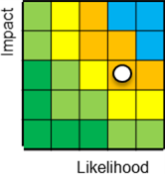
DC Risk Register – proposed changes, high inherent and residual risk scores

RISK018 – Supply Chain Disruption		Risk type: Operational	Strategic Outcome: Increasing the supply of new homes			
<p>Description: There is a risk of delays in the sourcing of goods and materials, or of Wheatley Care workforce challenges arising from the impact of macroeconomic events such as the post-Brexit trade deal, Covid manufacturing productivity challenges and global purchasing behaviours such as US/Asia mega-purchasing; resulting in increased costs and / or delays for new build and property investment and repairs works, or negative impacts on the wellbeing and satisfaction of People We Work For.</p> <p>There is a risk that the Group faces disruption to its supply chain (including delays to supply deliveries, increased costs of supplies, or supplier business failure) due to global events such as the war in Ukraine, ongoing post-Covid manufacturing challenges, the UK cost of living crisis and rising inflation, resulting in delays or an inability to deliver operational targets and potential financial loss or reputational damage.</p>			<p>Controls: General - Procurement procedures include assessment of suppliers' financial health. Contract and supplier management guidance and e-learning module available. Active use of Contract Management System which contains system generated alerts to flag risk. Proactive monitoring of supply chains by Operational leads with regular contract management meetings.</p> <p>Regular engagement with Scottish Government on cost or delay impact potential as issues emerge. In the event of supplier insolvency, procurement frameworks / approved supplier listings would be used to identify alternative suppliers.</p> <p>Repairs Service - Manage stock levels including, where possible, advance purchase of components and materials. Engagement with key suppliers. Specific contingency plans for key services e.g. lifts. Local staff directly employed by DCPS.</p> <p>Investment Programme - Manage stock levels of components and materials. Engagement with key suppliers.</p> <p>New Build - Regular engagement with new build contractors where the Group's financial exposure is greatest to test financial standing. Monitor on a site basis the availability and adequacy of contractor's resources on site – consider increased clerk of works site monitoring to ensure quality of workmanship.</p> <p>Operational Supplies - Utilisation of Group and 3rd party frameworks to minimise price increase risk. Engagement with key suppliers on stock levels.</p> <p>Wheatley Care - Working with SG via membership organisations to understand potential level of risk. Contingency plans to mitigate locally and maintaining a 15-week stock of PPE.</p>			
Inherent risk	Residual risk	Risk appetite level:	Within Risk Appetite?	Previous / Next detailed Board scrutiny	Scrutiny Date	Risk Owner
		Open	Yes	<p>Group DevCo and Group Board (Prof Sean Smith supply chain research)</p> <p>CBG Board (Operational update and repairs transformation programme)</p> <p>Group DevCo - tenders/ programme performance/Contractor financial exposure. These are standing items at each meeting</p> <p>Wheatley Solutions Board (Procurement strategy)</p> <p>All Boards performance, finance and development updates</p>	<p>Sept / Oct 21</p> <p>November 21</p> <p>Ongoing</p> <p>Jan 22</p> <p>Feb 22</p> <p>Ongoing standing items</p>	<p>Group Director of Repairs and Assets</p>

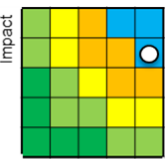
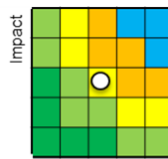
DC Risk Register – high residual risk score

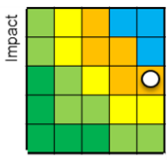
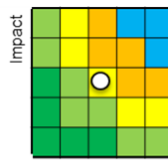
RISK015 – Failure to recruit, develop, retain and succession plan		Risk type: Operational		Strategic Outcome: W.E. Work – strengthening the skills and agility of our staff		
Description: Failure to recruit, develop, retain and succession plan for high quality / qualified staff, resulting in reduced levels of service provision, staff not competent to perform their job to expected standard and achieve strategic objectives. The Group is currently entering a period in which significant changes in the Group’s most senior management team are planned, increasing the potential impact and likelihood of this risk materialising.				Controls: My Contribution in place for all staff and integrated with MyAcademy. Training Logs for all staff with training courses at the Academy and online Leadership Development programme, succession planning and talent management programme. HR policies on recruitment and selection. IGNITE Graduate Programme to bring in new talent across Group RSLs and Wheatley Solutions. Employee satisfaction surveys. There is a detailed succession and recruitment plan in place for managing the planned changes within the Executive Team.		
Inherent risk	Residual risk	Risk appetite level:	Within Risk Appetite?	Previous / Next detailed Board scrutiny	Scrutiny Date	Risk Owner
		Hungry	Yes	An update on the ET succession and recruitment plan was scrutinised at the December 2021 meetings of the RAAG Committee and Group Board. Further updates will be provided at each 2022 meeting of RAAG and Group Board. Group Board workshop	All meetings March 22	Group Director of Finance and Digital Services

DC Risk Register – proposed changes, high residual risk score

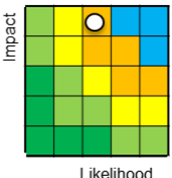
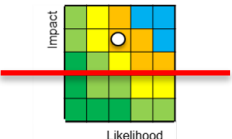
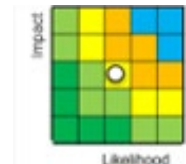
RISK023– Climate Change impact on Group assets and services		Risk type: Financial	Strategic Outcome: Setting the benchmark for sustainability and reducing carbon footprint			
Description: There is a risk that the Group's inability to adapt to results of climate change results in damage to the value of our assets and our ability to deliver services. Additionally, the Group is not able to deliver climate-change mitigation activities that meet the expectations of key stakeholder requirements and regulatory requirements.			Controls: Business continuity plans (both at Group and local level) provide for operational responses to extreme weather events such as flooding and severe winter snow (e.g “Beast from the East” type events). Climate Impact Assessment report commissioned from external consultants (Foresight report). Performance Reporting team has commissioned report to overlay climate change impacts on Group's geographic locations. Our strategy includes an objective to reduce emissions from our corporate activities to be carbon neutral by 2026. We have detailed asset information and baseline data, an EESSH 2 plan is under development, and we are in discussions with the Scottish Government about funding to accelerate investment in our properties through a Wheatley Green Investment Plan: a bid to the SHNZ (Social Housing Net Zero Fund). We produce an annual ESG report for investors setting out our progress on the environmental agenda and will have produced a sustainability framework for investors to support the raising of sustainability-linked finance in future . In addition to ESG reporting, increased public messaging around our work in relation to climate change is on-going and we are in the process of developing a group sustainability strategy.			
Inherent risk	Residual risk	Risk appetite level:	Within Risk Appetite?	Previous / Next detailed Board scrutiny	Scrutiny Date	Risk Owner
		Open	Yes	Group Board (pandemic review) All Boards – business plan including detailed 5 year capital investment plan and climate impact Group Board workshop (sustainability as one of the themes) Funding update to Board, including how we are developing ESG measures to meet out funders’ expectations Bord workshop scheduled which will consider our wider sustainability strategy. Sustainability Strategy	September 21 Feb 22 March 22 15 December 21 9 March 22 October 2022	Group Director of Repairs and Assets

DC Risk Register- proposed changes, high inherent risk score

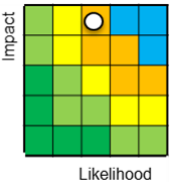
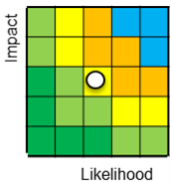
RISK004 – New operating model implementation		Risk type: Operational		Strategic Outcome: W.E. Work- strengthening the skills and agility of our staff		
Description: The implementation of a new operating model as we emerge from the Covid-19 crisis , including changing staff patterns/places of work, reducing the number of offices and placing greater reliance on technology could be poorly implemented and communicated, leading to staff disengagement and lack of support from our trade union partners.				Controls: The Customer Consultation on the new operating model continues, and results of the completed consultation will be reported to Boards for consideration. Operational planning for The implementation is in progress, including the delivery of the Customer First Centre has now been delivered and will continue to be regularly reviewed to ensure this model meets business need. A New Business Model Steering Group meets fortnightly to facilitate this planning. Executive team receives regular reporting of plans and has oversight of plans, including for the Customer First Centre, rollout of the Centres of Excellence and delivery of the Digital Programme. Continued roll-out of the new operating model has been incorporated into the 2022-23 Delivery Plan and progress against the Plan will be reported to Boards at regular intervals throughout the year.		
Inherent risk	Residual risk	Risk appetite level:	Within Risk Appetite?	Previous / Next detailed Board scrutiny	Scrutiny Date	Risk Owner
 Likelihood	 Likelihood	Hungry	Yes	Group Board CFC implementation update CFC implementation update to all Boards Quarterly performance reports with CFC KPIs as a standing item	Dec 21 Feb 22 Ongoing	Group Chief Executive Officer

RISK002 – Ongoing threat of future waves of Covid-19 and/or another pandemic		Risk type: Operational		Strategic Outcome: W.E. Work- strengthening the skills and agility of our staff		
Description: The risk of future waves of Covid-19 and/ or another pandemic along with the risk of further periods of lockdown (either Scotland wide or by geographical area) may result in previously remobilised services being paused.				Controls: Through lessons learnt from previous lockdown and remobilisation, services now have contingency plans (both Group wide and at a local level in place) for future waves and/or another pandemic. These include protocols for different grades of service model depending on the level of government restrictions (according with the levels system), Operational Safety Manual amendments which can be reinstated at short notice depending on the situation and 15-week PPE forward supply stocks being maintained at all times. We have a clear set of links with Scottish Government and other stakeholders through our standing place on the sector resilience group which allows us to quickly input to and understand Scottish Government responses and guidance.		
Inherent risk	Residual risk	Risk appetite level:	Within Risk Appetite?	Previous / Next detailed Board scrutiny	Scrutiny Date	Risk Owner
 Likelihood	 Likelihood	Hungry	Yes	Business updates have been standing Board agenda items through the last year and have set out any changes to service levels as the pandemic has progressed. This will continue to be the case through 2022.	Ongoing	Group Chief Executive Officer

DC Risk Register – proposed changes, high inherent risk score and outwith risk appetite

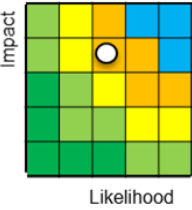
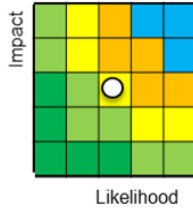
RISK003 – Fire Safety		Risk type: Regulatory		Strategic Outcome: Investing in existing homes and environments		
Description: There is a risk that a failure to comply with relevant fire safety standards for our buildings results in harm to the health or safety of our customers and/or staff, leading to injuries or fatalities, enforcement action and reputational damage.				Controls: Group Fire Safety Team focuses on identification of fire preventions actions for implementation by MDs. Fire Working Group attended by Snr Mgt teams every 2 months feeds into a Group Executive Fire Liaison Meeting chaired by Executive Lead and attended by Directors to review performance, emerging issues and escalate matters as required. Quarterly Bi-annual reporting of implementation of actions to Group Audit Committee. Outwith relevant premises, Fire Prevention and Mitigation Framework, including our approach to Livingwell, and Fire Risk Assessments are completed on a rolling cycle. Extensive compliance and investment regime to achieve compliance with building safety regulations (as required) and best practice guidance.		
Inherent risk	Residual risk	Risk appetite level:	Within Risk Appetite?	Previous / Next detailed Board scrutiny	Scrutiny Date	Risk Owner
	Previous:  Proposed: 	Minimal	No	Standing item at Group Audit Committee meetings Annual report to RSL Boards on Fire Prevention and Mitigation Framework Group, RSL and Lowther Boards - Fire safety performance related KPIs (ADFs and FRAs) as part of standing performance updates	Ongoing May 22 Ongoing	Group Director of People Services

DC Risk Register – proposed changes

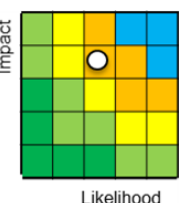
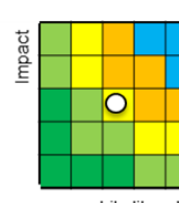
RISK008 – Compliance with funders' requirements		Risk type: Financial		Strategic Outcome: Raising the funding to support our ambitions		
Description: There is a risk of defaulting on loan agreements caused by a failure as a result of failing to meet or maintain compliance with loan agreements. This would result resulting in withdrawal of the funding, potential for cross-default on other facilities, and difficulty in obtaining future funding from other funders, and would likely result in higher cost of funding.				Controls: Regular meetings with funders and investor representatives to update on financial status of the Group. Financial performance monitored monthly and covenant compliance reviewed quarterly by the Group Board, before being submitted externally to funders. Covenant compliance monitoring tool introduced by Finance. Funder requirements document identifies key dates and requirements. Financial performance is monitored on an ongoing basis through monthly reporting cycle and Group/subsidiary Board review of management accounts. Subsidiary and Group Business Plans are subject to annual updates and review by respective Boards. Additional protection via 'Golden Rules' to produce forward-looking monitoring with headroom against loan covenants.		
Inherent risk	Residual risk	Risk appetite level:	Within Risk Appetite?	Previous / Next detailed Board scrutiny	Scrutiny Date	Risk Owner
		Open	Yes	Business plan projections in Feb and Sept Finance reports, including covenant compliance, are a standing item for all Boards Treasury update reports are presented quarterly to Group and WFL1 Boards	Feb/Sept 21/22 Ongoing Quarterly	Group Director of Finance and Digital Services

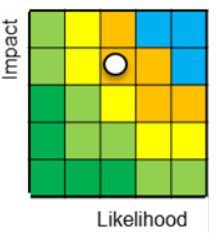
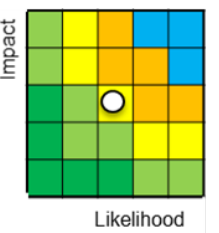
DC Risk Register – proposed changes



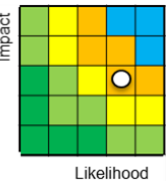
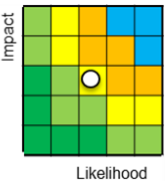
RISK006 – Customer Satisfaction		Risk type: Reputational		Strategic Outcome: Enabling customers to lead		
Description: Customers do not feel our homes and services meet their needs and/or the standards they expect, leading to declining customer satisfaction.				Controls: Customer service excellence is a key element of 2021-26 strategy. We use a variety of methods to collect customer feedback, both during the year and annually. This information helps us understand customer views and informs our delivery and investment plans every year. This will be augmented by a range of new approaches to improve satisfaction among particular target groups such as young families. The new performance management framework will also include a stronger focus on measuring drivers of customer value in our key services. Small housing officer patch sizes of 1:200 allow housing staff to deliver personalised services under the ThinkYes approach. Customer First Centre’s first time resolution for services. The Repairs Transformation Programme and new approach to stock condition analysis will also contribute to increased customer satisfaction.		
Inherent risk	Residual risk	Risk appetite level:	Within Risk Appetite?			
		Open	Yes	Previous / Next detailed Board scrutiny	Scrutiny Date	Risk Owner
				Quarterly performance reports include details on complaints received from tenants	Ongoing	Group Director of Housing and Property Management

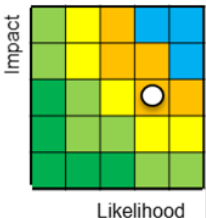
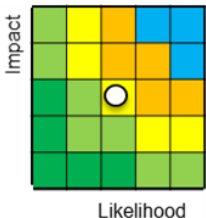
DC Risk Register – proposed changes

RISK009 – Governance Structure		Risk type: Operational		Strategic Outcome: W.E. Work- strengthening the skills and agility of our staff		
Description: The governance structure is not clearly defined, is overly complex and lacks appropriate skills at Board and Committee levels to govern the Group effectively. Failure of corporate governance arrangements could lead to serious service and financial failures.		Controls: The Group’s authorising environment has been agreed. The Corporate Strategy highlights the importance of the need for continual Board development enabling the Board and Committee members to remain strategically focused. Governance training is provided as appropriate. Formal succession planning for Board members is in place. Governance arrangements regularly reviewed by the Scottish Housing Regulator, external consultants, internal and external audit functions. Subsidiary Board structures may be rationalised from time to time to reduce complexity, e.g. as has been done with Wheatley Care and Lowther/YourPlace.—				
Inherent risk	Residual risk	Risk appetite level:	Within Risk Appetite?	Previous / Next detailed Board scrutiny	Scrutiny Date	Risk Owner
		Cautious	Yes	Group Board approved governance review action plan Progress on governance review action plan a standing item to all RAAG meetings in 2022 Governance update is a standing item on all board agendas.	Oct 2021 Ongoing through 2022 Ongoing	Group Chief Executive Officer

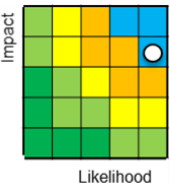
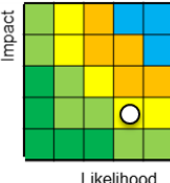
RISK173 – Customer Satisfaction of Shared Owners		Risk type: Reputational	Strategic Outcome: Enabling customers to lead			
Description: Shared Owners do not feel that Dunedin Canmore's homes and services meet their needs and/or the standards they expect, leading to declining customer satisfaction and reputational damage.			Controls: Customer service excellence is a key element of Dunedin Canmore's 2021-26 strategy. We use a variety of methods to collect customer feedback, both during the year and annually and a Shared Owner Forum is in place. Shared Owner feedback is considered within wider customer feedback to ensure the outcomes reflect the needs and expectations of all customers. Housing Officer has been appointed to lead the management of DC shared owners. Shared Owner Handbook is in place and Housing Officers include management of shared owners within wider neighbourhood walkabout activity. <u>Proposed Action:</u> Separate customer survey approach for shared owners.			
Inherent risk	Residual risk	Risk appetite level:	Within Risk Appetite?	Previous / Next detailed Board scrutiny	Scrutiny Date	Risk Owner
		Open	Yes	Quarterly performance reports include details on complaints received from tenants	Ongoing	Group Director of Housing and Property Management

DC Risk Register – proposed changes

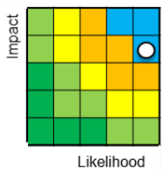
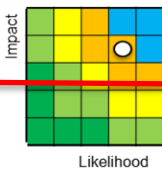
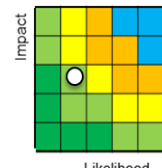
RISK011– Securing new funding and adverse market changes		Risk type: Financial	Strategic Outcome: W.E. Work- strengthening the skills and agility of our staff			
Description: There is a risk that the Group's ability to raise borrowing at cost-effective rates or raise the funds required to meet our liquidity Golden Rules is limited by wider economic or political conditions such as another banking crisis, rising interest rates, prolonged high inflation , default in the sector, increasing focus on ESG credentials or constitutional changes; resulting in an inability to hold enough cash to meet our commitments or achieve our business objectives.			Controls: Our strategy is to diversify funding sources and relationships, providing a range of options for future funding in the event of adverse funding market changes. Our liquidity Golden Rules are designed to ensure that we have sufficient cash available for two years + 25% contingency, and this rule is re-assessed annually by the Group Board. Compliance with these is reported to the Group and WFL Boards quarterly. We also review our approach to hedging in respect of interest rate risk on a quarterly basis. We do not borrow in currencies other than sterling to reduce exchange rate risks, including in the event of a potential future change in currency, nor do we borrow from non-UK domiciled investors (with the exception of the EIB). Annual ESG reporting in place with reports issued alongside the statutory accounts. A Sustainability Financing Framework was published in Q3 2021/22, following accreditation by S&P.			
Inherent risk	Residual risk	Risk appetite level:	Within Risk Appetite?	Previous / Next detailed Board scrutiny	Scrutiny Date	Risk Owner
		Open	Yes	Group Board review of financing arrangements. Treasury management update to WFL1/Board every quarter, which includes update on market conditions. Annual scenario and stress testing of group business plan. Revised Treasury Management Policy to Group Board.	October 21; Ongoing; Feb 22 June 22	Group Director of Finance and Digital Services

RISK014 – Political and Policy Changes		Risk type: Reputational		Strategic Outcome: Influencing locally and nationally to benefit our communities		
Description: The risk that political and policy changes (within Scotland and the UK) affect the ability of Wheatley Housing Group to deliver strategic objectives resulting in significant adverse reputational impact.				Controls: The Group has an established stakeholder management framework in place and relevant Managers will be focussed on responding to changes in policy and administration as they arise. The Group’s policy of not building homes for sale also mitigates potential property market risk.		
Inherent risk	Residual risk	Risk appetite level:	Within Risk Appetite?	Previous / Next detailed Board scrutiny	Scrutiny Date	Risk Owner
		Open	Yes	Group CEO update to group Board as standing item includes update on political engagements Senior SG attendance at Board strategy event to engage on the policy landscape and Ministerial visit to Group Board Senior political presence at all GHA Board meetings through GCC drawn appointments Board sustainability workshop re zero carbon policy agenda Review of political / policy landscape and Group’s response at Board Residential	Ongoing Aug/Oct 2021 Ongoing Mar 2022 June 2022	Group Chief Executive Officer

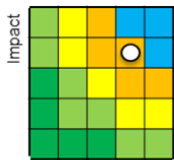
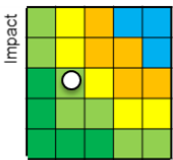
DC Risk Register – proposed changes

RISK016 – Laws and Regulation		Risk type: Regulatory	Strategic Outcome: Progressing from excellent to outstanding		
Description: Non-compliance with statutory laws and regulations, including but not limited to: (i) Scottish Housing Regulator and Care Inspectorate regulations, (ii) Financial Conduct Authority (FCA) regulations, (iii) compliance with Health and Safety Building Regulations, (iv) Freedom of Information (Scotland) Act (v) General Data Protection Regulations and (vi) OSCR, the Scottish Charities Regulator, resulting in adverse feedback and loss in confidence from regulators, funders, customers and potential partners, as well as potential fines and penalties.			Controls: A Group wide Scottish Housing Charter Assurance process is supported by the Tenant Scrutiny Panel Strategic Scrutiny Panel reviewing outcomes which provides assurance on regulatory requirements for RSLs. We have introduced a similar approach for non-RSLs within the Group during 2022-23. FCA regulations are considered when new products and services are developed. Qualified personnel undertaking capital improvement works as well as suitable sign off and compliance checks of new installations (e.g. external wall coverings), to ensure these meet relevant building standards. New product offerings follow a clear route to governance, with approval required from the Executive Team before formal approval is requested from the Group Board. Legal and financial advice is obtained for all financial offerings to customers. Compliance Plan monitored on an on-going basis and any issues raised to Executive Team and Audit Committee on an exceptions basis. The Group has on-going relationship management with Regulator. Group wide approach to how the Group manages information. Privacy Impact Statements to be implemented across the Group. Changes to existing legislation are identified and implemented by identified responsible officers across the Group.		
Inherent risk	Residual risk	Risk appetite level:	Within Risk Appetite?		
		Cautious	Yes		
			Previous / Next detailed Board scrutiny		Risk Owner
			An annual assessment of compliance against relevant regulatory and legislative requirements will be reported to relevant Boards for each non-RSL subsidiary during 2022.		Group Director of Finance and Digital Services

DC Risk Register – proposed changes, high inherent risk score

RISK007 – Rent arrears including arising from Universal Credit		Risk type: Financial		Strategic Outcome: Maintaining a strong credit rating and managing financial risks		
<p>Description: The impact of Covid-19, including legislation to prevent evictions, increased lead-in times and uncertainty around Sheriff eviction decisions, as well as the closure of the Furlough scheme and the continued expansion of Universal Credit, continue to impact on our rental income stream and increase our arrears.</p> <p>The Group's ability to collect all expected rental income, with minimal arrears, is impacted due to the continued migration of customers to Universal Credit, including through the planned mass migration announced for summer 2023, resulting in financial loss to the Group. This also has negative impacts for customers, with increasing financial hardship.</p>				<p>Controls: Updated Rent and Income Framework rolled out from April 2022. Staff across the Group – including frontline housing teams, the customer service centre and communications – run ongoing campaigns and programmes of contact with customers affected by financial hardship and with problems in paying their rent, whether caused as a result of Covid-19, the wider issues with Universal Credit or for other reasons.</p> <p>This includes a dedicated Universal Credit team, use of GoMobile for staff to assist customers with online transactions and working with partners to influence the UK and Scottish policy and funding environment.</p> <p>Online service portals are more accessible and housing officers are becoming more available. Our small housing patch sizes provide a key mitigation, allowing staff to work proactively with customers before their debts become unmanageable, drawing in Wheatley 360 support services such as welfare benefits advice, as required.</p> <p>The Group business plan also contains a significant buffer within its assumptions for risk in relation to bad debts and rent arrears. In addition, arrears performance is reviewed by boards at every meeting.</p>		
Inherent risk	Residual risk	Risk appetite level:	Within Risk Appetite?			
	<p>Previous:</p>  <p>Proposed:</p> 	Minimal	Yes	<p>Previous / Next detailed Board scrutiny</p> <p>The Group, and RSL Boards consider this on a quarterly basis through performance report RSL Five year financial projections and management accounts Research study on the impact of UC on our customers</p>	<p>Scrutiny Date</p> <p>Ongoing Feb 22 and standing item thereafter September/October 22</p>	<p>Risk Owner</p> <p>Group Director of Housing and Property Management</p>

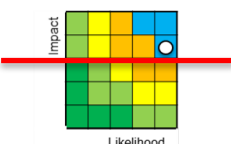
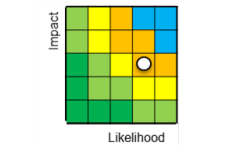
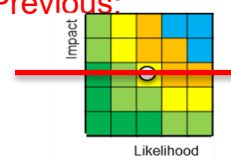
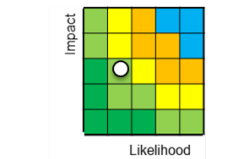
DC Risk Register – proposed changes

RISK012 – Business Continuity & Disaster Recovery		Risk type: Operational		Strategic Outcome: W.E Work – Strengthening the skills and agility of our staff		
Description: The Wheatley Housing Group does not have adequate or tested Business Continuity/Disaster Recovery plans in place for key business activities (for example: repairs service, care provision/staff cover, customer payment systems/technology), including those with significant contractors, resulting in significant disruption to service and avoidable reputational damage.				Controls: Business Continuity Plans are in place across all business areas. A business continuity implementation group is responsible for collating, reviewing and designing the Group's Disaster Recovery and Business Continuity Plans in conjunction with colleagues in IT. The business continuity framework is being further developed in line with the Group's new business operating model and in light of experience through the COVID-19 pandemic. Regular testing and exercising of the Business Continuity Plans will continue to be implemented across all business areas.		
Inherent risk	Residual risk	Risk appetite level:	Within Risk Appetite?	Previous / Next detailed Board scrutiny	Scrutiny Date	Risk Owner
		Hungry	Yes	RSL Boards receive a bi-annual update under the Wheatley Solutions Services Agreement on business continuity planning and testing A business continuity plan refresh is underway, and an update will be provided to the Wheatley Group Board in April 2022. Group Business Continuity Policy presented to Board	Last update Nov 21 April 2022 August 2022	Group Director of People Services

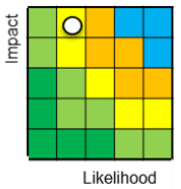
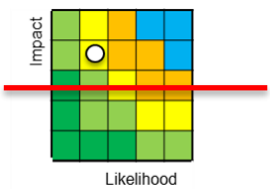
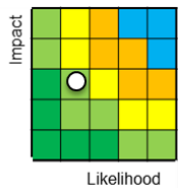
DC Risk Register – proposed changes

RISK-174 – DC Stock Condition-		Risk-type: Operational		Strategic Outcome: Investing in existing homes and environments		
Description: Pre 1919 mixed tenure stock condition cannot be maintained because owners do not agree to pay their share of costs involved, with potential consequences as follows: Further deterioration of stock, H&S incidents due to falling stonework or roof tiles and lack of demand for properties by customers.				Controls: – 3rd party public liability insurance; Disposal strategy; Financial planning; Stock condition surveys; Asset strategy.		
Inherent risk	Residual risk	Risk appetite level:	Within Risk Appetite?	Previous / Next detailed Board scrutiny	Scrutiny Date	Risk Owner
		TBC— <i>post risk workshops</i>	TBC— <i>post risk workshops</i>	DC 5-Year Investment Plan	Feb 2022	Group Director of Housing and Property Management
RISK-022 – Covid-19 vaccination roll-out		Risk-type: Financial		Strategic Outcome: Maintaining a strong credit rating and managing financial risks		
Description: There is a risk that a lack of clarity over employers' responsibilities in relation to the Covid-19 vaccine, including employment law and data protection implications of requiring staff to notify their employer and / or the vaccine being made mandatory for certain roles, results in reputational damage and / or potential breach of employment law or data protection regulations.—				Controls: The Employee Relations team continues to consult with employment law advisers to obtain ongoing legal advice. The Group continues to liaise closely with trades unions and staff to develop its approach. Data privacy notices for Care staff have been updated to allow the Group to keep a record of which staff have received the vaccine, and work to updated privacy notices for all Group staff continues. Care management is monitoring uptake levels as part of a local risk assessment approach.		
Inherent risk	Residual risk	Risk appetite level:	Within Risk Appetite?	Previous / Next detailed Board scrutiny	Scrutiny Date	Risk Owner
		TBC— <i>post risk workshops</i>	TBC— <i>post risk workshops</i>	Updates will be provided on vaccination to all boards as any law changes are announced, as was the case during 2021. Wheatley Care Board receives a care-specific update at each meeting.	Ongoing through 2021 and 2022	Group Chief Executive Officer

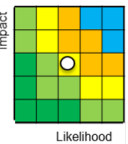
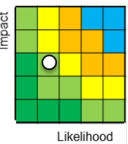
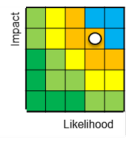
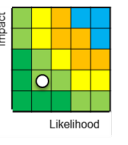
DC Risk Register – proposed changes

RISK172 – Development Programme		Risk type: Reputational		Strategic Outcome: Increasing the supply of new homes		
<p>Description: Appropriate development sites fail to be identified and acquired resulting in non-delivery of commitment made in Group Business Plan to build 1000 new homes and results in reduced income flow and loss of reputation, with potential consequences as follows:</p> <ul style="list-style-type: none">- Inability to attract new customers- Loss of confidence by stakeholders- Reduced income stream				<p>Controls: –Political lobbying and support. –Good design and cost plan. –Delivery record. –Bid on the right sites. –Review Dunedin Canmore’s geographical footprint for potential development opportunities. –Governance Structure reporting to Group Development Committee — Asset Strategy development is underway to assist in identification of viable development sites. Stakeholder management, including consultation with Scottish Government, Local Authorities and TMDF. Expanding number delivery partners, including development of close relationships with private sector partners, securing section 75 opportunities. Subsidiary strategies and Location Plans consider the impact of new build, and adjust services accordingly.</p>		
Inherent risk	Residual risk	Risk appetite level:	Within Risk Appetite?	Previous / Next detailed Board scrutiny	Scrutiny Date	Risk Owner
<p>Previous:</p>  <p>Proposed:</p> 	<p>Previous:</p>  <p>Proposed:</p> 	Minimal	Yes	Development Programme Update report to each Board	May 2022, August 2022	Group Director of Repairs and Assets

DC Risk Register – proposed changes

RISK010 – Group Credit Rating		Risk type: Financial		Strategic Outcome: Maintaining a strong credit rating and managing financial risks			
Description: There is a risk that external factors such as a downgrade of the UK's credit rating or a default by another organisation within the social housing sector results in a downgrading of the Group's credit rating to BBB+ or below, resulting in a potential requirement to repay our European Investment Bank loans, a reduction in the availability of future borrowing, and/ or an increase in the cost of current debt.				Controls: The Group's business plan is designed to maintain a strong stand alone credit rating, for example excluding build for sale. Our financial Golden Rules include maintaining strong levels of liquidity to mitigate refinance risks. Ongoing dialogue is maintained with relevant credit rating agencies in order to mitigate the risk of unexpected rating changes which are controllable. <i>Mitigation drafting used in legal clauses</i> - in the event the rating fell to BBB+, the legal clauses are specific that this is not an event of default (thereby avoiding cross-default). <i>Negotiation period</i> – the legal clauses provide for a period to negotiate with EIB on mitigating measures, such as revisions to covenants or posting of increased security/collateral. <i>Standby funders to replace EIB if necessary</i> - A strong relationship is maintained with EIB to mitigate future risk from external factors causing a credit rating downgrade. Strong investor/lender relationships are maintained with a number of other organisations at all times in case of unanticipated funding need. Annual review (April) and quarterly meetings held with the S&P ratings team to enable pre-emptive actions where required.			
Inherent risk	Residual risk	Risk appetite level:	Within Risk Appetite?				
	<p>Previous:</p>  <p>Proposed:</p> 	Minimal	Yes				
				Previous / Next detailed Board scrutiny		Scrutiny Date	Risk Owner
				Business plan projections for all Boards set out how we will maintaining financial position The Group and WFL1 Boards receive quarterly treasury reports on the current credit market conditions and any credit rating updates		Feb 2022 Quarterly through 2021 and 2022	Group Director of Finance and Digital Services

DC Risk Register – proposed changes

RISK017– Pension Contributions		Risk type: Financial		Strategic Outcome: Maintaining a strong credit rating and managing financial risks		
Description: Increases in the required pension contributions for all pension funds may lead to potential cost pressures for the Group.				Controls: The Group's Pensions Policy sets out a range of measures to manage pension costs. We have established a Wheatley Group defined contribution scheme which will be the default arrangement for new joiners and auto-enrolment for most subsidiaries. We are also consolidating SHAPS and LGPS schemes where possible to reduce the risk of cessation liabilities being triggered.		
Inherent risk	Residual risk	Risk appetite level:	Within Risk Appetite?	Previous / Next detailed Board scrutiny	Scrutiny Date	Risk Owner
		Minimal	Yes	Group pensions strategy was reviewed at Group Board Business plans with sensitivity analysis are reviewed by all Board who are members of pension schemes annually	Dec 21 Feb and Sept 2021 and 2022	Group Director of Finance and Digital Services
RISK 175 – Property Services		Risk type: Operational		Strategic Outcome: Developing a Customer Led Repairs Service		
Description: Failure to actively manage contractors in the Workshop results in interruption of services to customers with potential consequences as follows: Loss of key personnel, Financial objectives are not achieved, Reduced customer satisfaction, Lack of ability to attract and retain skilled workforce, Lack of opportunity to plan for succession and Inability to maintain stock.				Controls: -- Succession plan in place; Apprenticeship program; Revised business model; Procurement strategy; Third party contractor framework; Support from Group Health and Safety; Management support from Wheatley Director of Investment, Repairs and Compliance.		
Inherent risk	Residual risk	Risk appetite level:	Within Risk Appetite?	Previous / Next detailed Board scrutiny	Scrutiny Date	Risk Owner
		TBC – post risk workshops	TBC – post risk workshops	Update on Repairs transformation programme to the Board	August 2022	Group Director of Housing and Property Management

The logo for Dunedin Canmore features the word "Dunedin" in a dark blue serif font and "Canmore" in a dark green serif font, stacked vertically. A stylized yellow and orange roof icon is positioned above the "Dunedin" text.

Dunedin
Canmore

Report

To: Dunedin Canmore Board

By: John Crooks. Director of Health and Safety and Compliance

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

Subject: Group Business Continuity Policy

Date of Meeting: 18 August 2022

1. Purpose

- 1.1 The purpose of this report is to provide the Dunedin Canmore Board with an update on the revised Group Business Continuity Policy.

2. Authorising and strategic context

- 2.1 Under the Group Standing Orders and Intra-Group Agreement the Wheatley Group Board is responsible for approving Group Policies and their designation as applicable to all Group partners. The Group Business Continuity Policy was approved by the Wheatley Group Board and designated as a Group Policy, to be shared with Dunedin Canmore for implementation with immediate effect.
- 2.2 This report and the revised Business Continuity Policy also aims to satisfy the recommendations outlined in the Group Assurance Audit for Business Continuity Management, that reflects upon the approach and lessons learned for Business Continuity throughout the pandemic and as detailed in the recent Campbell Tickell report, *Nobody Left Behind* (2021).

3. Background

- 3.1 The current approach to business continuity in Dunedin Canmore is outlined in the Business Continuity Strategy and Business Continuity Policy that was established and approved by the Wheatley Group Board in 2015 (revised 2018).
- 3.2 Business Continuity and its planning is well established across Dunedin Canmore, for the purpose of returning the business to normal levels of service following an incident which causes disruption and affects our ability to provide services to our customers, staff, and stakeholders.
- 3.3 More recently however, our examination of the current business continuity policy and associated plans, having due consideration to the response of Dunedin Canmore, during the Pandemic, leads us to conclude that going forward in our new operating model, there requires the ongoing development

of our approach to business continuity to further strengthen our level of control and consistency in approach.

4. Discussion

International Standardisation Organisation (ISO) 22301: Security and Resilience – Business Continuity Management Systems

- 4.1 Our Business Continuity Strategy and Business Continuity Policy are aligned to the framework set out in ISO 22301: 2019 Security and Resilience: Business Continuity Management Systems:
- 4.2 ISO 22301, Security and Resilience was the first International Standard (ISO) for implementing and maintaining effective business continuity plans, systems, and processes.
- 4.3 ISO's high-level structure aligns with many other internationally recognised management system standards, such as ISO 9001 (quality) and ISO 14001 (environment) and ISO 45001 (health & safety). As such, it is designed to integrate with an organisation's existing management processes.
- 4.4 ISO 22301 is based on a cycle of continuous improvement that is consistent with the group approach to the management of health and safety e.g., Plan, Do, Check, Act.

Business Continuity Response

- 4.5 The existing business continuity strategy, policy and plans provided for a strong platform to navigate Dunedin Canmore through the pandemic, maintaining essential services and keeping our staff and customers safe in doing so.
- 4.6 As part of the response to the pandemic, a Group Business Continuity Management Team was established, reporting to the Executive Team and Chief Executive on a regular basis.
- 4.7 This team brought together key decision makers and provided a structure for the management of the business at a strategic and local level (Business Continuity Response Teams).
- 4.8 Having a representative on the Response Team from Dunedin Canmore, ensured that all business interests were considered in key decisions and, where inter-dependencies were critical in maintaining essential services.
- 4.9 The business-critical nature of our response to the pandemic meant that it was a primary focus of the Group Executive team, who had overall leadership in ensuring robust business and service responses throughout the pandemic and, in directing the work through the Group Business Continuity Management team, as necessary.
- 4.10 Following the pandemic, there was identified, an excess of business continuity plans across Group that did not reflect our new operating model which, also involved high numbers of operational staff, giving rise to an increased risk of inconsistency and diminished quality control.

- 4.11 Moving forward, the review and development of Dunedin Canmore's Business Continuity Plan, will be taken forward by a Business Continuity Response Team, whom shall be afforded, appropriate levels of training relevant to their respective roles, responsibilities, and involvement in business continuity.

Business Impact Analysis (Corporate Business Risks)

- 4.12 On reflection of our new operating model, there is an ongoing review of new and existing business risks.
- 4.13 Business Impact Analysis is a process that allows Dunedin Canmore, to consider the impact of business disruption with the aim of identifying relevant mitigation strategies, group wide interdependencies in order to return the business to normal levels of service in the soonest practical time.
- 4.14 Our Business Impact Analysis will bring a sharpened focus to our business continuity arrangements and the required mitigation for the following corporate business risks in addition to, those risks identified specifically within our business, as we move further into our new operating model.
- 4.15 Corporate business risks that are under review in all business impact analysis shall include but not limited to the following:
- Loss of Key Suppliers and Supply Chain
 - Loss of IT, Data Networks and Data Servers
 - Epidemic / Pandemic Outbreak
 - Severe Weather Event
 - Local and National Power Outage
 - Loss of Utilities
 - Fuel Supply Shortage

Communication and Escalation (3C Structure)

- 4.16 In the review of our business continuity policy and plans and having due consideration to the group response during the pandemic, our new operating model requires the ongoing development of business continuity management structures, to maintain control and oversight of our approach.
- 4.17 Notwithstanding existing business continuity plans, the revised business continuity policy proposes a revised management structure that is aligned to the generic 3C command structure, recognised, and used by the police, emergency services and other partner agencies, based on the gold, silver, bronze (GSB) hierarchy of command and control.
- 4.18 This structure, as practice has shown, can be applied to the resolution of both spontaneous incidents and planned operations and demonstrates a clear protocol for communication and escalation, from Business Leads to Group Directors and ultimately the CEO.
- 4.19 Our approach to the management of business continuity across Dunedin Canmore, shall therefore recognise and implement a 3C structure to further enhance our existing communication, escalation and decision making processes.

Testing and Exercising

- 4.20 The testing and regular exercising of our business continuity plans is critical to Dunedin Canmore readiness to respond and manage potential threats and risks to the delivery of services across our business.
- 4.21 The pandemic that seen our approach, steer Dunedin Canmore through a period of uncertainty with such vigour and achievement, provides an opportune moment to inject our learning and experience into the current business continuity framework, to further strengthen our resilience and ensure this is reflected in the regular testing and exercising of our business continuity plans.
- 4.22 Under the current business continuity strategy, business continuity leads are responsible for ensuring the regular testing and exercising of business continuity plans and emergency plans are undertaken and documented.
- 4.23 Lessons learned in the testing and exercising of plans shall continue to be undertaken and recorded in the ongoing review of our business continuity plans.
- 4.24 Testing and exercising of business continuity plans shall incorporate a combination of both corporate and business specific risks, led by the group health and safety team and business continuity co-ordinators respectively.

Staff Training

- 4.25 The provision of training in business continuity has been reviewed to reflect the roles and responsibilities under a new training model that will elevate understanding and competence of those identified in the business continuity response team..
- 4.26 Business continuity co-ordinators responsible for the development, management and maintenance of business continuity plans have undertaken more in-depth training delivered at Wheatley House by the Emergency Planning College. This will be further rolled out to business continuity leads over the coming year 2022/23.
- 4.27 Business continuity awareness training shall continue to be available to those not directly involved in business continuity management, via the group online e-learning platform, MyAcademy.

5. Customer Engagement

- 5.1 Business leads across Dunedin Canmore are responsible for the operation of their service. These are internal customers who receive support, advice and guidance from the Group Health and Safety team on business continuity planning. As such it is key that Dunedin Canmore are represented in the development of the business continuity, strategy, and associated plans.
- 5.2 Terms of reference have been developed to establish a Business Continuity Implementation Working Group, where Dunedin Canmore have nominated a Business Continuity Co-ordinator to attend and represent Dunedin Canmore, to drive the ongoing management of business continuity arrangements.

6. Environmental and sustainability implications

- 6.1 Having robust business continuity arrangements in place will help support our new operating model and the environmental sustainability benefits this brings.

7. Digital transformation alignment

- 7.1 Currently all business continuity arrangements and business continuity plans are hosted on Sharepoint. In the event of Network failure or not gaining access, there is a risk that Business Continuity Plans will not be retrieved.
- 7.2 In line with our new operating model and the implementation of home-based agile workers, there is a different risk profile to information technology given our Digital Transformation and increased reliance on digital methods including accessing of networks remotely.
- 7.3 Consideration will be given through the proposed business continuity implementation working group and in updating and implementing plans to new and emerging risks and our ability to respond to business interruption events such as the loss of Network access and ransom ware attacks.

8. Financial and value for money implications

- 8.1 New training requirements for Business Continuity across the Group are likely to result in additional cost to the existing e-learning course that would be required in the next financial year 2022/23 of approximately £1.5k - £2k.

9. Legal, regulatory, and charitable implications

- 9.1 There are no legal, regulatory, or charitable implications associated with this report.

10. Risk appetite and assessment

- 10.1 Our group risk appetite for business continuity and disaster recovery is one of caution. This indicates a preference for safe delivery options that have a low degree of inherent risk and may only have limited potential for reward.
- 10.2 In keeping with this risk appetite, the group assurance team have undertaken an audit of the business continuity arrangements within the group to include, Dunedin Canmore and have made several recommendations in their conclusions, that this report aims to address through the revised business continuity policy.
- 10.3 Specifically, there is a recommendation to review the existing Business Continuity Policy, learning lessons from the pandemic and ensuring tighter control over our Business Continuity across Dunedin Canmore.

11. Equalities implications

- 11.1 There are no equalities implications associated with this report.

12. Key issues and conclusions

- 12.1 The alignment of our business continuity policy with ISO 22301:2019 Security and Resilience provides for a strong framework and approach to business continuity across Dunedin Canmore that is critical to the ongoing delivery of essential services. Furthermore, it demonstrates a recognised national standard that will ensure our response to business interruption events is both robust and resilient.
- 12.2 The introduction of a Group business continuity response team will also ensure tighter control and consistency for the immediate response to business interruption and allow for, the effective escalation of information to the group executive team and CEO, as necessary.
- 12.3 Driven by the Group business continuity implementation working group, our arrangements for the review of business continuity plans, staff training and regular testing and exercising regimes, shall ensure there is group wide representation and involvement to our approach that will strengthen our mitigation strategies and resilience in maintaining our essential services.
- 12.4 Business impact analysis will offer a process where, corporate business risks and those risks identified specifically to Dunedin Canmore, can be identified, and managed with the wider inter-dependencies across the group given full consideration.
- 12.5 Reflecting on the lessons learned during the recent pandemic and acting on the recommendations of the group assurance team, our business continuity policy has been updated. The updates in our policy and arrangements will ensure our response to business continuity remains strong, robust, and resilient to support our staff, customers, and stakeholders at times of business interruption.

13. Recommendations

- 13.1 The Board is asked to note the contents of the report and the revised business continuity policy.

List of Appendices:

Appendix 1 – Group Business Continuity Policy [redacted: available here [Publication scheme | Wheatley Homes East \(wheatleyhomes-east.com\)](#)]