



**DUMFRIES & GALLOWAY HOUSING PARTNERSHIP
BOARD MEETING**

Wednesday 21 September 2022 (Post AGM/EGM)

AGENDA

1. Apologies for absence
2. Declarations of interest
3. Appointment of board member: Jo Boaden
4. a) Minute of 17 August 2022 and matters arising
b) Action list
5. Managing Director's update

Main business and approvals

6. Supporting our tenants and communities through the cost-of-living crisis
7. Allocations policy review
8. MyHousing (presentation/demo)
9. Development Programme Update

Other business

10. Sustainability update (presentation)
11. Governance update
12. AOCB



To: DGHP Board

By: Alan Glasgow, DGHP Managing Director

Approved by: Laura Pluck, Group Director of Communities

Subject: Supporting our tenants and communities through the cost-of-living crisis

Date: 21 September 2022

1. Purpose

1.1. The purpose of this report is to:

- Provide an outline of the expected impact the cost-of-living crisis will have on our tenants and within our communities;
- Outline current support in place to help our hardest hit tenants already impacted by issues including poverty, low income, effects of the pandemic and welfare benefit reforms; and
- Set out additional support measures to help mitigate some of the expected challenges of the cost-of-living crisis for our most vulnerable tenants as agreed by Group Board in August and launched by the First Minister, Nicola Sturgeon on the 16th of August.

2. Authorising and strategic context

- 2.1. Under its Terms of Reference, the Board is responsible for monitoring operational performance. As part of this, the Board must consider the implications of our operating context on performance and where support for our tenants is required.
- 2.2. The main strategic theme this work aligns with is 'Changing Lives and Communities', around the strategic outcome of 'supporting economic resilience within our communities'.
- 2.3. Our strategy sets out a clear commitment to work with our tenants impacted by poverty, financial hardship, the educational attainment gap, and deprivation, to address these challenges through the provision of personalised support and wraparound services. The implementation of the planned approach outlined within the discussion section below demonstrates a clear commitment to achieving this strategic outcome.

3. Background

- 3.1. The inflation rate is at its highest level for over 40 years and continuing to increase. The UK economy shrank in the last quarter and economic experts predict the country will enter a period of recession this year.

- 3.2. Costs have increased across all aspects of daily living, including food, energy, and fuel, where the Institute for Fiscal Studies predicts that average annual inflation rates could hit 14% for the poorest 10th of households, compared with 8% for the richest reflecting that the UK's poorest households spend more of their household budget on the basics of food and energy.
- 3.3. The global financial crisis, welfare reforms and the global covid pandemic have all had a profound impact on our tenants in recent years, with the cost-of-living crisis coming at a time when financial resilience is particularly low as a result.
- 3.4. While we have a developed understanding of our customer groups, it is difficult to anticipate the exact impact the cost-of-living crisis will have on each tenant. Our aim, set out below, is to ensure that our approach to supporting customers accurately reflects the current needs of our tenants, that they are aware of the support on offer and that we reach those most in need.

4. Discussion

Customer Impact and Government Support

- 4.1. Our tenants are experiencing exceptional pressures on their income as a result of the continuing increase in the rate of inflation. Energy costs are having a significant impact on living costs alone. Experts estimate this could push as many as 12 million UK households into fuel poverty, an almost 50% increase on those currently living in fuel poverty.
- 4.2. Everyday food items have and continue to rise sharply, with food inflation rising from 9.3% in June to 12.7% in August. Some everyday products such as milk, bread and cereal have increased over 35% in cost in the last year. Additionally, many budget products are no longer available from supermarkets, further increasing the cost of a weekly shop.
- 4.3. The price of oil has risen substantially. The cost of filling a tank of petrol for a 55-litre tank has risen from £70.61 in September 2021 to £93.13 in September 2022. While the cost of fuel is beginning to reduce it remains over 30% more expensive than the 12 months previous.
- 4.4. Tenants in work but on low income are expected to be impacted more severely. We estimate that almost 4128 of our tenants are of working age but are above the threshold for Housing Benefit or Universal Credit.
- 4.5. Despite Government support targeting those on low income and in receipt of benefits, this customer segment will be adversely affected throughout 22/23. We have approximately 7999 tenants in receipt of benefits (including those in receipt of Universal Credit). Benefits levels are updated each April to reflect the inflation rate from the previous September leaving a 7-month period where income does not reflect accurately the cost of living.
- 4.6. For tenants on Universal Credit the impact will be compounded by the removal of the additional £20 per week that was paid to 3476 of our tenants on Universal Credit throughout the pandemic and stopped in October 2021.

Scottish/UK Government Support

- 4.7. Earlier this year the UK and Scottish Governments set out some financial support for those individuals they determine will be most impacted by the cost-of-living crisis and this has continued to be an evolving picture with both the Scottish and UK Governments announcing additional measures last week.
- 4.8. In terms of financial support for specific groups, the Government support set out earlier in the year is broken down as follows:
- All Households; £400 discount on energy bill;
 - Lowest income households; £650 payment ;
 - Pensioners; £300 winter fuel payment ;
 - Individuals on disability benefits; £150 payment
 - Winter heating assistance payment
 - Expansion of £150 allowance to all households in council tax bands A-D
- 4.9. In addition to these the Scottish Government announced last week in their Programme for Government several measures to support individuals throughout the cost-of-living crisis and the anticipated recession as detailed below.

Rent Freeze; Emergency legislation is currently being drafted by the Scottish Government which will introduce a rent freeze across both private rented sector and social landlords until March 2023. We are liaising with both the wider sector and the Scottish Government on the potential implications and consequences of any extension of the freeze. The Government have indicated they will look to consult with the sector in the coming months in respect of a potential rent cap post March 2023.

Tenant Grant Fund; We understand from the announcement the eligibility criteria for accessing the fund are being widened. We will proactively support tenants to seek access to the grant fund where they are struggling to with rent arrears.

Fuel Insecurity Fund; Doubling of the annual fund to £20 million.

Benefit uprate; A commitment to uprate the 8 Social Security Scotland payments by 6% has been made and has been compared to the 3.1% uprate by the UK Government. Nonetheless, this does not follow the usual methodology of uprating in line with inflation.

Scottish Child Payment; Families we support, who are eligible, will benefit from an increase in the Scottish Child Payment to £25 per week per child and an extension to every child under 16 on the 14th November approximately 6 weeks earlier than planned. For those who receive Scottish Child Payment, there will be an automatic enrolment of other devolved family benefits (Best Start Grant, Early Learning Payment, and School Age Payment).

Discretionary Housing Benefit; There will be an increase in funding for Discretionary Housing Payment (DHP) to local authorities and provide councils with flexibility to use DHP not only for tenants struggling with rent arrears, but also energy costs.

- 4.10. On 8th September the UK Government announced that they would limit annual energy prices for households at £2,500 until 2024. A saving of approximately £1000 per annum based on anticipated energy costs by October 2022.
- 4.11. Despite the support, many of our tenants will either not be eligible or the support offered will not fully bridge the gap that has arisen between income and expenditure.

Supporting our customers

- 4.12. A report to Board in March 2022 set out measures taken and planned to support tenants, specifically with increasing energy costs which, at the point of writing, was the most substantial known pressure to tenant budgets. The paper set out our focus on:
- Supporting and advising tenants on accessing any National, local or energy supplier support on offer (specific to their energy and metre types);
 - Accessing grants on behalf of tenants; and
 - Consolidating two distinct funds into a £1million Helping Hand fund to enable further support for energy costs to tenants in need.
- 4.13. Since the report in March 2022 the situation for tenants and communities has, as expected, worsened considerably and the proposed enhancements detailed later reflect both this and an analysis of the support drawn down by tenants in 21/22.
- 4.14. The services on offer to our tenants are wide ranging with a focus on both long and short-term interventions with the following support during 21/22 to around 10,000 tenants across Group:
- £2.3 million allocated to initiatives that supported tenants with the cost of living, such as food and fuel, in 2021/22;
 - £2.25 million in external grant funding/vouchers for our tenants;
 - £1.25 million in financial gain for DGHP tenants through fuel advice welfare benefit advice; and
- 4.15. Just as critical as our financial support is the practical support and advice that we offer all tenants, specifically around fuel and welfare benefits. Analysis of the first quarter in 22/23 has shown a 75% increase in demand for financial support for food and fuel compared with 21/22 and a 50% increase in referrals to the Money and Fuel Advice Team.

Here For You Fund

- 4.16. Our tenants are continuing to experience detrimental impacts as a direct result of the cost-of-living crisis. The Board agreed at its recent strategy and risk workshop that the crisis is a strategic risk.
- 4.17. While we already offer substantial financial support and advice to tenants, it is evident much more will need to be done to address the specific challenges arising this year. We know that we are currently providing tenants with the right type of support but there are steps we can take to further mitigate the risks associated with the crisis.

- 4.18. Our proposed approach, agreed by the Group Board in August, is a significant augmentation of the support and advice previously on offer. The fund brings together all current support on offer under one recognisable banner the 'Here For You' fund.
- 4.19. The Fund, which will be open to tenants of all RSLs and Lowther tenants will significantly enhance our previously planned support as follows:
- 4.20. The budget previously approved by the Board meant we had £2.5 million in support available across the Group. We have increased this to £6 million, reflecting the urgency and the scale of the crisis. The fund will be flexible, with money allocated based on established guidelines and the individual circumstances of each tenant.

£6 million Group wide fund	Increase current fund by £3.5million	Support up to 20,000 Group customers
Open to Lowther tenants	Staff awareness programme	Focus on support, advice and signposting

- 4.21. This has been sourced from our own resources and delivered within the business plan/overall budget parameters for the year, with no Scottish Government contribution assumed. We anticipate this will support up to 5,000 of our tenants who are experiencing real hardship in our communities.
- 4.22. The amount available to tenants will vary based on personal circumstances and support required but we recognise that tenants may require more frequent support than in previous years and the enhancements reflect this.
- 4.23. While there is a set of guiding criteria for the fund, we will consider every request for help on its own merit. The fund will not be means-tested, rather frontline staff will be empowered, as always, to use professional judgement in all circumstances. We will closely monitor draw down in order that we can sufficiently wrap the right services around tenants. Annual tenant conversations, facilitated by Housing Officers, will include discussions on wraparound services and support available externally while being explicit in our expectations that rent continues to be paid.
- 4.24. The majority of the fund, available to all tenants, will be used by tenants to access food vouchers, fuel vouchers and one-off relief for rent costs where this is the most appropriate way of alleviating pressure on the household budget for living essentials. Tenants will have access to funding for emergencies such as replacing household appliances. In line with current protocol, no cash payments will be given to tenants.
- 4.25. Elements of the fund will continue to be used to support people to establish a home when they first move into a property, such as using decorating vouchers and access to recycled furniture through Home Comforts. In addition to support for educational attainment and employability options.

- 4.26. In addition to an increase in the fund we propose that we take several steps to enhance the support on offer as set out below.

Support, advice, and signposting

- 4.27. We have a range of ways in which we communicate with tenants to raise awareness of all of the wraparound support we offer. We will enhance this through the continued promotion of the Customer First Centre highlighting that tenants can phone any day or time, if in need of support or advice. With 88% of calls to the Customer First Centre being resolved at first contact we have a unique opportunity through our new model to support tenants more rapidly where help is required.
- 4.28. As detailed earlier in the report, we anticipate that some tenants in work may require support for the first time. These individuals are likely to be less familiar with our wraparound services and have less contact with us more generally. We will communicate proactively with these tenants.
- 4.29. The landscape of support from government and other public and third sector bodies continues to be changeable and difficult to navigate. A digital directory is being finalised which brings together all relevant information about both internal and external support on offer for tenants so that staff have at their fingertips all information needed to offer support and advice. This will be updated as new intelligence is gathered, monthly as a minimum, to ensure frontline staff have the most relevant and up to date information available.
- 4.30. The fund has been launched internally with leaders across the business with team briefings taking place the week of the 19th of September to ensure there is a clear understanding of the fund and the support on offer. Housing Teams will be familiar with all of the services on offer and will be able to draw down on the fund if they identify any tenants experiencing hardship. Customer First Centre staff will be able to offer a resolution for tenants in the same way.
- 4.31. Our annual 'We're here to help' and winter campaigns which over the autumn and winter each year will be refined to take cognisance of the Here For You Fund.
- 4.32. The campaigns which are being finalised will continue to be focused on early intervention and supporting tenants to pay their rent, get prepared for winter and access the support they require from us. These provide an opportunity to engage with our tenants and outline the importance of paying rent to ensure tenancy sustainment, at the same time as offering insight into the wraparound support options available to them if they are experiencing hardship.
- 4.33. The dedicated Money and Fuel Advice Team as part of Wheatley 360, support tenants to ensure that they have access to the most up to date guidance, advice, and support around fuel efficiency. The Welfare Benefits Team focus on maximising income for tenants and households by supporting them to navigate the complex benefits system ensuring they have access to all benefits they are entitled.

Working with wider stakeholders and partners

- 4.34. We will continue to work closely with other organisations that may provide hardship relief and support, such as local authorities and third sector organisations.
- 4.35. Our teams will be briefed on other forms of support available, including training on the toolkit noted above, in order to avoid duplication and maximise the impact of our funds. As part of this work, we will continue to increase our partnerships and expand these across the third sector to include organisations such as One Parent Families Scotland, Scottish Pantry Network and Local Pantries maximising our connections for the benefit of our tenants. New forms of support are likely to become available over the coming months, so a core working group will monitor these and update staff training and guidance accordingly.
- 4.36. We will develop opportunities around employability/re-training where there are gaps. The Foundation will continue to target support for tenants aged 25+ who may be excluded from other sources of funding for training and support, to help them access the labour market.
- 4.37. At a national level, we are engaging closely with the Scottish Government to explain our approach and emphasise the positive impact our approach has.
- 4.38. Dedicated staff continue to identify opportunities for accessing additional grant funding which will help us further support tenants in need.

Individual and Community Impact and interventions

- 4.39. We know that there are wider implications of the cost-of-living crisis which are likely to impact mental wellbeing, sense of isolation, reduced resilience, community unrest and increased incidences of crime and anti-social behaviour.
- 4.40. Wheatley 360 including the Community Improvement Partnership and Group Protection Team are well positioned to monitor and respond to such incidences through;
 - Increase in public reassurance patrols in our communities;
 - Targeted profiling of communities and solution packages via the Prevention and Solutions Hub; and
 - Expert advice and support for staff and tenants in respect of domestic violence, mental wellbeing, suicide, child protection and adult protection issues.

5. Customer Engagement

- 5.1. UNITY research consultants have been commissioned to carry out customer engagement in relation to universal credit the findings of which will be reflected in any amendments required to our approach.
- 5.2. We will engage with our tenants following the launch to ensure that our support continues to reflect tenant need. We will monitor the use of the fund and the specific asks of tenants on an ongoing basis.

6. Environmental and sustainability implications

- 6.1. Our support around provision of fuel advice focuses on energy consumption and how to save energy, which feeds directly into the sustainability agenda and outlined commitments we are heavily focused on.
- 6.2. Our housing stock generally performs well from an energy efficiency perspective, and we continue to install energy efficiency measures.
- 6.3. In 21/22 we have made considerable investment in our properties to make them warmer and more cost efficient for tenants, including:
 - £6 million replacement on windows and doors;
 - £6.1 million on low rise fabric.
 - £5.4 million on gas heating and electric heating;
 - £152k on EESH 2032.
- 6.4. In addition to providing extensive wraparound support and advice we will continue to progress at pace with initiatives currently under way such as Decarbonisation and Renewables project, as a result of our successful £11.1m Social Housing Net Zero (“SHNZ”) proposal.
- 6.5. The Decarbonisation and Renewables project has improved the energy efficiency in 101 homes across the region. These homes had solid fuel as their primary source of heating, improvements to these homes included the installation of air source heat pumps, solar photovoltaic panels and battery storage technology to decarbonise heat provision in these homes. On average 77% of the energy used by these properties is free for customers who have benefitted from their electricity supply coming directly from energy generated by the solar panels, which is then used and stored in the battery. This has resulted in considerable cost savings for our customers, weekly costs have reduced by 91%, going from £170 to £16 per week.

7. Digital transformation alignment

- 7.1. The fund will be launched on social media with digital directories developed to ensure all of our advice and information is in one place for staff when they are working in communities.
- 7.2. The communication strategy will take into account the needs of tenants in understanding our approach and support on offer including face to face, voice and digital communication. We will optimise communication via our digital channels.

8. Financial and value for money implications

- 8.1. The prudent assumptions used in the preparation of the financial projections and the 2022/23 annual budget provide sufficient financial capacity which can be re-directed to meet the additional funding requirements for the Here for You Fund.
- 8.2. Our forecasts show we will continue to manage financial performance within the overall approved 2022/23 budget and an updated full year financial out-turn will be presented with the Finance Report at the next meeting.

- 8.3. The increase in funding will support our tenants during this challenging period for household budgets and indirectly assist tenancy sustainment and the management of rent arrears.

9. Legal, regulatory and charitable implications

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

10. Risk Appetite and assessment

- 10.1. This report correlates with the strategic theme of 'Changing Lives and Communities' and the strategic outcome of 'supporting economic resilience in our communities'. Our risk appetite for adapting our services where need to provide support to our tenants in "hungry".

- 10.2. Risks and associated mitigations are noted below:

- **Support appropriately reaching those most in need;** We will use our knowledge and data of tenants to target our communication and conversations with tenants most in need of support
- **Monitoring spend is appropriate in line with criteria/potential fraud;** The project team will review and enhance monitoring procedures to mitigate the risk of misappropriation of funds
- **Tenants relying on Group funding that could be provided by national or local initiatives;** The Money and Fuel Advice Teams, as part of the project team, will continue to have a role in identifying appropriate grants or funding available to tenants and raising awareness of these/maximise use. A key role of frontline staff is to be aware of and support utilisation of all external funding in addition to internal support. This will form part of the launch of the fund. The project team will provide oversight of external support available including proactive horizon scanning.
- **Staff awareness of the fund and support available;** As detailed in previous risk area.
- **Demand for the fund outstripping allocated budget/resource;** Robust monitoring procures are being finalised as part of the implementation plan and are reportable to ET regularly for review
- **Unplanned pressure on the current business plan;** Forecast underspends are anticipated to cover the cost impact of additional support; we will continue to monitor the budget position on a monthly basis and update the Board on any action required to ensure we maintain our position within our financial policies (or "golden rules").

11. Equalities implications

- 11.1. Although we have recognised that the cost-of-living crisis is likely to impact particular segments of our tenant base, the fund will be available to all tenants to access, to ensure those who require this will have access to it. The fund will help to support our customers and tackle some of the economic inequality they face.

12. Key issues and conclusions

- 12.1. The cost-of-living crisis is impacting our tenants and communities profoundly and we anticipate this impact is set to get worse in the coming months. The rate of inflation is currently at its highest level in 40 years, sitting at over 9%, and is set to continue to rise past the end of the year. Food, fuel and energy prices are impacting all of our tenants with those in work, above the benefit threshold and those on benefits likely to be most impacted.
- 12.2. The UK and Scottish Government have announced a wide package of support which will go some way to support tenants throughout the year.
- 12.3. We already provide significant financial support for tenants experiencing difficulty and hardship through projects such as our Helping Hand Fund, Fuel/Welfare Benefit Advice, Eat Well, Home Comforts, My Great Start and our Emergency Response Fund. We have seen an increase of 75% in demand for support with accessing food and a 50% increase in referrals to the Fuel Advice Team compared with the same period last year.
- 12.4. The Here For You Fund has been developed as a way of bolstering the already significant financial contribution we make, by taking our budget set aside for this activity to the sum of £6million.
- 12.5. In addition to the increase in the fund a robust set of actions will be taken to ensure that:
 - Tenants can access funds and support with ease
 - Tenants are supported to access all Government and Local Authority Support on offer
 - Staff have a developed knowledge of the internal and external support available to all tenants
 - We harness and maximise partnership opportunities which further support tenants and households
 - We monitor the impact of the fund and;
 - We continue to monitor the external environment and respond appropriately.

13. Recommendations

- 13.1 The Board is asked to note the revised approach to supporting tenants and households throughout the cost-of-living crisis including the £6m Here For You Fund.



Report

To: DGHP Board

By: Alan Glasgow, Managing Director

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

Subject: Allocations policy review

Date of Meeting: 21 September 2022

1. Purpose

- 1.1 This report updates the Board on findings from our consultation on the allocations policy proposal for Homes4D&G and provides an outline of Choice Based Letting (CBL), how the process could work, including proposed next steps of how we will implement our new ways of working in partnership with CHR Partners.
- 1.2 We have reviewed our Homes4D&G Allocations Policy to reflect the outcome of the consultation and now seek approval to adopt our new Group Housing Information Advice and Letting Policy Framework as a DGHP Policy Framework.

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. The Subsidiary Boards are responsible for approval of individual operational policies and implementing Group policies to reflect local circumstance.
- 2.2 Group Board approved the Policy Framework on 25 August 2022 and designated it as a Group Framework

3. Background

- 3.1 We are currently the lead partner in Homes4D&G common housing register (CHR) and have a separate Allocation Policy. Homes4D&G CHR includes four housing associations operating in the area; DGHP, Cunninghame Housing Association, Riverside Scotland and Home Group as well as Dumfries and Galloway Council.
- 3.2 In May 2022 a report was presented to Board providing an update on progress of both the Group independent review of their Housing Information, Advice and Letting Policy and Framework and on the evaluation of Homes4D&G's current allocations policy, processes and system.

- 3.3 Following the Group and Homes4D&G formal consultation, an updated Group Housing Information Advice and Letting Policy and Framework was presented to the Group Board in August 2022 for approval.

4. Discussion

Homes4D&G consultation

- 4.1 Our Homes4D&G consultation commenced on 31 May 2022 and closed on 24 July 2022. 14,691 consultation booklets were issued to tenants and applicants with links and QR codes directing customers to our online survey. A paper version of the survey was also available on customer request.
- 4.2 As part of the consultation we also engaged with Stakeholders, issuing an online survey to 43 Elected Members and 42 Partners and organisations that work both directly and indirectly with our customers, inviting them to have their say and offering the opportunity to speak with us directly if preferred.
- 4.3 Focus groups were facilitated for customers and staff across the region, ensuring a strong understanding of current local varying demands, positive outcomes and challenges experienced.
- 4.4 Following on from our previous review in 2021/22 and this formal consultation we have a strong insight into customer experience.
- 4.5 Key findings from the customer survey are:
- **80%** of customers told us they either ‘strongly agree’ or ‘agree’ with our proposed approach to a choice based letting (CBL) model – a further 14% of customers said that ‘maybe’ this would deliver positive outcomes,
 - **86%** of Stakeholders told us they ‘strongly agree’ or ‘agree’ with our proposed approach to a choice based letting (CBL) model,
 - **52%** of customers told us they ‘strongly agree’ or ‘agree’ with our proposal to move from a points-based policy with 29 potential housing need categories, to a Banding approach where every customer has 1 primary housing priority need – a further 31% told us this approach would maybe better reflect customer needs,
**We recognise that for customers who have only participated in the current policy and processes, it can be challenging to anticipate advantages and disadvantages*
 - **77%** of customers told us they ‘strongly agree’ or ‘agree’ with our proposed approach to reduce the age a child is entitled to a bedroom of their own, creating safe spaces for children to develop and grow – an additional 15% of customers recognised that ‘maybe’ this would be a positive change,
 - Customers told us the 3 most important service offerings to them are:
 - Ability to update their application and have instant access to available homes,
 - Easy to understand advice about when they may be offered a home,
 - The ability to tell us the homes they would like to live in.

4.6 Key themes from customer, staff and Stakeholders surveys and focus groups are:

- delivering an allocation and letting service that is underpinned by a Housing Options model is important;
- our current allocations policy is complicated and difficult to understand;
- a policy that supports different geographical challenges across a large region is important to allow staff to support customers locally, create and sustain balanced communities and deliver excellent performance against our ambitious targets;
- visibility and transparency of homes we have available was important to customers – staff and Stakeholders also told us this would help them to support customers;
- an allocation and letting service should be delivered inclusively so that all customers can access – a modern digital solution that can be accessed online, over the phone and in person;
- available housing options in the region can be challenging, especially in more rural areas - a reliance on Private Lets where customers would prefer a more secure tenure.

Framework and Policy changes

4.7 Based on findings from our initial review and formal consultation, we propose to implement a Policy and Framework that aligns how we allocate homes within DGHP with the Group, and supports us to deliver a new blended approach of allocating homes.

4.8 We have been analysing all consultation responses and developing our implementation plan to deliver our DGHP Policy and Framework to reflect the findings of the review and the consultation. We have modernised the policy to allow us to achieve better outcomes for customers. We have made fundamental changes to our policy as follows:

- the introduction of a Group Framework to support us to deliver our shared aims and objectives
- a priority housing needs banding approach, replacing the points system
- banding approach recognising customers in the greatest need for affordable housing
- reducing the age a child is entitled to a room of their own, creating safe spaces for development
- a blended approach to how we allocate homes, consisting of ‘matching in’ and ‘choice based letting’
- a housing options model, giving customers tailored advice based on their individual needs

4.9 Delivering a CBL approach allows customers to be in control of their ‘moving home’ experience, is open and transparent and has comparisons to the private letting, mid-market rental or buying a home experience. The Framework and Policy will be supported by a Group system, MyHousing.

Homes4D&G implementation plans

- 4.10 We propose to move all Homes4D&G partners to the MyHousing platform, delivering excellent housing options advice, matching in our most vulnerable customers, and offering a choice based letting service model that gives customers control and visibility of demand, availability and how we allocate homes.

This will allow us to deliver:

- a **consistent approach** to how our customers access homes;
 - a **cost-effective** approach to deliver an exceptional service offering to our customers – working with a trusted partner, refining a Group system to deliver for us and Homes4D&G Partners;
 - a retained and **established** Homes4D&G brand – a separate Homes4D&G advice and letting site that is supported and managed from our current MyHousing platform;
 - **flexibility** in our approach based on local and regional needs; and
 - a **transparent** approach that recognises our partnership, our individual organisational demands and ambition for growth.
- 4.11 The new operating model will be a modern, digital solution that delivers instant access to both advice and available homes. Customers can apply online and our Homes4D&G advice and letting system will intuitively place customers in their appropriate housing priority need band, based on what they tell us. Once they have completed this process, they can participate and note interest in suitable homes. This approach allows customer control to self-serve and consequently enables frontline staff to support customers unable to engage with us in this way.
- 4.12 Our Homes4D&G advice and letting site will deliver much more than simply advertising homes. Customers will be provided housing options advice, access information and direct links to support services, tell us about the wraparound support available that would help them remain in their current home and also access training, volunteering and employment opportunities. Homes advertised on our site will have pictures and the option of video links with exceptional information that allows customers to make informed choices about where they want to live. For example, information on local schools and transport, broadband speeds, council tax costs and budgeting advice on expected cost-of-living in a home will all be available.
- 4.13 Our delivery model involves an intensive registration process to ensure all customers have access and ability to participate on 'Day 1'. This will be led by the project team and supported by Stronger Voices Officers (SVOs) and Housing Officers to provide customer support and assurance of success.
- 4.14 We have strong partnership working relationships with operational staff in all Homes4D&G partner organisations, working together to deliver transformational change. Our joined-up approach is ensuring shared ownership and responsibility across all areas of our delivery plan.
- 4.15 We have instructed Shepherd and Wedderburn LLP to support the delivery of our new operating model, including developing a formal Partnership Agreement and Data Sharing Protocol to ensure an independent approach that benefits all Partners.

- 4.16 The MyHousing system provider has delivered a business solutions proposal and implementation plan. We will continue to engage with customers throughout development to ensure the digital solution is co-created to meet their needs.

5. Customer Engagement

- 5.1 Our Homes4D&G consultation commenced on 31 May 2022 and closed on 24 July 2022.

- 5.2 Our engagement methodology included:

- Consultation booklets with online access to a customer survey
- Option to request a paper survey for customers – we did not receive any customer requests for a paper survey
- Dedicate campaign line to support customer enquiries
- Promotional SMS campaign to encourage participation
- Weekly social media promotion – have your say
- Stakeholder survey – emailed to 85 Elected Members and supporting organisations
- Weekly calls to Stakeholders promoting engagement
- Customer focus groups – 6 ‘in person’ and 3 ‘online’ groups
- Staff focus groups – 4 sessions

- 5.3 The Homes4 D&G formal consultation engaged with customers on our proposed Housing Information, Advice and Letting Policy with a focus on 4 key areas of transformational change including:

- delivering a housing options model, improved personalised advice on housing solutions;
- reducing 29 housing need categories to 9 housing priority need awards;
- a ‘choice based letting’ model that gives customers control; and
- reducing the age a child is entitled to a room of their own, recognising the need for young people to have safe spaces to grow and develop.

- 5.4 14,691 consultation booklets were issued to tenants and customers:

- 9,764 issued to tenants without a live application
- 1,502 issued to transfer applicants
- 3,425 issued to waiting list applicants

We received 289 responses. This is a 2% response of all surveys issued and a 6% response if measured against applicants – it is recognised that applicants are more likely to engage due to their current engagement in the process.

- 5.5 2,850 SMS messages were sent to applicants encouraging them to engage. This created a 78% increase in response and demonstrates the strength of this type of engagement with our customers.

- 5.6 9 focus groups were held both ‘in person’ and ‘online’. 6 ‘in person’ and 3 ‘on-line’ with 71 customers participating. 108 customers had expressed an interest in participating with 66% attending. This engagement was strong in comparison to Group experience with focus groups.

5.7 85 Stakeholders were approached for feedback. This consisted of 43 Elected Members and 42 organisations that both support our customers and work in partnership with DGHP and Homes4D&G Partners.

5.8 Despite continual engagement to encourage participation, only 8 Stakeholders engaged with us on our consultation. While response numbers were low, feedback was very positive on all areas of change proposed.

6. Environmental and sustainability implications

6.1 The use of our digital allocations platform significantly reduces our use of whitemail as part of the allocations process, supporting our wider sustainability plans to reduce the use of whitemail.

7. Digital transformation alignment

7.1 We have a commitment in our Group strategy to deliver a blend of digital and personal services via MyHousing. Migrating to this will be the final part of our migration to Group systems. The MyHousing platform allows customers to self-serve at a time and place that suits them, including updating their application and noting interest in properties.

7.2 The personal plans are tailored to the customer to provide them with information around their housing options. Webchat is available for customers if they have any questions or need help with their application. We acknowledge that some of our customers may experience barriers in accessing online services. We have extended the personalised matching service to ensure our most vulnerable customers are fully supported. We will also continue to offer face-to-face support through our Housing Officers and telephone support through our Customer First centre for those customers who need it.

7.3 As we implement recommendations from the consultation, we will use customer feedback to ensure we offer a service that meets the needs of our customers.

8. Financial and value for money implications

8.1 The North Star review highlighted that MyHousing, the Group's current online letting platform provides value for money. This supports our proposal to progress with Group's platform for our Homes4D&G operating model.

8.2 The costing for delivering the Homes 4D&G common housing register (CHR) in current Group systems is circa £800k. This will include digital solutions, resource and a full customer consultation. The cost for migrating onto MyHousing platform will be shared across our CHR Partners based on stock numbers within the region. The DGHP and Group's share has been identified within this year's budgets.

9. Legal, regulatory and charitable implications

9.1 All amendments to the new Homes4D&G Partnership Agreement and Housing Information Advice and Letting Policy will be considered by legal colleagues to ensure there is no risk to legal compliance. Through this formal process we will ensure we are meeting our statutory obligations.

- 9.2 We have instructed independent legal support from Shepherd and Wedderburn LLP to support the implementation of all transformational change, ensuring consistent legal advice to all Homes4D&G Partners.

10. Risk Appetite and assessment

- 10.1 Our risk approach to service improvement is “open”. This means we are prepared to take the risk of adopting the approach that is most likely to result in successful delivery of our service objectives.
- 10.2 Shifting the balance of power towards the customer brings some risk as we empower customers to take more decisions around priorities and resources. A robust Framework and Homes4D&G Partnership Agreement, including a data sharing protocol which we can support customers and use our strategic delivery plan to manage this transformation will help to mitigate any risks.

11. Equalities implications

- 11.1 We are committed to working inclusively and our activities are designed to reflect and respond to the needs of our tenants, customers and communities.
- 11.2 Equalities impact assessments will be carried out to assess and manage the impact of all our Group Allocation activities. Any particular needs and requirements will be addressed to ensure equality of access and opportunity.

12 Key issues and conclusions

- 12.1 Our Group aim is to align all subsidiaries to a new Group Housing Information Advice and Letting Policy and Framework, that strikes the balance of consistency and flexibility. Following our formal consultation, we aim to deliver a Group Framework and DGHP model policy that can be adopted by our Homes4D&G Common Housing Register Partners.
- 12.2 Consultation findings strongly support our proposal to move to a CBL approach, underpinned by a strong housing options model.
- 12.3 The MyHousing platform is a cost-effective and trusted vehicle to deliver our vision of a modernised service offering, that puts customers in control while being open and transparent.
- 12.4 Using learning from the Group, we have considered ways to ensure our service offering successfully strikes the balance between consistency and flexibility to take account of our diverse letting landscapes.

13. Recommendations

- 13.1 The Board is asked to:
- 1) Note the work undertaken during the Homes4D&G formal consultation and levels of customer engagement;
 - 2) Note the new Group Housing Information, Advice and Letting Framework and approve the DGHP Housing Information, Advice and Letting Policy;
 - 3) Approve the adoption of the DGHP Housing Information, Advice and Letting Policy by our Homes4D&G Common Housing Register Partners; and
 - 4) Agree to progress with the development of the digital solution within the MyHousing platform

Appendix

1. Group and DGHP Housing Information Advice and Letting Policy Framework
[redacted: available here [Publication scheme | Wheatley Homes South \(wheatleyhomes-south.com\)](https://www.wheatleyhomes-south.com/publication-scheme)]



Report

To: DGHP Board

By: Lindsay Lauder, Director of Development and Regeneration

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

Subject: Development Programme Update

Date of Meeting: 21 September 2022

1. Purpose

- 1.1 To provide the Board with an overview of the new build programme performance, including any programme highlights and/or exceptions.

2. Authorising and strategic context

- 2.1 The Group Standing Orders provides that the Board approves our 5-year Development Programme on a rolling basis. The 5-year programme was approved by our Board in February 2022. Once the programme is approved, the Wheatley Developments Scotland Ltd Board is responsible for scrutinising and approving each individual contract award.
- 2.2 This report relates to our 2021/2026 strategy and the strategic theme 'Making the Most of our Homes and Assets' as follows:
- Properties in a development will be warm, safe and energy efficient homes, meeting Aspects 1 and 2 of Silver Sustainability Standards
 - Will contribute to the target of 965 new affordable homes during the plan period
 - Work to place the customer at the heart of how we plan and design our new build developments.
- 2.3 Against the strategic theme of 'Changing Lives and Communities', new projects will deliver opportunities for training and employment through the build contract and community benefit contributions to the Wheatley Foundation where possible to do so.
- 2.4 The delivery of the our programme contributes to the Group's development programme and supports our on-going role as a key partner for the Scottish Government in their More Homes Scotland commitments and the Programme for Government commitment to deliver 110,000 new supply affordable homes.
- 2.5 The development programme requires on-going partnership working with Dumfries and Galloway Council (DGC) to meet the objectives of its Local Housing Strategy and Strategic Housing Investment Plan. We additionally continue to be in contact with a broad range of private developers, housebuilders, consultants and land agents to put ourselves in position to exploit development opportunities as they emerge.

3. Background

- 3.1 Our ambition is to deliver 965 over the next 5 years. Progress on the 2022/23 grant programme is monitored through quarterly progress meetings with DGC and Scottish Government. All projects discussed in this paper are supported in principle for progression and development by the Local Authority.
- 3.2 Our contractors continue to employ steps to limit the spread of COVID 19 and this is monitored through site progress meetings.
- 3.3 Following discussions between DGC and Scottish Government our 2022/23 Resource Planning Assumptions (RPA) has been confirmed at £7.5m.
- 3.4 Inflation and resource availability continue to impact the programme and there is a growing trend of contractors only holding their tenders for short periods of time, a situation that we experienced at Curries Yard. We continue to liaise with the local authority and Scottish Government in relation to tender price inflation to support the delivery of the programme.

4. Discussion

- 4.1 The below table summarises the position of the DGHP Development Programme:

Indicators	Highlights & Exceptions
Unit completions	<p>12 units were completed in 2020/21 at Queensberry Square, Sanquhar and</p> <p>37 units in 2021/2022 with 5 units at Monreith and 32 units at Lincluden.</p> <p>24 units have been completed so far in 2022/23 at Gillwood Road, Easttriggs (18 units) and Nursery Avenue, Stranraer (6 units).</p> <p>A further 13 units are planned to complete in 2022 at Nursery Avenue, Stranraer.</p>
On site	<p>We have two projects on site at Nursery Avenue, Stranraer (19 units in total) and at Curries Yard, Heathhall (89 units).</p>
Due on site	<p>All DGHP approved projects have moved to a site start, including Currie's Yard which is our largest project since joining Group.</p> <p>There is a healthy pipeline of projects being progressed to ensure continuation of programme delivery.</p>
Programme	<p>The agreed DGHP programme to 2026/27 contains a total of 965 units across projects 'in development', 'on site' and completed projects. A suitable programme of sites is being progressed to ensure delivery of the business plan targets. Key projects to highlight include:</p> <p>Glenluce – 9 units for social rent</p> <p>Springholm – 47 units for social rent</p> <p>Johnstonebridge – 33 units for social rent</p> <p>Thornhill – 112 units in total, mix tbc</p> <p>Corsbie Road, 60 units for social rent</p>

	<p>Maxwelltown High School, 150 units, mix tbc (Lochside TRA) Stock Regen (East) – 108 units for social rent</p> <p>All projects within the SHIP are currently identified for social rent. We will explore opportunities for other tenures such as MMR with Strategic Housing.</p>
Budget versus Spend	Spend is £1.683m against budget of £1.741m to the end of July 2022. A £0.058m deficit.
Engagement Status	Lochside is considered a 'High Engagement project' in the DGHP programme given its scale and additional complexities that come with partnership working.

Project Updates

Lincluden Stables, Dumfries

- 4.2 The Board approved a tender from Ashleigh (Scotland) Ltd (ASL) in February 2020 for the construction of 32 units for social rent with a site start achieved on 9 March 2020.
- 4.3 The contract with ASL was split into 2 Phases with the first being for 26 new build units and the second for the renovation of the former stable block to provide a further 6 units. Handover of the first phase occurred at the start of September 2021 and Phase 2 was handed over in March 2022.

Gillwood Road, Eastriggs

- 4.4 The Group Development Committee approved in March 2021 that we enter a contract with Ashleigh (Scotland) Ltd for the construction of 18 units for social rented housing at Gillwood Road, Eastriggs.
- 4.5 Work on site started in July 2021 and the units were all handed over in July 2022.

Nursery Avenue, Stranraer

- 4.6 The Board agreed on 27 May 2020 that we enter a contract with McTaggart Construction Limited for the construction of 19 units for social rented housing at Nursery Avenue, Stranraer.
- 4.7 Planning Approval for the Nursery Avenue project was received in November 2020 and following consent from Scottish Water in April 2021 the project started on site in May 2021. The first 6 handovers took place ahead of programme in August 2022 with completion expected at the end of September 2022.

Currie's Yard, Dumfries

- 4.8 Full planning permission for Currie's Yard was granted in January 2022 following an application in August 2021 for 89 units for social rent. The Wheatley Development Scotland Limited Board approved the project at a construction cost of £20.151m and total development cost of £22.861m in June 2022 with a site start by CCG (Scotland) Limited taking place in August 2022 and completion scheduled for September 2024. Both DGC and Scottish Government have been extremely supportive of the project.

- 4.9 The proposed housing mix has been agreed with our Housing & Allocations Teams and addresses local needs and demand. DGC has highlighted that there is a need for larger family housing within Dumfries & Galloway and the Council is supportive of the proposed mix as it responds to this need.

Table 1

Type	Accommodation	Tenure	Bedrooms	Bedspaces	No
House	3A/4P	Rented	2	4	30
House	4A/5P	Rented	3	5	40
House	5A/7P	Rented	4	7	10
House	5A/7P with GF living	Rented	5	7	7
House	6A/9P	Rented	5	9	2
Total Rented units					89

Glenbay Hotel, Glenluce

- 4.10 The demolition of the former Glenbay Hotel, Glenluce by George Beattie and Sons Ltd is complete. We received planning permission in mid July 2022 to provide 10 new homes for social rent on the site following a Planning Application lodged in November 2021. Now that Planning has been received the detailed design will be completed and costed to allow a tender application to be lodged with Scottish Government with the aim of starting on site in early 2023. Both DGC and Scottish Government are supportive of the development.
- 4.11 The proposed housing mix has been agreed with our Housing & Allocations Teams and addresses local needs and demand.

Table 2

Type	Accommodation	Tenure	Bedrooms	Bedspaces	No
House	3A/4P	Rented	2	4	5
House	4A/5P	Rented	3	5	5
Total Rented units					10

Ewart Place, Springholm

- 4.12 A Planning application for 47 units for Social Rent was lodged with DGC in February 2022 and permission was granted in early July 2022. A tender application is expected to be made this financial year to allow a site start in Q1 of 2023/24. Both DGC and Scottish Government are supportive of the development given the lack of new affordable housing provision in Stewartry in recent years.
- 4.13 The proposed housing mix has been agreed with our Housing & Allocations Teams and addresses local needs and demand.

Table 3

Type	Accommodation	Tenure	Bedrooms	Bedspaces	No
House	3A/4P	Rented	2	4	24
House	4A/5P	Rented	3	5	11
House	5A/7P with GF living	Rented	4	7	2
Bungalow	2A/2P	Rented	1	2	2
Bungalow	3A/4P	Rented	2	4	8
Total Rented units					47

Johnstonebridge

- 4.14 The current layout is for 33 units and a Planning Application was submitted to the Council in May 2022 on this basis. The outcome of the Planning Application is delayed and is being targeted by Planning for the end of October. Given recent experience with delays with other Planning Applications our Architect has requested a processing agreement from the Planning Department.
- 4.15 The site has been in the Strategic Housing Investment Plan for several years and there is DGC support for the site to be brought forward. Preparations for the development are ongoing including negotiations for the purchase of the site verge from Annandale Estates to form gardens and driveways to 12 of the units.

Herries Avenue, Dumfries

- 4.16 Herries Avenue, Dumfries was acquired prior to us joining the Group. An overarching strategy in relation to Herries Avenue, Currie's Yard and Catherinefield Farm, Dumfries referred to as the Heathhall Landbank, was agreed by Group Development Committee and thereafter the Board in May 2020. This strategy agreed that we would enact the buyback clause of the acquisition contract, with the full acquisition cost being recoverable.
- 4.17 Following issue of the Buy Back Notice in July 2020, Building Craftsmen (BC) advised that they were no longer able to progress with the buy back. Following a period of attempting to engage with Building Craftsmen, it was clear this would not reach conclusion regarding the buy back. Legal action was therefore raised in May 2021 to enforce the buyback clause.
- 4.18 The case went through procedural hearings in late 2021 before an agreement was concluded between us and Building Craftsmen at the end of April 2022 whereby Building Craftsmen has agreed to the full repayment of the acquisition cost at a value of [redacted] by August 2023. We will retain the land in the meantime and in the event of non-payment by the end of August 2023, interest will run at base rate [redacted] %.

Ashwood Drive, Stranraer

- 4.19 DGHP acquired the office premises on the edge of Stranraer Town Centre in January 2022. Demolition works are currently being carried out by Burnfield Demolition and these works will run until the end of September 2022. A Stage 2 site investigation will be conducted on the existing footprint post demolition.

- 4.20 The site is being designed for a combined project with a new office hub and, following consultation with Housing Management colleagues, 11 new build units for social rent. The units are a mix of 4x2 bedroom/3 person flats and 7x2 bedroom/4 person flats.
- 4.21 A planning application is expected to be submitted in November 2022, on completion of the site investigations and pre application discussions with the Planning Authority. The site is included in the Strategic Housing Investment Plan and we are targeting securing funding for the project in 2022/23.

Queensberry Brae, Thornhill

- 4.22 The site has capacity for 112 units and was acquired by in March 2017 for £1.68M from Buccleuch Estates utilising Scottish Government grant funding. We will work with one of our Framework contractors to bring the site forward for approval in 2023/24.
- 4.23 The 5 Year Programme agreed by the Board in February had 60 units included for this site as the intention at that time was to look at building the development in phases. Following a review it is proposed to take the development forward in a single phase. This uplift in unit numbers can be accommodated.
- 4.24 A variation to the Planning Permission is currently being progressed to amend the access route into the development to limit the impact on the historic woodland that borders the site. Discussions on this are ongoing with neighbouring landowners (Buccleuch Estates and the NHS).

Corsbie Road, Newton Stewart

- 4.25 This site, which is expected to deliver 60 units has been agreed for progression with Strategic Housing, who is supportive in principle. The site is in the Local Development Plan and DGC has now added it in this year's SHIP. McTaggart's are now working with the design team to review site information and designs. We are discussing the acquisition of the site with the landowner and negotiating an access strip from DGC.

Lochside, Dumfries

- 4.26 We continue to work with DGC to agree the terms of the partnership agreement with a Legal Workshop scheduled for the end of September. Once agreed, a design team will be appointed. Early community engagement commenced in August of this year.
- 4.27 Once appointed, the design team will consider the entire Lochside estate including the former Maxwelltown High School site and the site of the 12 blocks that are currently being demolished by Dem-Master with 4 blocks already down. It has been agreed in principle with Council Officers that the former Maxwelltown High School site will not be put to the open market and will be retained for development as part of the TRA proposal.

Stock Regeneration Sites

- 4.28 The Group Board approved stock regeneration covering sites in the East of the region in April 2022, with this Board subsequently approving the regeneration project in May 2022. [redacted]
- 4.29 [redacted]
- 4.30 [redacted]

- 4.31 A further regeneration update report will be brought to the Board in November.

Material Supply and Delivery

- 4.32 Global economic factors, including the conflict in Ukraine, Brexit and the impact of COVID are impacting on the cost of materials across the supply chain. Issues related to the availability of materials have lessened with contractors and developers managing this through their supply chain procurement strategies. Extensions of time have been sought on many of our projects for matters related to COVID 19 and material supplies. The construction contracts in place do not allow for increased material costs where we are in contract.
- 4.33 Further evidence of cost price inflation has been seen across the Group's development programme during financial year 2022/2023, including:
- Increased costs being requested for new projects not under contract
 - The majority of new funding applications now being sought at above benchmark levels to compensate for higher costs
 - Lengthened and more complex contract negotiations
- 4.34 Communication issued by Homes for Scotland and the Scottish Building Federation indicate a continued desire from the construction sector to incorporate fluctuation clauses in building contracts. Such clauses would require developing RSLs/Local Authorities to pay for cost increases incurred by the developer/contractor, post tender acceptance, during the construction project. No projects undertaken by DGHP have been agreed on the basis and our preference remains obtaining a fixed price for each project. Dialogue with, and communication from, the Scottish Government does not provide any mechanism to support fluctuation clauses.

5. Customer Engagement

- 5.1 We work closely with our internal customers in the planning and delivery of the DGHP Development Programme. The Housing Management and Asset Teams are closely aligned to our programme.
- 5.2 Local communities are engaged in the planning process at neighbourhood level in all our developments as part of the statutory consent process. Additionally, as the programme is delivered, we undertake customer satisfaction surveys from our end customers.
- 5.3 Several Customer Voices projects are progressing across Group and learnings from these projects will be applied to future new build projects. We will work with Housing Management colleagues to link the homes built to prospective customers, at an early enough date to be consulted on preferences for fixture and finishes where possible to do so.
- 5.4 Work to place the customer at the heart of how we plan and design our new build developments has commenced and is being considered for all future projects. .

6. Environmental and sustainability implications

- 6.1 Our new build properties are developed to meet Aspects 1 and 2 of the Silver Sustainability Standards which covers reduction in carbon dioxide emissions and energy use for space heating. This is in line with Grant condition requirements from the Scottish Government. Our new build homes meet EPC band B.

- 6.2 The projects also feature photovoltaic panels that convert sunlight into electricity. Along with a highly efficient thermal specification these solar generation systems help the project exceed the target emission rates required by building standards. Taken as a whole, the specification helps customers reduce their energy bills.
- 6.3 As we move towards the national decarbonisation targets and gas free developments by 2024, we will be moving to specify zero carbon heating technology in our developments.
- 6.4 We have begun to incorporate new specification requirements into our projects e.g. fire suppression systems are now being installed on new projects starting with Curries Yard.

7. Digital transformation alignment

- 7.1 We have set a clear direction for our new homes to be digitally enabled to support home working and modern living. All our new build homes are enabled by the provision of fibre to the home as standard. This is free of charge to the end customer and included with the total development costs. The customer can then decide on the internet provider they wish to use.
- 7.2 The digital enablement of affordable homes is one of the additional quality measures that the Scottish Government proposed within the 2021 grant benchmark review.

8. Financial and value for money implications

- 8.1 The business plan approved by the Board in February 2022 reflects a new build programme of 965 new units to be completed over the next five years.
- 8.2 The table below summarises target and actual spend performance for period 4, to 31 July 2022:

DGHP Capital Expenditure, New Build Programme 2022/23			
Period to End July 2022			
Spend	Budget	Variance	Budget for full year
£1.683m	£1.741m	£0.058m	£7.746m

- 8.3 £1.683m of new build expenditure has been incurred in the year to date which is slightly less than budget. Spend to the end of 2022/23 is currently forecast as £7.065m.
- 8.4 There was no Grant Income received to the period July 2022. This was against a budgeted figure of £0.089m. This spend will increase given that Currie's Yard is now on site. The Q1 reforecast has noted a total of £4.885m in expected grant income for the year.
- 8.5 Delivery of the Development programme is reflected within the 2022/23 DGHP Business Plan financial projections approved by the Board in February 2022. We will continue to monitor actual delivery against assumptions within the business plan and report on any changes and related impact on surplus as required.

9. Legal, regulatory and charitable implications

- 9.1 In light of the Covid-19 pandemic (and the risk of further, future delays due to a re-emergence) we reviewed the various contract models used in the delivery of our Group development programme.
- 9.2 For new contracts entered using the Wheatley Group Framework arrangements to the terms of our Schedule of Amendments are adjusted to enable contractors to claim for an extension of time because of Covid-19. In terms of our Framework, arrangements are such that any claim by contractors for additional money (loss or expense) because of Covid -19 is unlikely to be successful.

10. Risk appetite and assessment

- 10.1 The agreed risk approach in respect of development is level 4, “open”, which is defined as *“willing to choose the one that is most likely to result in successful delivery while also providing an acceptable level of reward”*.
- 10.2 The information provided in this report will support the management of risk in respect of development by providing an overview of any existing risk in regard to the development programme.
- 10.3 In addition, a Property Risk Assessment is in place for DGHP and risk registers are developed for each project to facilitate the management or mitigation of all identified risks.
- 10.4 Under the contractor Framework we use the Group Schedule of Amendments (“SoA”) to the SBCC build contract which allows for tailored contract requirements across all projects through Design & Build, fixed price contracts. Our approach to financial appraisal and Internal Rate of Return (IRR) ensures a prudent approach to the appraisal of projects. Contractor financial standing is reviewed through their Equifax score on a monthly basis and any adjustments reported to the Wheatley Developments Scotland Board. We engage with framework contractors on a quarterly basis to review their financial position and wider market context. A suitable regime of monitoring, recording and inspection is undertaken by our Clerk of Works on site to ensure the quality of works and progress against programme is assessed.

11. Equalities implications

- 11.1 Within the programme, all new build units are designed to Housing with Varying Needs (Part 1). The inclusion of wheelchair and amenity units on sites is considered as a standard approach.
- 11.2 The requirement and provision of more specific house types, such as larger family accommodation and specifically adapted homes will be considered.

12. Key Issues and Conclusions

- 12.1 Despite several challenges the DGHP development programme has continued to deliver:
- 37 units completed in 2021/22 as programmed
 - 24 units completed to end August in 2022/23 as programmed
 - 13 further units programmed to complete during remainder of 2022/23
 - 89 units started on site on 15th August
 - A further 68 units across 3 projects programmed for approval during 2022/23

12.2 We have faced challenges with planning delays affecting our progress as a result of local authority resourcing levels. The volatility in costs of materials has also led to challenges particularly with shorter timescales to accept tenders. To date we have achieved our aims through open discussions with all parties including our consultants, contractors, the Scottish Government and the Council and will continue to do so.

13. Recommendations

13.1 The Board is asked to:

- 1) [redacted];
- 2) [redacted]
- 3) Note the contents of this report.



Report

To: DGHP Board

By: Stephen Wright, Director of Governance

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

Subject: Governance update

Date of Meeting: 21 September 2022

1. Purpose

1.1 To update the Board and, where applicable, seek Board approval on the following governance related matters:

- Appointment of Jo Boaden as a director
- 2023 schedule of meetings;
- Membership policy; and
- Modern slavery statement;

2. Authorising and strategic context

2.1 The Board is responsible for our governance arrangements, within the framework of our Articles and the Group Standing Orders.

3. Background

3.1 There are a number of annual processes associated with our own and the wider group's governance. These include setting the schedule of meetings for the calendar year and the submission of a Group Modern Slavery Statement.

4. Discussion

Appointment of new director

4.1 Following consideration of the appointment of Jo Boaden at the last meeting, the Board is now asked to formally appoint Jo as a director. The appointment will be sought at the beginning of the meeting.

Membership policy

4.2 Following the Board's approval at the last meeting to the proposed changes in our Articles, these have now been recommended for approval to members in General Meeting on the 21 September. To reflect the changes to membership contained within the updated Articles, a revised membership policy has been and is attached at Appendix 1.

- 4.3 Under the Scottish Housing Regulator's Regulatory Framework, the constitutional requirements for RSLs require that with regards to the general membership of an RSL:
1. *It is clear who is eligible to become a member of the RSL and who cannot, and it is clear how to become a member and how membership is ended. Names of the members must be accessible to any other member or anyone with an interest in the RSL's funds.*
 2. *Membership of the RSL should reflect the purpose and objects of the RSL*
 3. *There is a clear procedure, including the quorum and voting procedure, for the membership of the RSL to meet and it is clear what business the membership can discuss and what decisions it can make, subject to a minimum of one annual meeting.*
- 4.4 The criteria that only our tenants and Board members are eligible for membership does not impact our ability comply with these requirements. Eligibility is clearly set out in the proposed revised constitution i.e. only tenants and Board members. The constitution also clearly sets out the process to apply for membership and the criteria under which it may be ended.

Modern Slavery Statement

- 4.5 The Modern Slavery Act 2015 was developed by the UK Government to help combat a growing concern about poor ethical practices. The Act came into force on 29 October 2015 and requires all organisations with a turnover in excess of £36m to prepare and publish a statement setting out the steps taken during the financial year to ensure that slavery and human trafficking are not taking place in any part of their supply chains or business.
- 4.6 A copy of our updated statement is attached at Appendix 1. This has not materially changed from the statement agreed last year. The statement was approved on our behalf by the Group Board at its meeting on 25 August 2022 and is applicable to the Group, our organisation and our partner organisations, Dunedin Canmore Housing and Wheatley Homes Glasgow. It will be published on our website and submitted to the Government's modern slavery statement registry.
- 4.7 We have again assessed the risk of slavery and human trafficking in the Group and its supply chain as low for the following reasons:
- We do not operate a large global supply chain;
 - We pay the minimum wage;
 - We have a specialist procurement team which aims to drive up standards within our suppliers through Wheatley pledge and community benefits clauses;
 - We have introduced a requirement into our contracts that obliges suppliers to confirm their adherence to the Act; and
 - We enjoy a high public profile and are aware of the need to ensure that we engage suppliers that demonstrate a commitment to the highest ethical standards.

2023 schedule

- 4.8 The proposed Board dates for 2023 are as follows:
- 1) Wednesday 8 February at 10.30am
 - 2) Wednesday 29 March at 10.30am (followed by stock tour)
 - 3) Wednesday 24 May at 10.00-16.00 (strategy workshop)
 - 4) Wednesday 16 August at 10.30am
 - 5) Wednesday 20 September at 10.30am - AGM (Board meeting 11.15am)
 - 6) Wednesday 22 November at 10.30am
- 4.9 Based on feedback from members that there is a strong preference to combine dates it is also proposed that the stock tour is scheduled for after the March Board meeting.
- 4.10 The following dates are proposed for the 2023 Board CPD/social sessions:
- 1) CPD - Wednesday 22 February at 13.30, Wheatley House
 - 2) CPD – Friday 26 May at 13.30, Wheatley House
 - 3) CPD – Wednesday 27 September 13.30 New Mart Road
 - 4) Social lunch (Group wide) - Wednesday 20 December at 13.00, Wheatley House
- 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 We are legally required to publish a Modern Slavery Statement, which is now required to be published within 6 months of the end of the financial year.
- 10. Risk appetite and assessment**
- 10.1 Our risk approach in relation to governance is cautious, which is defined as “Preference for safe delivery options that have a low degree of inherent risk and may only have limited potential for reward”.

- 10.2 We mitigate this risk by regularly reporting to the Board on governance related matters and routinely reviewing our records to ensure that our governance records remain up to date and accurate.

11. Equalities implications

- 11.1 There are no equalities implications contained within this report.

12. Key issues and conclusions

- 12.1 The report covers key standing processes within our governance arrangements.

13. Recommendations

- 13.1 The Board is asked to:
- 1) Approve the membership policy;
 - 2) Note the Modern Slavery Statement, approved by the Group Board on our behalf; and
 - 3) Approve the schedule of meetings for 2023.

List of Appendices

Appendix 1- Membership policy [redacted. Available here: [Get involved | Wheatley Homes South \(wheatleyhomes-south.com\)](https://www.wheatleyhomes-south.com/get-involved)]

Appendix 2 – Modern Slavery Statement [redacted. Available here: [Modern slavery statement | Wheatley Homes South \(wheatleyhomes-south.com\)](https://www.wheatleyhomes-south.com/modern-slavery-statement)]