



**DUMFRIES & GALLOWAY HOUSING PARTNERSHIP
BOARD MEETING
Wednesday 18th August 2021**

AGENDA

1. Apologies for Absence
2. Declarations of Interest
3. a) Minute of meeting on 26 May 2021 and matters arising
b) Action Tracker

Main Business Items

4. Lochside TRA (Presentation)
5. Business and Remobilisation update
6. Anti-social Behaviour Framework 2021-2026 (+Presentation)
7. Stronger Voices, Stronger Communities – an update on our engagement activity
8. Renewal of DGHP's Grounds Maintenance Contract
9. Governance update
10. a) 2020/21 Financial Statements
b) Internal Audit Annual Report and Opinion 2020/21

Other Business Items

11. Finance report
12. Delivery Plan 2021-22 Quarter 1
13. [redacted]
14. AOCB



Action point	Update
Update on our approach (to Equality Impact Assessments) provided at the appropriate time	<p>The Group Executive have approved a revised EIA template, guidance and training which is currently being finalised for roll out across the wider Group. Additionally, Internal Audit have recently concluded a review of our approach to equality and human rights more widely. This included the development of a plan to prepare for the SHR regulatory requirements in this area. A specific update on this plan will be provided to the Board in November.</p> <p>An EIA approach was used for the customer element of the new operating model we plan to consult on (subject to an agenda item).</p> <p>As noted in the Board appraisal process, we intend to cover this area more widely as part of our Board CPD programme.</p>
Update on the approach to sustainability within the NETs service be brought to a future meeting	Update assumed for November Board meeting.
Update to be provided on bursary awards to DGHP tenants	Update to be provided at November meeting.



Report

To: DGHP Board

By: Matt Foreman, Managing Director

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

Subject: Business and Remobilisation update

Date of Meeting: 18 August 2021

1. Purpose

- 1.1 To provide the Board with a business update and to seek Board approval to consult our customers for proposed changes to the new operating model.

2. Authorising and strategic context

- 2.1 The Group CEO has responsibility for business operations across the Group. The pandemic has had a significant effect on these operations and to reflect this the Board previously agreed the principles of our approach for how we might continue to develop our service. This approach remained subject to the rate at which Scotland moved through the phases of Scottish Government's route map. The Board are being asked to approve consultation with customers regarding changes to the way we deliver services.
- 2.2 Under the group Authorise / Manage / Monitor matrix the Board has responsibility for authorising new operating /service delivery models in its area.

3. Risk appetite and assessment

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

4. Background

- 4.1 The Scottish Government has continued to progress through its strategic routemap to ease restrictions. All of Scotland is now at level zero and we have been able to remobilise services safely in line with Government advice.

5. Customer engagement

- 5.1 Our strategy has a very clear focus on enhancing our customer engagement and a significant element of co-development and co-design with our customers. As we have remobilised services we have been able to increase the levels of engagement. As part of the remobilisation we have been able to carry out neighbourhood walkabouts, home visits, estate litter picks and launched our new Neighbourhood Environmental Team (NETs) service.
- 5.2 The Board have previously agreed the principles that set out our approach to deliver services in a way that takes the positive learning from the pandemic and delivers a much more agile and flexible service model that aims to give customers more choice and control of their services. This report is seeking approval to consult with customers on the new operating model. The consultation will seek customers views over a six-week period and will be reported back to the Board in November.

6. Discussion

- 6.1 In recent months we have continued to remobilise services where possible. We have largely been able to undertake the remobilisation plans previously outlined to Board (see table below). Our aim is still to fully remobilise by September but we have slightly flexed our plans to allow the phased reintroduction to continue to the end of September if necessary. This is due to the current situation which is more fragile than anticipated with rising numbers across much of the country. We will therefore need to continue our regular review of remobilisation plans and adapt these as required. It is possible that the situation will change relatively rapidly.

	June-September	30 September onwards
Repairs	Backlog cleared	Fully remobilised
Investment	Internal investment scales up to full remobilisation	Fully remobilised
Compliance	Fully remobilised	Fully remobilised
Housing Officer	Fully remobilised	Fully remobilised
Income collection	Fully remobilised	Fully remobilised
Allocations/ Homelessness	Fully remobilised	Fully remobilised
Stair cleaning	Fully remobilised	Fully remobilised
Environmental	Fully remobilised	Fully remobilised
Anti-social Behaviour, Group Protection	Fully remobilised	Fully remobilised
Fire Safety Visits	Fully remobilised	Fully remobilised
New Build	Fully remobilised	Fully remobilised
Factoring/MMR/ PRS letting	Fully remobilised	Fully remobilised
Foundation	Fully remobilised	Fully remobilised

- 6.2 Our initial plans to complete the backlog of repairs noted during lockdown restrictions early in 2021 has progressed, however we have also experienced an increase in pent up demand for repairs reported since 26 April. This has impacted on our original ambitious target to complete all backlog repairs by the end of July. Further detail on the repairs remobilisation is detailed in section 6.41.
- 6.3 A more detailed update on the current position and future remobilisation of our services is set out below.

Housing Services

- 6.4 During the pandemic we have continued to operate the vast majority of our services with staff largely home based. The gradual easing of restrictions by the Scottish Government has now allowed us to be much more active and present in local communities. Housing officers are now carrying out daily patch visits and meeting customers in their neighbourhood. For us this is the first time since the recruitment of our 1:200 patch model that we have been in a position to fully utilise the capacity of our housing officer teams in local communities.

Housing Officer role

- 6.5 For most of 2020 and all of 2021 housing officers have been based at home. We have provided invaluable support and contact to customers, primarily through the use of telephone and digital means. In line with restrictions, we have visited customers only where there has been an exceptional need.
- 6.6 As part of the phased move to our new operating model we have commenced neighbourhood walkabouts to increase our visibility and to identify issues that would normally have been picked up by housing officers on their patch. These walkabouts generally include the housing officer for the patch, relevant NETsofficer and an investment officer. They consider the external condition of buildings, stairs and other communal areas and the neighbourhood environment. It also provides an informal opportunity for customers to approach our team in their local community to have a general discussion about issues that matter to them.
- 6.7 From 26 April our officers have moved towards their patch-based customer approach. In line with our strategy, our new model will mean that customers do not need to come to an office. In most circumstances they will either use digital contact, or housing officers can come to them and meet them on their doorstep. Under Level zero, housing officers have been able to undertake essential visits in customer homes. PPE is still used where appropriate in line with operating safety manuals already used by our repairs staff.

Income collection

- 6.8 Maintaining our rental income to fund our services and supporting our customers to pay their rent have been key priorities through the pandemic. As a result, we have maintained a sector leading arrears position and have achieved the target for keeping Gross rent arrears at 3.95% in the first quarter of the financial year. When compared to the combined results of Local Authorities (LAs), we are performing better than the reported 8%-10% gross rent arrears reported by our comparator group (Housemark).
- 6.9 Whilst much of our contact with customers in arrears remains via telephone and digital contacts we have been able to start visits for customers in their homes in relation to rent and associated support.
- 6.10 The 6-month notice period for Notice of Proceedings and evictions has been extended by the Scottish Government until 30 September 2021. The new escalation processes which we have developed to take account of this are now well embedded. This includes the potential to escalate to Notice of Proceedings where we are satisfied that the household 'won't pay' rather than 'can't pay'. This will only be done following a review of individual cases, including an assessment of any covid-19 impact and any potential vulnerabilities.
- 6.11 As we have remobilised, we will continue to build on the innovation we have undertaken throughout the year. Our housing officers now have access to bespoke reporting through our PowerBi dashboards which distils complex information into easily readable visuals and data.

Allocations and Homelessness

- 6.12 Allocations have been remobilised since August 2020 and are operating in a business as usual mode with additional safe working procedures. Providing homes for homeless households and other priority households continues to be the priority and we have:
- Continued to focus on reducing the number of available vacant homes. As at 26 July we have 53 active voids, which are undergoing repairs and progressing through the relet process;
 - Continued to provide support to D&G Council with additional properties leased to homeless for temporary furnished accommodation. D&G Council currently lease 89 properties from us, this remains an increase in provision to D&G Council from 80 properties pre-COVID; and
 - Successfully flipped 31 temporary furnished flats to permanent tenancies
 - Let 292 homes since April, with 131 of these to homeless customers.
- 6.13 Since the start of April 2021 we have let 46 % to homeless households. As approved by Board in April, we are continuing our successful matching approach in Dumfries and Galloway. This has had a significant impact on speeding up the time for households to get a home and has also reduced the number of offers we make which are refused by households.

Wheatley Care and Support Services

- 6.14 Lateral flow testing for all staff has commenced and is working extremely well and we now have 100% of staff doubled vaccinated. Recording systems have been aligned with the overall care system which records customers who have tested positive/have symptoms and are self-isolating across our care services. Our PPE stock is checked on a weekly basis, ensuring we have at least 12 weeks of stock available to us at all times.
- 6.15 Face to face support and overall staff presence has increased at sheltered services. We are also engaging in more face-to-face activities at Temporary Accommodation (TA) and our Young Persons Project (YPP). During the pandemic staff have continued to provide a blended approach to support individuals which includes face to face, phone calls support, text messages. We are looking to expand this further with video calls with customers we support.
- 6.16 Face-to-face support has increased to 77.7% at our Temporary Accommodation Service and 47.6% at our Young Person's service. Of the 242 people we work for across sheltered services, 198 (80%) have opted in for face to face support. In line with the updated restrictions communal spaces across care began to open to customers on 26th July. All necessary risk assessments have been updated to support this taking place in a safe way.

Transformational service design

- 6.17 The new Wheatley Care Housing Support Service (homeless services) has been a great success. The service, now at full capacity, has formed excellent working relationships with Dumfries and Galloway Council (DGC). We are presently working closely with DGC Homeless and Leaving Care Teams on a transformational plan to further improve new and existing services.

- 6.18 We are working in partnership with Dumfries and Galloway Council to re-design the existing service pathways for young people which will support the financial challenges they face in this contract. We have been directly approached to work with the council to co-design a new young persons pathway that would combine the homeless and care leavers pathway for young people. This will help mitigate the removal of Lottery funding for our support services which is due to end in March 2022.
- 6.19 In addition, we are finalising our approach for the review of Sheltered Accommodation taking place later in the year and will commence initial review of Tenancy Support Service (TSS) this month.

Wraparound support

- 6.20 In Quarter 1 the Wheatley Foundation have supported nearly 400 of our households.
- 6.21 Eat Well continues to support tenants who are going through periods of financial difficulty. Supermarket vouchers are sent to tenants phones or emails and allows them to choose items for their weekly shop. The value of the voucher provided depends on the number of people living in the household. In Q1 228 of our households have been provided with vouchers to purchase food, to the value of £10,390.
- 6.22 The Wheatley Works team have continued to develop relationships with delivery partners in D&G to establish employability support for tenants. There have been 49 new employment opportunities created in Q1 for people living in Dumfries and Galloway, with 82% of these going to our tenants. These include jobs created as a result of bringing the environmental services in-house.
- 6.23 6 Environmental Apprentices started in Q1 and another 3 started in July. Recruitment for Changing Lives trainees also began in quarter one with 9 trainees starting in July. These will be reported in the Q2 performance figures.
- 6.24 Applications for Bursaries opened in April. 50 awards will be made each year by the Foundation to tenants across Group, providing them with financial support as they study. This year, we received a total of 108 applications including 14 from our tenants. Applications will be assessed in Q2 and awards made shortly after.
- 6.25 The Emergency Response Fund that was a significant support to customers across group throughout the pandemic ended in quarter one. Seventeen of our tenants were supported before the fund closed in May. This takes the total to over 1800 of our tenants supported by the fund, since it was created in March 2020 in response to the Pandemic.
- 6.26 The new Barony Support Fund (BSF) was then launched to support tenants in financial difficulty with one off purchases. Items purchased this quarter include household items, mobile phones and white goods. In June 2021, 6 of our households have been supported by the BSF.

- 6.27 My Great Start supports new tenants with financial and benefits advice. Foundation staff have established a partnership with Dumfries and Galloway Citizens Advice Bureau (CAB) to deliver dedicated money advice for our tenants. This service began in July 2021 and further updates will be reported in quarter two. Wheatley's Money Advice Lead is working closely with our head of housing to support referrals and manage the relationship with the CAB. This service will provide an important additional tool in our aim to increase the tenancy sustainment rate for new customers.
- 6.28 The Dolly Parton Imagination Library delivered over 300 books to 130 children under five in quarter one, continuing to support early-years literacy and children's introduction to books.
- 6.29 A £50k Creative Scotland grant is funding a Youth Arts Small Grants programme involving 150 young people in Wheatley communities. The Foundation advertised and ran the grant application process and in Q1 distributed small grants to independent artists to deliver engaging projects to young people, supporting new local activity and securing employment opportunities for artists. The Foundation is supporting the Artists with monthly meetings and local community partnerships. Projects have now begun across all Wheatley RSLs with two projects running in Dumfries and Galloway:
- Reconnecting with outdoor spaces, photography, illustration and creative writing; aims to support up to 30 young people; and
 - African Drums and Dance and storytelling aiming to support up to 80 young people.

Fire safety, Anti-social Behaviour, Group Protection

- 6.30 Fire safety visits for vulnerable households were recommenced last summer and continued through the second lockdown.
- 6.31 Our Home Safety, ASB and the Group Protection Teams are now well established in their new model. Contact with relevant agencies is almost entirely digital and has worked well throughout the pandemic.
- 6.32 There continues to be particular concern for the victims of domestic abuse during this period who may have had less opportunity to seek out support. It is likely that there will be increased reporting of abuse as restrictions ease. Our staff are well trained on domestic abuse and this provides them with the knowledge, skills and experience to best support victims, connecting them to our services or to bespoke domestic abuse support. The Group Protection Team provide specialist knowledge and can guide staff dealing with complex cases.
- 6.33 Since May we have dealt with a further 295 incidents of Anti-Social behaviour and have issued 27 written warnings and 8 final written warnings. We have also sent 3 drug warning letters and 2 Pre-ASBO warning letters.
- 6.34 The increase in number of Anti-Social behaviour incidents recorded is likely to be due to all incidents reported to the Housing Officer now being captured on our IT platform, Civica, so that all of the data is on one system. A separate report on our proposed new ASB Policy can be seen at agenda item 9.

NETs Service

- 6.35 Our NETS Service was launched on 1st July 2021, carrying out a wide range of tasks throughout local neighbourhoods ranging from stair cleaning, grass cutting, bulk uplift, void property clearances as well as general environmental tasks to ensure our neighbourhoods are kept in an excellent condition. We have recruited and provided opportunities for a large number of local people with 27 of our customers taking up roles in the NETs service.
- 6.36 Prior to the launch of the new service we shared the plans with elected members at a Council led Member's Seminar. The proposals for the new service were very positively received and given widespread support. The first month of the NETs service has gone well with extensive training being carried out with all new staff and a new fleet and equipment in place.
- 6.37 As part of our commitment to the environment we felt it was important to carry out a baseline study prior to service launch to receive an independent view of current environmental services and stock condition. Wheatley Group has worked in partnership with Keep Scotland Beautiful since 2016 where we designed and developed an audit methodology and award scheme for assessing and reporting on environmental quality across all stock types and areas within the Group.
- 6.38 Following the KSB audit / assessment an independent report is produced that provides a score and detailed feedback on each of the elements we audit. The final overall percentage score is then graded into one of four Wheatley award levels. The four award levels for the Wheatley Group are as follows – Under 50% no award, Score between 50-60% 3 Star, Score between 60-80% 4 star and Score 80% plus 5 Star.
- 6.39 Keep Scotland Beautiful carried out an assessment of our stock in June 2021 prior to the introduction of the new in-house NETS service. Keep Scotland Beautiful assessed us as a no award area due to them returning a score of 45.9%. They have identified 513 very detailed actions that required to be addressed as part of their assessment. The new NETs service has already started to resolve the actions highlighted and will have all NETS identified issues resolved by 31st August. The report also identifies areas of investment needed to improve the external environment. Our investment team have considered the findings and will use the detailed feedback to identify environmental improvements as part of this years Investment Program.

Customer engagement

- 6.40 Our new customer engagement framework was approved by the Board in February 2021. It provides the basis for delivering our strategic aim of increased customer control and a separate report for our engagement activity is on the agenda.

Repairs, Investment and Compliance

Repairs

- 6.41 Between the start of lockdown and 18 July 2021, over 33,497 repairs had been completed to our customer homes. Up to 20 June 2021 emergency repairs continued to be delivered on average in 1.90 hours, delivering an exceptional service given our challenging geography. The volume and nature of the repairs carried out have varied in line with changing government restrictions on undertaking works in and around homes.
- 6.42 Progress against the backlog of repairs created between 4 January and 26 April 2021 was made difficult by an increase in demand for newly reported repairs since the service relaunched in April. The number of outstanding service requests on 2 August 2021 was 227 – down from a peak of 2,205. We anticipate that by the time of the Board meeting on 18 August all the remaining backlog repairs will have been actioned.
- 6.43 Since resuming the full repairs service we have noticed a significant pent up demand in new repairs reported. Between the resumption of a full service on 26 April 2021 and 18 July 2021 we have completed 10,579 reactive repairs, compared to 8,553 in the equivalent period in 2019 pre pandemic. This is an increase of 24%. The increase in repairs report, alongside a national shortage of some repair materials is impacting on our performance target of non-emergency repairs to be completed within 5.5 working days. This is performing at 7.29 days at the end of the first quarter. An action plan is in place to ensure we address the issues and City Building Glasgow are also supporting us with additional capacity to help speed up the delivery of the repairs service. Our repairs budget has additional spend allocated to deliver the backlog of repairs expected once restrictions lifted. We will continue to monitor the spend very closely in the second quarter.

Handyperson service

- 6.44 The handyperson service has been suspended across the Group throughout the pandemic. With the effective roll out of vaccines to the initial priority groups and the Government's easing of restrictions we intend to introduce the handyperson service from August 2021.

Investment

- 6.45 The external investment workstreams which continued throughout the lockdown since January are progressing well. Internal workstreams previously suspended at the beginning of January have been remobilised in stages depending on the nature of the work to ensure the safety of our customers, contractors and staff.
- 6.46 We have now remobilised our internal investment programme. As at the end of July we are delivering new boilers, kitchens and bathrooms and a programme of new windows.

- 6.47 Our customer engagement process for investment works has been implemented to support this and provide enhanced assurance to customers around our robust approach to health & safety when delivering improvement works in their homes.
- 6.48 We are striving to achieve full compliance with SHQS and EEESH. SHQS compliance has been supported by the external work streams being remobilised since October 2020. Compliance with SHQS is 91.01%. Including abeyances and exemptions this increases to 95.47%. We are focussing on delivery of the remaining 4.53% as we remobilise our full investment programme.
- 6.49 Aids and Adaptions works have been prioritised based on both need and risk of our customer referrals. In 2021/22 133 adaptations have been carried out. We continue to prioritise customer needs and works are progressing, it is anticipated that the backlog of adaptations that were unable to be completed will be cleared by September 2021. There is detailed engagement with customers to ensure that they understand the process for the adaptation installation and the procedures we will follow to keep them safe. Following the lifting of Covid restrictions we are seeing an increase in new referrals from Occupational Therapists to carry out adaptation works.

Compliance

- 6.50 Our compliance works include programs to meet our legal and regulatory obligations, as well as works we undertake as part of keeping our customers and assets safe. All programs to meet our legal and regulatory obligations are operational despite current restrictions including gas safety, legionella prevention and smoke and heat detector installations. The current status of each is as follows:
- 6.51 **Gas safety** – we remain 100% compliant in this area.
- 6.52 **Legionella testing/water management** – work is continuing as planned and all required works have been carried out. This was achieved through delivering an accelerated programme in the last nine months to offset some delays earlier in the year as adjustments were made during the early COVID lockdown. There are no outstanding LRA's and new programme commences 23rd August 21.
- 6.53 **Smoke and Heat Detector Installation** –work in this area is continuing as it is considered essential under the guidelines for the restrictions introduced since January. Good progress has been made with 9889 installations carried out. It is forecasted that we will be fully compliant by August 2021 which is well before the deadline of February 2022 set by Scottish Government.
- 6.54 **Periodic electrical inspections** – At present, this work is being carried out alongside smoke and heat detector installations to minimise the time our trades operatives are spending in customer homes and inconvenience for customer through a 'one and done' approach. Good progress has been made with 9443 of inspections carried out. It is forecasted that this programme will be completed by the end of August 2021.

Development

- 6.55 The Scottish Government has committed £3.5bn in the five-year period from 2021/22 to the delivery of affordable housing. This was one of the main pillars within the Scottish Government Housing to 2040 strategy launch.
- 6.56 Linked to this we have been participating, as one of the Scottish Federation of Housing Association representatives, as members in the Scottish Government's Affordable Housing Investment working group. We are represented by the Director of Development. This working group is tasked with bringing back recommendations to both the Cabinet Secretary for Social Justice, Housing and Local Government and to the COSLA Leadership on affordable housing Grant benchmarks for 2021/22 and beyond.
- 6.57 Construction work on new build sites continues. Ashleigh and City Building have confirmed their operating procedures have been updated to reflect these changes and remain compliant with COVID guidance and legislation. We are in discussion with development contractors to assess the impact of material supply issues now increasingly affecting the construction industry.
- 6.58 The development projects at Sanquhar and Monreith have now completed and the 26 new build homes at Lincluden are due to complete in September 2021, followed by the 6 homes within the refurbished stable block in February 2022. The Eastriggs project started on site in July 2021 and is programmed to complete in July 2022. The Development Team is now progressing the pipeline projects as consultants and contractors across the sector are now back at full capacity whilst survey and investigation work is now also permitted.

Factoring and PRS Letting

- 6.59 Our factoring and Private Rental Sector (PRS) letting services are largely business as usual with staff working from home and engaging with customers using primarily the phone and digital tools to offer support to customers.
- 6.60 Our virtual letting model developed in the first lockdown has been key to our continued ability to let throughout the restrictions. We have let 13 Novantie MMR homes since we remobilised in June 2020. We have also undertaken virtual viewings where customers ask the letting agent on site questions and view every aspect of their property using video conferencing tools. We have continued with this model but will now conduct physical viewings if requested, whilst following our safety protocols.
- 6.61 Our income collections activities in letting continue to be impacted by Covid legislation extending the notice period for applications to the First Tier Tribunal for evictions on the grounds of arrears from 3 to 6 months which will now be in place to end of March 2022. With the lifting of the ban on evictions Novantie was able to proceed in July with an eviction granted in December 2021 for a tenant whose arrears pre-dated the pandemic but have further increased. We have been promoting to tenants the Scottish Government's Tenant Hardship Loan Fund launched in December to help those with arrears or fears about their income pay their rent as well as continuing to offer support and access to our welfare benefits and fuel advice services.

Staffing

- 6.62 We are reporting low levels of sickness absence. In the year-to-date we have lost an average of 2.47% of working time due to staff absence compared to the target of 3%.
- 6.63 We currently have two vacancies for Head of Housing Roles. We have commissioned Campbell Tickell to carry out a recruitment exercise to identify suitable candidates for the roles. This is currently out to advert and we anticipate the recruitment exercise being completed by the end of September. To support our Housing team and our Senior Leadership Team we have appointed Alan Glasgow and Jonny Green from GHA and Dunedin Canmore respectively into interim roles. This brings some senior experience into the team until the recruitment is completed.
- 6.64 We have successfully concluded a consultation to harmonise four sets of terms and conditions with our Repairs teams. Overall the proposals were positively received. We received some feedback from the repairs teams which we considered in detail before responding as part of the process with significantly revised proposals. The main change is the introduction of new working patterns in which most operatives will continue to work Monday to Friday 8:00am to 4:30pm but there will be two new teams working new shift patterns of Sunday to Wednesday and Wednesday to Saturday, including working to 8:30pm on weekdays, allowing us to reduce the number of out-of-hours emergencies and also offer late afternoon/early evening appointments if these suit customers better.

Strategic Partnerships

- 6.65 The South of Scotland Enterprise has now completed the draft Regional Economic Strategy. The strategy will help inform the strategic growth priorities across Dumfries and Galloway and the Scottish Borders. The Managing Director has attended the multi-agency SOSE working group to inform and shape the strategy which is now out to public consultation.
- 6.66 Our close working relationship with the Council has continued with some important developments emerging. We have agreed to support the Council as they explore the potential for a city status bid for Dumfries. The Board is also asked to note that Dumfries and Galloway Council is one of a number of local authority areas working in partnership to bid for the City of Culture status. The unique bid will combine the cultural offering from a number of regions including Dumfries and Galloway, The Scottish Borders, Carlisle City Northumberland and Cumbria.
- 6.67 The Managing Director has also met with Lorna Meahan, Director of Economy and Resources at DGC, to jointly develop the strategic agreement that sets out the new collaborative working partnership between the Council and ourselves. The strategic partnership agreement will reflect how we work with DGC and how we mutually support the strategic ambitions and aims of the two organisations to benefit the residents across the region. Once developed this will be presented to the Board at a future Board meeting.

New Operating Model

- 6.68 The Board previously supported the principles for a new operating model. The pandemic has accelerated changes to the way we deliver services and the way customers access services. Our new strategy to 2026 sets out an exciting new way of delivering services that gives more control and power to customers and uses a much more agile delivery model that increases access to services 24/7 through the use of technology whilst also ensuring we deliver face-to-face services in local communities.
- 6.69 We are yet to engage with customers in the implementation of the model. The model has four key components:
- *Customer First Centre* – We have already improved our contact centre offer by moving to a 24/7 service for customers. However, we have ambitions to further improve the CSC where we anticipate resolving up to 95% of customer queries at the point of contact by basing housing experts in a new Customer First Centre. This will free up Housing Officers to spend more time in their patches community to deal with complex cases, support the most vulnerable, manage their neighbourhood;
 - *More services in your home* - Enhancing presence of Housing Officers in communities – The message is you do not need to come to us, we will come to you;
 - *Do more online* - Improved online self-services to allow customers to do more for themselves at a time and place to suit them; and
 - *Centres of Excellence* - If you do want to us at your home, you can choose to meet us at a convenient location, including our network of Centres of Excellence in Dumfries and Stranraer. They will be available for customers to use the internet and also for wider community activities and as learning centres.

Consultation

- 6.70 Under the Housing Act we have a statutory duty to formally consult all tenants on our new operating model. An omni channel approach to consultation will be the hallmark of this approach. We have still produced a traditional print booklet to be sent to all customers We will also utilise email, GIFs through WhatsApp and social media to promote this consultation and encourage customers to vote.
- 6.71 The proposal would be to consult with all of our customers on this innovative blended operating model. A copy of the proposed consultation document is included at appendix 1.

6.72 Key dates in proposed consultation launch are:

- Proposal to the Board at this meeting - 18 August 2021;
- Consultation runs from 6 September - 24 September;
- Initiated through digital channels on 19 August -29 October;
- Letter and consultation pack mailed to all tenants by end of August;
- Dedicated website area and promotion via Online Services;
- Heavy promotion through digital channels throughout consultation period;
- Proactive calls to customers via the Customers First Centre and local housing staff; and
- Consultation results presented to the Board 24 November 2021.

Key issues and conclusions

6.73 The Scottish Government's current roadmap out of lockdown now provides more definitive timescales for changes. This has provided us with greater certainty in terms of our remobilisation plans than at any previous stage.

6.74 As indicated in the report, a key focus is how we clearly communicate the changes to customers, in particular in relation to repairs. An equally important element will include internal communication to staff, including ensuring our health and safety protocols and procedures continue to be well understood.

6.75 As we move towards implementation of our proposed new operating model it is important we engage with customers to get their views. This report sets out the proposed consultation with customers as we develop our new blended approach to service delivery. A copy of the proposed consultation document is included in appendix 1.

7. Digital transformation alignment

7.1 The remobilisation of services is aligned with the use of new digital communications, rent payment methods and service delivery as part of our new agile operating model.

8. Financial and value for money implications

8.1 Our remobilisation plans are reflected in the 2021/22 budgets. We have made extra provision in the repairs budget for the anticipated increase in repairs spend. This will continue to be closely monitored in Quarter 2.

9. Legal, regulatory and charitable implications

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

10. Equalities implications

- 10.1 We have undertaken an initial Equalities Impact Assessment (“EIA”) in relation to tenants for our new operating model and engagement approach. The assessment did not identify any adverse implications for our tenants. Rather, the approach to enhancing our accessibility is expected to have a positive impact. In terms of diversity, the widening of our engagement structure will have a positive impact and broaden the range of customers segments who engage with us.

11. Environmental and sustainability implications

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

12. Recommendations

- 12.1 The Board is asked to:
- 1) Note the progress made towards fully remobilising services across the business; and
 - 2) Approve consultation with our customers for the new blended operating model.

List of Appendices

Appendix 1 – Consultation booklet



Report

To: DGHP Board

By: Matt Foreman, Managing Director

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

Subject: Group ASB Framework 2021-2026

Date of Meeting: 18 August 2021

1. Purpose

- 1.1 This report seeks the Board's note our approach to implementing the new Group Anti-Social Behaviour Framework, which supports the ambition in ***Your Home, Your Community, Your Future*** to create calm and peaceful communities where people are proud to live.

2. Authorising and strategic context

- 2.1 Our work on Anti-Social Behaviour ("ASB") is a key part of our Strategy "Your Home, Your Community, Your Future". It expands across our housing, care and foundation activities. Our approach to ASB and the broad services we deliver are strategic decisions.
- 2.2 Under the Group Authorising Framework, the approval of any Group wide frameworks is reserved to the Group Board. The day to day operational work and delivery will be delegated to the Group CEO.
- 2.3 The ASB Framework is a strategic commitment directly linked to the '*Delivering peaceful and connected neighbourhoods*' strategic outcome in our new strategy. Approval of the framework will mark an element of this strategic outcome having been achieved. It is also linked to the delivery of a number of strategic results. This strategic context is set out in more detail within this report.

3. Risk appetite and assessment

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

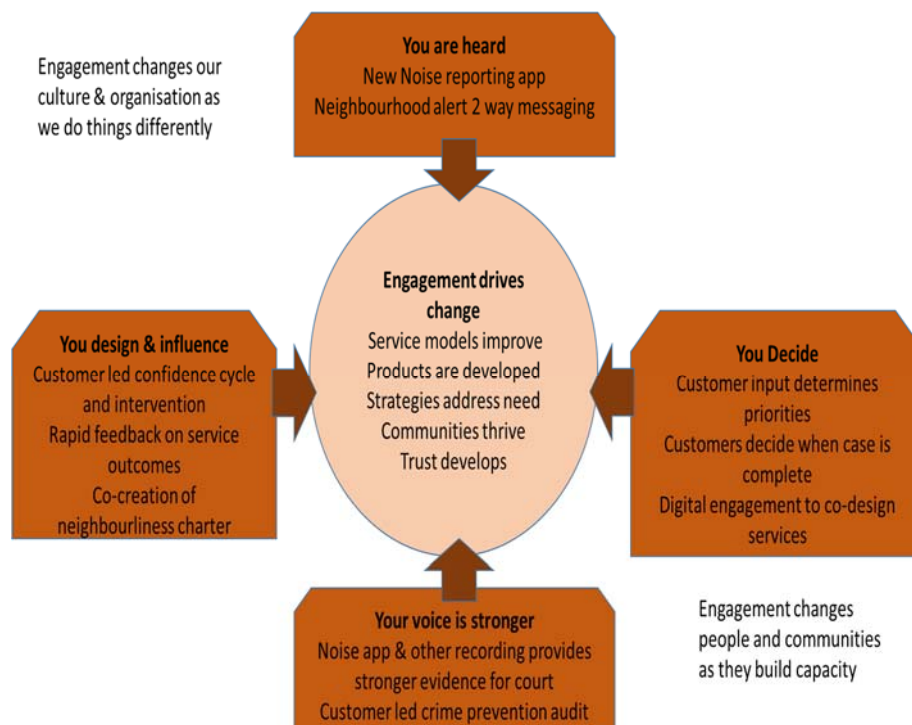
4. Background

- 4.1 Our Strategy highlights some key commitments which relate to ASB. The primary action is to utilise the groupwide Community Improvement Partnership approach to take communities from being merely safe to ones that are improving, peaceful and with high levels of satisfaction.
- 4.2 This will be based on building a confidence cycle with and for communities. The cycle will support communities to become more resilient through increased confidence to report crimes and other issues. In turn, this information will help Wheatley and our community partners to support those living there to make their communities stronger and more peaceful.
- 4.3 The ASB Framework sets out how we will deliver this and also supports a number of other key commitments in the strategy including:
- Customers should have control over their own lives and be able to direct the design of services;
 - Tenants should be helped to sustain their home including receiving understanding of trauma, adverse childhood experiences, substance abuse, mental health issues and the impacts of homelessness;
 - Work will be undertaken with communities to co-create a 'Wheatley Place Measure' that reflects the criteria our customers identify as crucial to a successful and resilient community;
 - Creation of a new community entrepreneurship and resilience programme, demonstrating our faith in people and our willingness to create opportunities for them to thrive;
 - Establishing a virtual network and leveraging our physical assets and spaces within communities, such as commercial units and corporate office footprint, empowering communities to come together in creative ways;
 - Putting the 'Neighbour' back into our neighbourhoods, creating a modern version of 'Neighbourliness' as a hallmark of our communities by 2026; and
 - Creating digital neighbourhoods where our customers can connect virtually to further support each other and co-create local solutions to improve their community.
- 4.4 We know from our customers that anti-social behaviour plays a major part in whether they are happy in their home and neighbourhood, whether they feel safe as well as how satisfied they are with us as a landlord. This can be true whether it is high level crime or issues relating to factors such as noise. Our priority will therefore always be to resolve and reduce anti-social behaviour so that our customers can live peacefully. We will use enforcement wherever necessary to achieve that aim. Our customers will be at the centre of helping us to identify the issues that matter to them and telling us when we have resolved them.
- 4.5 Wheatley Housing Group already has a reputation for leading the sector and creating innovative approaches to anti-social behaviour. In the last few years we have developed our Community Improvement Partnership which brings together our staff with colleagues in Police and Fire in each of our key geographic areas to provide a co-ordinated approach to issues. We benefit from the groupwide expertise in this area.

- 4.6 Our “confidence cycle” approach encourages customers to become involved in resolving ASB and strengthening communities. This is based on strong data analytics which shows us the key issues and priority areas. We then work with customers to develop targeted plans to deal with the issues in their neighbourhoods.
- 4.7 Our innovation has led to a range of new policies and approaches which have already been approved by the Board including:
- Protecting People Policy;
 - MAPPA policy;
 - Child protection policy;
 - Adult support and protection policy; and
 - Domestic Abuse Policy.
- 4.8 Our approaches have been widely recognised across the Country. This includes the Scottish Government’s Divert & Deter, Serious and Organised Taskforce recognising the CIP operating model as best practice – resulting in a delegation from the Home Office visiting Wheatley.
- 4.9 Police Scotland’s Partnerships Prevention & Wellbeing Division have recognised the CIP Operating Model and promote our approach to their other partners. They regularly bring visiting forces from across the world to showcase the work they do in partnership with Wheatley. Two recent examples are the visit of the Deputy Chief Officer from Toronto and of 20 Senior Officers from Beijing.

5. Customer engagement

- 5.1 Customer engagement and control is at the heart of this Framework. The diagram below shows how some of the key actions in this Framework also support our strategic priorities for customer control.



6. Discussion

Vision and Aims

6.1 In addition to supporting our Group strategic vision:

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

6.2 The ASB Framework sets out a vision and aims for this area of work:

Vision:

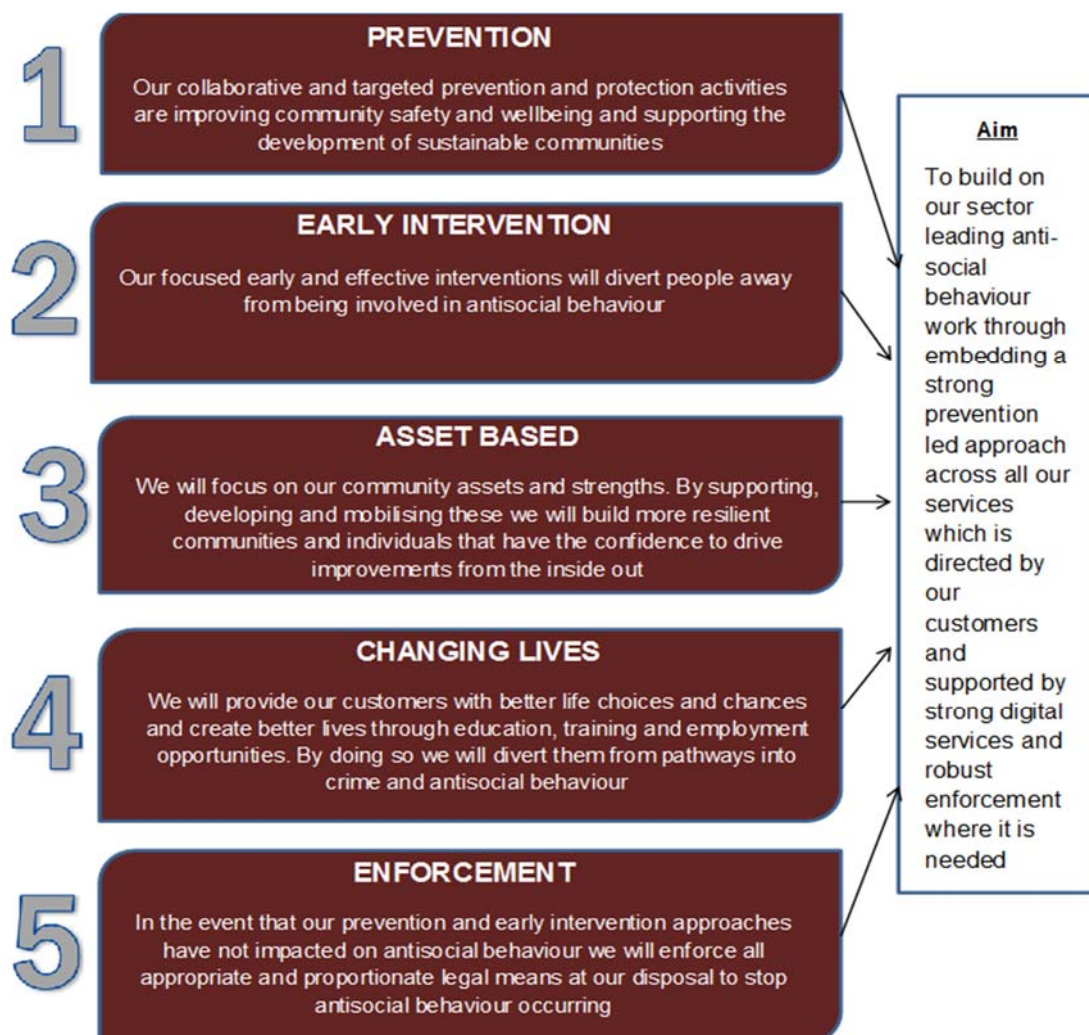
Our Anti-Social Behaviour Prevention and Mitigation Framework will create calm, peaceful and sustainable communities where people are proud to live.

Aim:

To build on our sector leading anti-social behaviour work through embedding a strong prevention led approach across all our services which is directed by our customers and which is supported by strong digital services and robust enforcement where it is needed.

Our approach

6.3 There are five key strands to our approach going forward:



- 6.4 This structured approach to anti-social behaviour focuses on ensuring that our customers will be empowered to make their own choices about the services they want, be properly equipped to do things for themselves and involved in the design of products and services from start to finish. It will support digital provision of services where these are appropriate, recognising that it is important that “no-one is left behind”. In particular, we recognise that those who are living in socially deprived communities may have particular challenges in gaining access to or using digital services.
- 6.5 Success will be dependent on strong relationships with our customers and communities. They must feel confident to report issues and information to us and our partners. Our ability to provide quality resolutions to issues and to respond to customer feedback will be vital to this.
- 6.6 Our “confidence cycle” will be an important element of this approach. This helps increase people’s willingness to provide information and report issues. In turn, the information we receive can be used to target crime, reducing incidence and creating a more peaceful community. This then further encourages the community to have confidence in sharing information with housing officers and police to create further benefit.



- 6.7 This Framework recognises that preventing ASB requires a partnership of many organisations. We will continue to support Dumfries & Galloway Local Authority and Police Division in their statutory role to prevent anti-social behaviour. Our people are supported and trained to think innovatively, to think yes together with their customers and to provide leadership in digital transformation. We will use this innovative style to help provide thinking which challenges and encourages a new approach to services. We will work with partners across the country to share innovation and best practice to deliver our aims.

- 6.8 Excellence is embedded in the Wheatley DNA, so we will build on the innovative approaches that have used to date. We will continue to push towards outstanding service, challenging our performance and outcomes in each area. As part of our new relationship with customers, we will measure this in different and more stretching ways, looking to further improve the aspects of service which matter most to customers.
- 6.9 The actions within the Framework are aligned with our strategic themes. Some of the key actions are outlined in the diagram below:



Measuring Success

- 6.10 The key Group strategic target for this Framework is that **70% of our customers live in neighbourhoods categorised as peaceful**. However, the Framework also support a number of other strategic targets:

Delivering exceptional customer experience:	
▪	Overall customer satisfaction is above 90%
▪	RSL tenant satisfaction with value for money is increased to 85%
▪	Overall satisfaction amongst households with children is improved to 90%
▪	90% of customers feel they can participate in the landlord's decision making
▪	95% of customers actively engaged in shaping services feel they participate in decision making
Changing lives and communities	
▪	4,000 jobs, training and apprenticeships delivered
▪	250 customers have been supported to attend higher education and university through Wheatley bursaries
▪	10,000 vulnerable children benefit from targeted Foundation programmes
Enabling our ambitions	
▪	Over 50% of customers actively use their online account to make transactions with us

Context

- 6.11 Our extensive experience in dealing with anti-social behaviour, backed up by research in Scotland and elsewhere, has given us a greater understanding of the underlying causes. The introduction of our Customer REASSURES methodology will enable us to better understand the prevalence and type of ASB that is occurring.
- 6.12 The Group/Police Scotland Business Intelligence toolkit tracks 1,008 data zones that contain Wheatley homes across the Group. These data zones can then be ranked according to the current levels of anti-social behaviour and social deprivation. We have tenancies in 178 data zones across the Dumfries and Galloway region. Of these 178 data zones 6% are currently Safe, 19% are Calm and 75 % are categorised as Peaceful. Safe data zones are ones where anti-social behaviour is increasing and social deprivation is deteriorating. There are currently six priority data zones in DGHP.
- 6.13 We will use this knowledge to deliver our early intervention and prevention approach. While this will reduce anti-social behaviour we will still use appropriate and proportionate enforcement action where it is needed. Our CIP Police Team will work closely with Local Community Policing Teams particularly where the issues are so severe that they need to be dealt with immediately or where other action is having no effect.
- 6.14 In some cases, we may need to move the perpetrator to protect the community. This Framework sets out how we will seek to do this through planned pathways wherever possible. Working with partners, we plan to establish alternative accommodation routes to break a cycle of anti-social behaviour and eviction.
- 6.15 Drug and alcohol misuse is a major issue across Dumfries. We also know that drug and alcohol dependencies can increase the likelihood of anti-social behaviour. Being able to support and treat customers to help them overcome or reduce use should be a key part of reducing ASB. Our employability and training options will also help to provide hope and purpose which can often help stabilise misuse or prevent a spiral of decline.
- 6.16 Mental health issues are growing in prevalence in society. It is likely that the Covid-19 pandemic will only increase this trend. Our experience is that issues can often arise where our customers have low level mental health issues.
- 6.17 These are often not sufficient for them to meet the criteria for specialist support. Despite this, our customers can struggle to live safely in a home and some will also behave in an anti-social way as a result. Using our care expertise and strong partnerships, we will seek to find ways to increase the support to these customers.
- 6.18 The nature of ASB is changing. Technology increasingly enables people to commit and hide crime. Fraud and organised crime are growing and often targeted at those who are vulnerable or poor. Child sexual abuse and exploitation remains at significant levels while reports of adult concern have risen in recent years. Stalking and harassment continue to be an issue and now often involves an element of online activity. In addition, “outing” of sex offenders has become much more prevalent, often using online forums. While the crime element of this trend is dealt with by the Police we increasingly have to support our communities and deal with the outcomes.

- 6.19 The approval of the new ASB Framework will replace the current ASB Policy bringing us into alignment with the Groups Policy. We currently have 3 levels of anti-social behaviour this will be reduced to two categories Category A (Serious) and Category B (Low Level). We will also transition with the remainder of the Group onto a new ASB management platform called 'Streetwise' from April 2022.
- 6.20 In September 2021 the CIP will be providing specialist anti-social behaviour training for all housing officers and frontline staff. These sessions will be face to face and delivered over a number of sessions. The training will then be followed by a full CIP Team deployment to Dumfries which currently has a number of the Safe – Priority data zones.

7. Digital transformation alignment

- 7.1 The digital element of work in this Framework aligns with two themes in the transformation plan: Providing better online services for our customers and transformation of our housing service delivery. The Framework commits us to providing digital delivery where that is appropriate to the service, while ensuring that no-one is left behind.
- 7.2 The key aspects of this will be the introduction and launch of a new Noise App which allows recording and digital reporting of noise and neighbour nuisance. In addition, we will use the new digital customer engagement tools that are in development for the Group to ensure customers are able to co-create and refine our services.
- 7.3 This work is already built into our transformation plan over the next two financial years.

8. Financial and value for money implications

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

9. Legal, regulatory, and charitable implications

- 9.1 The Anti-Social Behaviour (Scotland) Act 2004 is the primary legislation for dealing with anti-social behaviour in Scotland. The Act sets out a range of responses made available to Local Authorities and Police Scotland. The legislative framework that governs how all Group RSLs currently interpret and manage anti-social behaviour is contained within *the Housing (Scotland) Act 2014* and *the Anti-Social Behaviour (Scotland) Act 2004*. The 2004 Act states that a person is engaging in antisocial behaviour if they:
- Act in a manner that causes or is likely to cause alarm and distress; or
 - Pursue a course of conduct that causes or is likely to cause alarm or to distress to at least one person not of the same household as them.

- 9.2 The *Housing (Scotland) Act 2014* further enhanced the powers available to social landlords for the management of anti-social behaviour. This includes:
- Social landlords will have the power to convert an existing tenant's Scottish Secure Tenancy (SST) to a Short SST (SSST) or to grant a SSST to a new tenant in cases where there is evidence that the tenant, a member of their household, or a visitor, has been involved in anti-social behaviour in or near their home within the last three years;
 - Simplifying the eviction process in cases involving serious anti-social behaviour by allowing social landlords to make use of an existing conviction as grounds for possession. The tenant must have been convicted within the last 12 months; and
 - Clarifying that a social landlord can suspend an application for social housing under certain prescribed circumstances.
- 9.3 The Scottish Social Housing Charter was introduced by the Scottish Government to help improve the quality and value of the services that social landlords provide, and support the Government's long term aim of creating a safer and stronger Scotland.
- 9.4 **Outcome 6** of the Scottish Social Housing Charter states that:
- "Social landlords, working in partnership with other agencies, help to ensure that:
Tenants and other customers live in well-maintained neighbourhoods where they feel safe".*
- 9.5 This outcome covers a range of actions that social landlords can take on their own and in partnership with others. It covers action to enforce tenancy conditions on estate management and neighbour nuisance, to resolve neighbour disputes, and to arrange or provide tenancy support where it is needed. It also covers the role of landlords in working with others to tackle anti-social behaviour.
- 9.6 The Scottish Housing Regulator have developed the following indicators to assess how well housing associations and the Group are managing complaints of anti-social behaviour and our wider estates:
- **Indicator 13:** Percentage of tenants satisfied with the landlord's contribution to the management of the neighbourhood they live in; and
 - **Indicator 15:** Percentage of anti-social behaviour cases in the last year which were resolved.

10. Equalities implications

- 10.1 A full Equality Impact Assessment has been carried out for this Policy. The assessment has reviewed the impact of actions against the protected characteristics identified in equalities legislation. This shows that the Framework will have a positive or neutral impact on all characteristics because it will reduce levels of anti-social behaviour, increase community resilience and provide support to vulnerable households.

11. Environmental and sustainability implications

- 11.1 The review has no direct environmental or sustainability implications. However, the aim to provide digital service wherever possible will limit unnecessary journeys and use of offices.

12. Recommendation

- 12.1 The Board is asked to note the implementation of the Group Anti-Social Behaviour Framework and its designation as Group wide.

List of Appendices

Appendix 1: Group Anti-Social Behaviour Framework



Report

To: DGHP Board

By: Matt Foreman, Managing Director

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

Subject: Stronger Voices, Stronger Communities – an update on our engagement activity

Date of Meeting: 18 August 2021

1. Purpose

- 1.1. This report presents an update on our implementation of the Wheatley Group engagement framework, which supports the ambition in ***Your Home, Your Community, Your Future*** to transform our engagement approach and shift the balance of power towards our customers.

2. Authorising and strategic context

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

3. Risk appetite and assessment

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

4. Background

- 4.1. Our 2021-26 strategy - ***Your Home, Your Community, Your Future*** – sets a clear ambition that “*customers will have increased control over their services, their communities, and their lives, with new opportunities for building skills and resilience*”.

- 4.2. Our engagement framework – **Stronger Voices, Stronger Communities** – has been developed to help support the delivery of this ambition, and this was discussed at the Board meeting in February this year. As we deploy this framework, we seek to ensure that our customers and communities will feel more in control of their personal and collective wellbeing, inspired to raise their aspiration and able to realise their potential.
- 4.3. We have developed a **Stronger Voices Engagement Plan** to help us implement the new framework. This is attached at Appendix 1. Initially we had hoped that by this time we would have been able to attend or hold some face-to-face events for customers, particularly the summer gala and pop-up events which our customers and their families enjoy. Due to the slower release of Covid restrictions this has not been possible but will certainly be included in the plans for next year.
- 4.4. We were however very keen to re-establish our visible presence in our communities as soon as we were able to. Throughout June and July we focused our engagement activity on neighbourhood walkabouts in our communities – inviting customers to join a small group of officers (Housing Officer, NETs team leader, Investment Officer) - to assess the neighbourhood and identify any issues and improvements which can either be resolved or taken forward in an improvement programme. These continue to be part of the engagement plan throughout the year. In February the Board identified an annual allowance in the business plan which would enable us to take forward a customer focused investment programme informed through our engagement programme. For the 2021/22 budget this was set at £1.2m.
- 4.5. Whilst ensuring that face-to-face engagement remains an important part of our engagement and our service provision, a key theme in the Stronger Voices engagement framework was to take advantage of the opportunities that a more digital environment can bring to our engagement approach in terms of accessibility and flexibility. In July a Group Stronger Voices Manager was appointed to lead on developing this digital engagement approach as well as ensuring that across Group our customers are involved in shaping the strategic agenda.
- 4.6. Customers will also be involved in a number of other strategic projects from the 2021/22 Group delivery plan in the next few months. These include:
- working with us to co-design what a Wheatley MyCommunity app would look like – this initially involves customers in communities in the South East of Glasgow;
 - customer journey mapping for rental income management;
 - customer journey mapping for allocations; and
 - customer research on review of Choice Based lettings systems. This will include a review of Homes4D&G.

5. Customer engagement

- 5.1. Our 2021/26 strategy **Your Home, Your Community, Your Future** has a very clear focus on enhancing our customer engagement and a significant element of co-development and co-design with our customers. This report discusses some of the activities underway to take forward the **Stronger Voices, Stronger Communities** framework which supports this.

6. Discussion

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

Figure 1 – The Stronger Voices, Stronger Communities framework



- 6.2. Since remobilisation at the beginning of May we have been able to increase our engagement activity. The **Stronger Voices Engagement Plan** at Appendix 1 gives more detail on both completed and planned engagement. Key activities from the plan are discussed further below grouped under the different pillars of engagement.

We Listen

- 6.3. *Repairs focus groups* – whilst our customers will be involved in some Group-wide activity around repairs such as developing the online customer journey, we would also like to discuss with our customers the experience they have of the repairs service delivered by Dumfries & Galloway Property Services. We deliver this service directly to our customers, this would include exploring customer experience of the repairs service delivery including the quality of work undertaken and professionalism of the staff involved; our communication with customers on repairs; whether we are able to resolve issues at first visit; and anything they would want to see improved.
- 6.4. We plan to carry out the focus groups later in the autumn once customers have had some months to experience our fully mobilised repairs service.

We Co-create

- 6.5. *Neighbourhood walkabouts* – we have carried these out across 10 of our neighbourhoods to date and customers have been delighted to join us on these neighbourhood explorations. We have a further 44 scheduled for the remainder of 2021/22.

- 6.6. Issues are wide ranging but themes that customers are happy with include the communal gardens maintenance and the stair cleaning following the introduction of the new NETs service. Customers have particularly noted how glad they are that the latter has restarted following restrictions on service during lockdown. Part of the purpose of these walkabouts is for customer to identify issues that they would like resolved .
- 6.7. *New build design* – we know how important it is to design homes and environments that our customers want to live in. We have several new build developments in the coming year and we intend to recruit a small group of existing customers to work with the Development Officer to discuss design aspects for our development sites. This will help inform design for the upcoming sites but also for other future sites.
- 6.8. *Customer journey mapping* – 2 of our customers are involved in the Group-wide exercise during August to assess and improve the Repairs Web Self Service journey. We will also have customers involved in customer journey mapping for both rental income and allocations later in the year.
- 6.9. *Recruitment campaign for Customer Voices* – we are engaging with customers on an ongoing basis but in October we intend to create a recruitment drive which will focus on the strategic objective of improving diversity in the customer base we work with. We will work with the our tenants as we are keen to help develop ways to get more customers involved. The current activities we are getting our customers involved with will help to illustrate the impact a strong customer voice can make and help to motivate others to become involved.
- 6.10 *Consultation on the operating model* – The Board previously supported the principles for a new operating model. The pandemic has accelerated changes to the way we deliver services and the way customers access services. Our new strategy to 2026 sets out an exciting new way of delivering services that gives more control and power to customers and uses a much more agile delivery model that increases access to services 24/7 through the use of technology whilst also ensuring we deliver face-to-face services in local communities. We propose to start consultation with our customers about the proposed new operating model, subject to Board approval. This will be an omni-channel approach to raise awareness and collate a broad range of customers views.
- 6.11 *Dumfries and Galloway allocations review* – As part of the ongoing review of how our customers access the ‘Homes4D&G’ common housing register and how we allocate homes, we are carrying out intensive customer engagement. This is a multi-channel engagement plan involving housing officer led customer conversations, online surveys, traditional letter surveys and themed focus groups. Commencing on 9 August for three weeks we will survey 10% (465 customers) of our common housing register customers and 10% of our new tenants who have been allocated a home in 2020-21 (80 customers) to understand customer experience, inform how we want to let our homes and improve the customer journey while positively influencing performance. This engagement plan also includes surveys for all staff involved in the allocations process and staff focus groups to understand the experience to re-let homes quickly and efficiently. In late August focus groups will include an external organisation ‘The Lens’, our independent customer journey mapping experts to ensure engagement has both an internal and external understanding of how we allocate homes in Dumfries and Galloway.

- 6.12 *Lochside TRA* - Dumfries and Galloway Council has approved the principle of the collaborative regeneration proposal for Lochside. Over the next few months, the Group will work alongside the Council to establish and agree the community engagement strategy which will be central to the delivery of regeneration activities. This will include identification of our customers, existing community groups, key stakeholders and local organisations. We will jointly develop a strategy to ensure a wide engagement reach, drawing upon the Group's experience of the Transforming Communities: Glasgow regeneration programme. This will include a formal engagement structure alongside a range of wider opportunities that may include digital outreach, in person events (in line with public health restrictions) and other communication tools. Engagement activity will commence with the masterplan process which will be co-designed with the local community.

We Give Power

- 6.13 Customer focused investment – this budget has been identified to give customers control over parts of the investment programme which are not driven by SHQS standards, lifecycle replacements or health and safety or structural issues. Requests and projects identified by our customers are being costed at the moment but we anticipate with the budget available we should be able to deliver on these. A variety of themes have been identified, these include:
- External painting;
 - Improving bin store areas;
 - Seating areas in communal garden space;
 - Improving drying areas;
 - Car parking and security issues;
 - Lighting;
 - Upgrading play parks;
 - Replacing stair doors;
 - Internal painting and flooring (communal stairs); and
 - Fencing and walls.
- 6.14 The environmental projects listed above will also help inform and improve our Keep Scotland Beautiful ratings following the baseline assessment carried out as part of the new NETs service launch.
- 6.15 You Choose Challenge – We are currently considering the pilot of using this methodology to enable a community in Queensbury, Sanquhar, to take control of the decision on spending of the £5,000 Community Benefit funding. This methodology uses digital as well as face-to-face engagement and co-creation methods with our customers and employs an online voting mechanism to find consensus on priorities for investment in local communities, putting the power and control into the hands of local communities. This will pilot our new approach as part of our ambition to give more power to customers.

We Support

- 6.16 *Development Programme for Customer and Community Voices* – much of the work we do in our day to day operations, and the activities of Wheatley Care and Wheatley Foundation, support this pillar which aims to develop capacity and resilience in our communities. Specifically, around engagement however, we intend to support the recruitment plan for Customer and Community Voices with a learning and development support programme. This will cover aspects such as providing Keep Scotland Beautiful assessment training for customers, but also support which will help break down the barriers which prevent some of our customers becoming involved such as language, disability, or confidence levels.
- 6.17 The new engagement framework *Stronger Voices, Stronger Communities* is designed to support the delivery of the ambition in *Your Home, Your Community, Your Future* and shift the balance of power and control towards our customers, empowering them to make their own choices about the services they want. Over the past few months we have been delivering a number of engagement activities which support the implementation of this framework.
- 6.18 The link between the engagement framework, budget setting and our strategic delivery plan will ensure that the voice of the customer is fully embedded in our plans and priorities, driving change and innovation throughout Wheatley. Through strong engagement with our customers we will support them to develop potential and build stronger communities. Our engagement plan at Appendix 1 helps us to structure this.
- 6.19 Prior to joining the Wheatley Group, the Board agreed to establish a Tenants Voice Panel to gather the views of our customers from across the region to inform our delivery plans and shape services. Unfortunately, due to the pandemic it was not possible to have the new panel recruited to and established. The Tenant Voice is intended as a sounding board to get insight and views of customers across the group. It will provide a focal point to share engagement activity and customer insight which will then shape the actions we implement to deliver more power and control to customers. The Panel will engage regularly, both online and in person, to take an overview of our delivery against the engagement strategy and to ensure we listen to a broader range of customers and extend power to customers through the four pillars of the strategy.
- 6.20 Prior to joining Wheatley Group, the membership of the Panel was intended to have two Board members and eight customers. However, with our new group wide governance arrangements and our clear ambition to extend engagement to as many customers as possible through our new engagement opportunities we would like to increase the panel size to 12 tenants in place of 8 tenants and 2 Board Members. The Tenants Voice will form part of the regular engagement feedback reports to the Board, ensuring the Tenants Voice is heard and regular feedback on engagement activity is provided to the Board.

7. Digital transformation alignment

- 7.1 Proposals such as the MyCommunity app and the introduction of a digital tool to improve customer feedback on services are included in the Digital Transformation Programme.

8. Financial and value for money implications

- 8.1. The 2021/22 financial projections include a provision of £3.7m over the five-year period for customer directed investment. In 2021/22 alone investment priorities to be decided by tenants equate to 16% of the overall core programme allocation. Within the Wheatley Foundation, £0.8m of funding has been set aside to support the You Choose Challenge project across the Group's RSLs.
- 8.2. Ensuring that the customer voice is at the heart of our activities and our strategic planning will help to drive increased value for money.

9. Legal, regulatory and charitable implications

- 9.1 There are no legal implications arising from this report.

10. Equalities impact

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

11. Environmental and sustainability implications

- 11.1. This report has no specific environmental or sustainability implications.

12. Recommendations

- 12.1. The Board is asked to:
- 1) Note and make any comment on the programme of planned and completed engagement activity to date in 2021/22; and
 - 2) Note the recruitment to the Tenant Voice Panel as part of our engagement framework.

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Appendix 1 – DGHP **Stronger Voices, Stronger Communities** Engagement Plan 2021/22

Appendix 1
DGHP Stronger Voices, Stronger Communities Engagement Plan 2021/22

Month	Activity	Outcome	Supporting pillar
April	Re-commencement of neighbourhood walkabouts programme. Involving Customers, Investment, Repairs, NETs, Housing & Community Engagement	New opportunities for Customer involvement. Estate management and environmental issues are jointly identified and resolved. Customer focused investment priorities are identified by customers.	You influence and co-design You decide
May	Neighbourhood walkabouts	New opportunities for Customer involvement. Possible way to recruit Customer and Community Voices.	You influence and co-design
June	Neighbourhood walkabouts	New opportunities for Customer involvement. Possible way to recruit Customer and Community Voices.	You influence and co-design
June	TARA Zoom Meetings	Customers feedback their views on local issues	You are heard
July	Neighbourhood walkabouts	New opportunities for Customer involvement. Possible way to recruit Customer and Community Voices.	You influence and co-design
July/August	Programme for Customer and Community Voices is developed based on Board's strategic delivery plan	New opportunities for Customer involvement	You influence and co-design
August	Customer and staff surveys commence on how customers access homes to Dumfries and Galloway, how we allocate homes and tenancy sustainment.	Deliver reviewed allocations policy with performance measures to support agreed outcomes.	You influence and co-design
August	Neighbourhood Walkabouts	New opportunities for Customer involvement. Possible way to recruit Customer and Community Voices.	You influence and co-design

August	Keep Scotland Beautiful surveys	Customers feedback their views on their environment	You are heard
September	Meet with our Tenants Voice to develop plan to recruit Customer and Community Voices	Customers are involved in design	You influence and co-design
September	Late summer gala days/outdoor events (if possible)	Publicise services, publicise feedback loop, community consultation, local investment priorities, apprenticeship programme	You are heard
September	CIP Community Events (Area Hotspots)	New opportunities for Customer involvement, consultation	You are heard
September	Neighbourhood walkabouts	New opportunities for Customer involvement	You influence and co-design
October	Recruitment drive for Customer and Community Voices launches.	New opportunities for Customer involvement	You influence and co-design
October	Focus groups with customers on our repairs service – what do they like/not like?	Customers are involved in scrutiny and improvement ideas	You influence and co-design
October	Learning and development programme to support the Customer and Community Voices	Customers are supported to develop knowledge and skills	Your voice is stronger
October	Newbuild design options – Customers, Housing Officers and Development Officer	New opportunities for Customer involvement to influence the design of new build development	You influence and co-design
October	Neighbourhood walkabouts	New opportunities for Customer involvement	You influence and co-design

Oct / Nov	CIP Community Events	Customers Feedback View on their issues	You are heard
Oct/Nov	You Choose Challenge	Customers decide on Community Benefit Project	You decide
November	Rent consultation <ul style="list-style-type: none"> • Face-to-face focus groups (balanced for age/gender) • Interactive email and Website feedback 	Consultation informs budget setting	You are heard
November	Neighbourhood walkabouts	New opportunities for Customer involvement	You influence and co-design
November	Lochside TRA Engagement	New opportunities for Customer involvement	You influence and co-design
November	6 monthly performance is published on line and customer scrutiny invited	Customers are involved in scrutiny and improvement ideas	You are heard
November	Neighbourhood walkabouts	New opportunities for Customer involvement	You influence and co-design
December	Customer research to support CHR/CBL review	Consultation informs service review	You are heard

December	Neighbourhood walkabouts	New opportunities for Customer involvement	You influence and co-design
January	Community Engagement Events	New opportunities for Customer involvement	You are heard
January	Neighbourhood walkabouts	New opportunities for Customer involvement	You influence and co-design
February	Neighbourhood walkabouts	New opportunities for Customer involvement	You influence and co-design
March	Neighbourhood walkabouts	New opportunities for Customer Involvement	You influence and co-design
April	Group Delivery plan approved	At least 50% of projects have specific milestones covering customer engagement – which helps develop the Customer and Community Voice programme for 2022/23	You influence and co-design
April	Customer and Community Voices annual Group conference – presenting their findings to senior staff, Boards and other stakeholders, including interested customers	Confidence building and skills development – showcasing achievement	Your voice is stronger



Report

To: DGHP Board

By: Matt Foreman, Managing Director

Approved by: Steven Henderson, Group Director of Finance

Subject: Renewal of DGHP's Grounds Maintenance Contract

Date of Meeting: 18 August 2021

1. Purpose

- 1.1 The purpose of this report is to seek DGHP Board approval for the renewal of DGHP's Ground Maintenance Services contract with Idverde Limited (Companies House Number 03542918) for a contract period of up to four years with an estimated value of £1.7m.

2. Authorising and strategic context

- 2.1 Under the Scheme of Financial Delegation (SoFD) and Group Standing Orders, the award of contracts is based on the financial value over the life of the contract. Under the Scheme, Group Board approval is required for contracts relating to revenue expenditure of over £1m.
- 2.2 The estimated value of this contract over the proposed 4-year period is anticipated to be £1.7m (including VAT) based on current spend. There is a small requirement within this provision of planned maintenance, which includes agricultural rough cuts to land owned by DGHP but the majority of spend will be on delivering reactive repairs and maintenance covering fencing, paving and tree works.
- 2.3 This new contract provides continuation of service and supports the introduction of DGHP's new NETs service. The need for subcontracted support for our NETs team was highlighted to the Group's Executive Team by Wheatley 360 in December 2020.

3. Risk Appetite and assessment

- 3.1 The Group's risk appetite in respect of Laws, Regulations and Covenant Compliance is averse, i.e. avoidance of risk and uncertainty is a key organisational objective.
- 3.2 The award of this contract is fully compliant with all relevant procurement legislation and presents no increased risk to the Group or DGHP.

4. Background

- 4.1 Idverde Limited, the incumbent supplier, has been providing Grounds Maintenance services to DGHP since 2012. As a result of this long-standing contractual arrangement Idverde have established a workforce across Dumfries and Galloway specifically for this work.
- 4.2 Idverde's services includes Planned Preventative Maintenance to land owned by DGHP. This land requires cyclical maintenance to prevent overgrowth and herbicide treatment every 4 to 6 weeks between April and October each year. These areas require agricultural plant to maintain and currently fall out with NETs ability to deliver. The reactive aspect of this contract is larger and covers both emergency and routine works to fencing, paving and tree works.
- 4.3 Prior to the introduction of the DGHP's NETs team, the annual cost of this contract in 2019/20 was £1.326m. This was almost exactly a 50/50 split between both Planned and Reactive works.
- 4.4 The introduction of the NETs team reduces the annual spend of planned maintenance from £646k to £22k per annum. In terms of the reactive element of this contract, this reduces from £650k to £380k as activities such as furniture uplifts, rubbish removal, house and garden clearances now fall under the NETs team's remit.
- 4.5 The new contract removes a cost of £30k per annum to DGHP, payable to Idverde, for good contract performance. This cost was associated with a KPI performance measurement mechanism, included in the previous contract. In the new contract, KPIs and performance measures are included, however, there is no monetary value attached to them.

5. Customer Engagement

- 5.1 Engagement with tenants was not directly applicable to this tender. Internal customer engagement was carried out with Wheatley 360 and DGHP's In-house Repairs Team to establish the background to this contract and our future requirements.
- 5.2 Procurement and Wheatley 360 established a working group that included Idverde to scope out the new contract based on NETs remit and to collaboratively work together to ascertain any TUPE implications and recruitment opportunities for Idverde's seasonal staff.

6. Discussion

- 6.1 To minimise risk, our preferred procurement approach to requirements such as those covered here, is to re-procure this contract to provide service continuity as we transition services previously provided by Idverde to the NETs team.
- 6.2 The new contract has been procured via Procurement for Housing's (PfH) Landscaping Services Framework Agreement as a Direct Award. Idverde were ranked first on this framework and provide best value to the Group, as a result.

- 6.3 The tender submission received from Idverde included updated costs for the new contract. The Reactive Repairs and Maintenance costs received had increased by around 10%. This increased cost is largely a result of increased materials costs (specifically timber and cement shortages) taking cognisance of Brexit and the ongoing challenges of the Covid-19 pandemic.
- 6.4 The volatile nature of materials prices shall be monitored as part of quarterly contract management reviews to avoid significant issues from developing during this contract.
- 6.5 As part of the new contract, Idverde have committed to create two new jobs based on anticipated workloads and will work with the Group's community benefits team also to deliver at least community project per year, in each of the four areas in Dumfries and Galloway (Annandale and Eskdale, Nithsdale, Stewartry and Wigtownshire). Options for these events include school visits, volunteering events (e.g. litter picking) and general improvements to an area such as working on community gardens.

7. Digital transformation alignment

- 7.1 There are no implications to digital transformation alignment in this report.

8. Financial and value for money implications

- 8.1 The award of this new contract enables the Group to benefit from synergies created through the introduction of the NETs model to DGHP. The services provided by Idverde deliver a supporting service to the NETs team.
- 8.2 The 21/22 budget for Repairs and Maintenance in DGHP is based on experience of prior years' spend, out with the pandemic, and covers all contract costs under this new contract. Any items which can be capitalised will result in less impact in the profit and loss account. No additional budget is required as part of this procurement exercise.

9. Legal, regulatory and charitable implications

- 9.1 PfH's procurement of the framework has been subject to a full OJEU process. The risk of a procurement challenge is considered low and the contract was awarded on 1st July 2018, to ensure continuity of service.
- 9.2 An Equifax finance report has been conducted for the supplier and according to this its financial stability is rated A- and the supplier is able to enter into contracts to a value of £2,000,000 annually.

10. Equalities implications

- 10.1 There are no equalities implications for this report.

11. Environmental and sustainability implications

- 11.1 There are no environmental and sustainability implications for this report

12. Recommendations

12.1 The Board is asked to:

- 1) Approve the appointment of Idverde Limited (Company Registration 03542918) for a period of up to four years on an estimated contract value of £1.7m (including VAT); and
- 2) Note that Group Board approval is required under the Scheme of financial Delegation.



Report

To: DGHP Board

By: Anthony Allison, Director of Governance

Approved by: Steven Henderson, Group Director of Finance

Subject: Governance update

Date of Meeting: 18 August 2021

1. Purpose

- 1.1 To update the Board and, where applicable, seek Board approval on the following governance related matters:
- Final schedule of meetings for the remainder of the 2021 calendar year, including the Annual General Meeting (“AGM”);
 - Board appraisals and succession planning;
 - Novantie update;
 - DGHP 3;
 - 2022 schedule of meetings; and
 - A notifiable event (change of Registered Office).

2. Authorising and strategic context

- 2.1. Under the Group Authorising Framework, the Group Board is responsible for the Group’s overall governance arrangements. As part of this role, the Group Board is responsible for the Group’s governance framework and agreement of any changes.
- 2.2. 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.
- 2.3. 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.
- 2.4. The contractual relationships and transfers between us and DGHP3 and Novantie are subject to Board approval.

3. Risk appetite and assessment

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

- 3.2. Our strategic risk register includes a risk relating to board governance, not appropriately succession planning and the Board not having sufficient knowledge or experience.
- 3.3. We seek to mitigate this risk by reviewing our succession planning arrangements formally as part of our annual appraisal process. The report sets out the up-to-date position following a review of our 3 year succession plan during the 2021 appraisal process.
- 3.4. In relation to wider governance related activity associated with our relationship with DGHP 3 and Novantie there is a risk that transactions and relationships are not clearly defined or documented. We have sought to mitigate this risk by engaging external legal advice in relation to the proposed Novantie hive up and development activity.

4. Background

- 4.1 Our recruitment and succession planning process is set within the context of the impact of the pandemic and an ongoing group wide strategic governance review considering Board composition.
- 4.2 The Board previously agreed that we progress with the alignment of Novantie to the wider Group approach, subject to the relevant legal and tax advice being procured on behalf of the Board.

5. Customer engagement

- 5.1 As governance related matters, 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. Discussion

2021 meetings

- 6.1. We have two further Board meetings scheduled for this calendar year. One post AGM on 22nd September and Wednesday 24th November 2021 at 10.30am. This would take us to the minimum requirement of 6 scheduled meetings for the calendar year.
- 6.2. It is proposed that we call our AGM on 22nd September 2021 at 11.30am. This would be followed by a lunch to mark the retirement of Bill Robertson and Irene Clark and thereafter a Board meeting at approximately 13.30. These meetings would be held at Easterbrook Hall. The meeting and business thereof will be called in line with the requirements of our Articles.
- 6.3. Under our Articles of Association, the Board shall hold an 'Appointment Board Meeting' each August to agree Board appointments under Article 38. Under Article 38 any Board member who has served their Fixed Term requires to retire at the AGM after the appointment meeting.

- 6.4. John Henderson was appointed in 2018 and has therefore served the standard three year Fixed Term. Having been appointed to fill a casual vacancy during the year, Caryl Hamilton also requires to be formally appointed at the meeting held before the next AGM.
- 6.5. It is proposed that the Board:
- a) Approve the members of the streamlined Board (with the exception of John Henderson) forming the recruitment panel;
 - b) That recruitment panel is convened post Board to consider the proposal to formally recommend Caryl Hamilton and John Henderson for reappointment based on their continued effectiveness as Board members; and
 - c) An appointment Board meeting is convened immediately after the Recruitment Panel meeting to formally consider and approve the appointments of John Henderson and Caryl Hamilton for a period of 3 years from the 2021 AGM.

Following this, Parent approval will be sought for the appointment in line with our Articles of Association.

- 6.6. It is intended that post strategic governance review we will review our Articles of Association. As part of this, this recruitment process mandated by our Articles will be reviewed with a view to streamlining this process to reduce the associated compliance technicalities. There are no further reappointments for any Board member having served the standard three year term in 2021.
- 6.7. It is further proposed that the November meeting be brought forward to Wednesday 10th November at 10.30am. This will allow us to:
- receive feedback from the consultation on our new operating and engagement model (subject to a separate agenda item);
 - agree the proposals for 2022 rent setting (for which the September meeting would be too early); and
 - formally agree the initiation of tenant consultation on our 2022 rent setting proposals.

Board appraisal and 3 year succession plan

- 6.8. A The Group RAAG Committee agreed our approach to individual member appraisal that reflected the extraordinary circumstances of the previous year. Board members met virtually with the Chair to have their appraisal meeting. These meetings were facilitated by the Group Company Secretary. The following topics were covered:
- Board member reflections on last year including how the Board has operated;
 - Chair's reflection on Board member performance during last year;
 - Succession planning; and
 - Board CPD: these will be resuming this later in the year with initial sessions covering (i) equality and diversity; (ii) Group funding structure; and (iii) environment and sustainability.

Reflections on previous year

- 6.9 The extraordinary circumstances of the pandemic were recognised by all members, including the need for our governance arrangements to take this into account.
- 6.10 The following consistent themes emerged from the discussions:
- members felt that the communication to Board members during this time, via weekly updates from the Group CEO, was very welcome and informative;
 - Board members also recognised that the benefit of joining the wider Group was acutely evident during the pandemic and that it allowed us to do much more for our tenants;
 - Board papers continued to be of a very high quality; and
 - A desire to resume full, in person meetings when it is safe to do so.

Succession planning

- 6.11 In line with our succession plans and having served his maximum term, Bill Robertson will retire at the forthcoming AGM. We would like to thank Bill for his work and dedication throughout his service on the Board. Irene Clark is also standing down from the Board at the forthcoming AGM.
- 6.12 As part of the appraisal process, Board members were asked of their future intentions to help inform our succession planning. Having agreed our 3 year plan recently, the only update is to reflect Caryl's appointment agreed by the Board in May. A copy of the revised plan is attached at Appendix 1.
- 6.13 As the Board are aware, we are currently in the process of undertaking a wider strategic governance review. One of the areas to be covered as part of this is Board composition. On this basis, it is intended that at this time we only recruit for the tenant vacancy arising from Bill's retirement. We would seek to conclude this process over the next 6 weeks to prevent the Board dropping to the regulatory minimum of 7.
- 6.14 In the interim and in advance of this, it is proposed that we conclude the wider Board member skills and experience mapping relative to our overall Board skills matrix. This would be via Board members be asked to undertake a self - assessment relative to the matrix. A pre-populated version will be issued to Board members post meeting.
- 6.15 This will allow us to formally document the depth of skills and experience of members beyond just the core skills recorded in the succession plan. In addition to this, feedback will be sought on the current skills matrix. This will include the level/depth of skills and experience we require in each area and if there are any areas no longer of relevance/gaps in the existing skills matrix.
- 6.16 This will provide context for any future discussions post governance review on the future Board composition. A report will be brought back to the September meeting.

Novantia update

- 6.17 [redacted]
- 6.18 [redacted]
- 6.19 [redacted]
- 6.20 [redacted]
- 6.21 [redacted]
- 6.22 [redacted]
- 6.23 [redacted]

DGHP3 Update

- 6.24 [redacted]
- 6.25 [redacted]
- 6.26 [redacted]

2022 schedule

- 6.27 The proposed Board dates for 2022 are as follows:
 - 1) Wednesday 9 February at 10.30am – Board meeting;
 - 2) Wednesday 30 March at 10.30am – Board meeting followed by stock tour;
 - 3) Wednesday 25 May – Board meeting and strategy workshop – 10.00-17.00;
 - 4) Wednesday 17 August at 10.30am – Board meeting;
 - 5) Wednesday 21 September – AGM 10.30am Board meeting 11.15am; and
 - 6) Wednesday 23 November at 10.30am – Board meeting.
- 6.28 The proposal is that we use the May date to hold a Board meeting in the morning and resume post lunch for a strategy workshop. 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. We do however also anticipate scheduling a standalone risk workshop during the spring.
- 6.29 In addition to this, the following dates are proposed for the 2022 Board CPD/social sessions:
 - 1) CPD - Wednesday 23 February at 13.30, Wheatley House;
 - 2) CPD – Wednesday 29 June at 13.30, Wheatley House;
 - 3) CPD – Wednesday 28 September 17.00, New Mart Road; and
 - 4) Social lunch (Group wide) - Wednesday 14 December at 13.00, Wheatley House.

Notifiable event

- 6.30 The Board were advised via written email from the Chair that we required to change registered office as we moved out of Grierson House. We changed our Registered Office to Wheatley House, the registered office of the vast majority of the Group. As a notifiable event, we can confirm that we notified the Scottish Housing Regulator.

7. Digital transformation alignment

- 7.1 The contents of this report are not directly related to our digital transformation activities.

8. Finance 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 legal and regulatory requirements are set out in detail within the body of the report.

10. Equalities impact

- 10.1 There are no equalities implications arising from this report and as such no Equality Impact Assessment is required. As part on our Board CPD programme, an equality and diversity masterclass will be delivered to Board members by an external expert before the end of the year.

11. Environmental and sustainability implications

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

12. Recommendations

- 12.1 The Board is asked to:
- 1) Instruct the Secretary to call the Annual General Meeting for 23 September 2021 at 11.30;
 - 2) Approve the appointment of Maureen Dowden, Heather MacNaughton and John McCraw as the Recruitment Panel;
 - 3) Agree a Board be convened as required to consider the recommendation of the Recruitment Panel and note that Parent approval is required;
 - 4) Agree to reschedule the November meeting to Wednesday 10th November at 10.30am;
 - 5) Note the Board appraisal feedback;
 - 6) Approve the updated 3 year succession plan;
 - 7) Note the succession plan and any reappointments are subject to Group RAAG review and approval;
 - 8) Agree to appoint John Henderson to Novantie Board, subject to the standard Group RAAG ratification;
 - 9) Agree to 2022 Board Schedule;

- 10) Note the progress of the migration of Novantie activities and planned completion date of January 2022;
- 11) Delegate authority to any director to execute the Special Resolutions transferring Novantie's property and cash to DGHP by way of dividend in specie;
- 12) Delegate authority to any director, the Managing Director, Group Company Secretary, Group Director of Finance to approve the missive for the acquisition of Novantie's properties; and
- 13) Approve the updated form of Construction Agreement between DGHP and DGHP3, delegate authority to the Chair to agree any non-material changes, and delegate authority to the Managing Director or the Group Company Secretary to execute the Agreement.

List of Appendices

Appendix 1 – Refreshed 3 year succession plan

Appendix 2 – [redacted]

Appendix 3 - [redacted]



Dumfries and Galloway Housing Partnership

3 Year Succession Plan

1. Introduction

We are 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 have a regulatory duty, under the Scottish Housing Regulator's Regulatory Framework, to formally and actively plan for Board member succession.

2. Background and context

Our succession planning arrangements are developed in line with the Group Succession Planning Policy. The Policy 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 skills matrix) are set out below:

Board member	Key skills and experience	9 year limit	Actual
Bill Robertson (Tenant)	<ul style="list-style-type: none"> ▪ In depth knowledge of the areas, clients, tenants and communities served ▪ Community engagement – scrutiny and service delivery ▪ Provision of customer services (in a housing or other similar context) 	2022	2021
Michael Greaves Mackintosh (Tenant)	<ul style="list-style-type: none"> ▪ Equal opportunities and diversity; the specific needs of diverse communities in the areas served ▪ In depth knowledge of the areas, clients, tenants and communities served ▪ Community engagement – scrutiny and service delivery 	2026	At least life of plan (2024)
Maureen Dowden (Independent)	<ul style="list-style-type: none"> ▪ Corporate Governance ▪ Senior Management, leadership and strategy in a housing context ▪ Being involved in the restructuring or transformation of an organisation ▪ Performance management, value for money and continuous improvement 	2027	At least life of plan (2024)
Heather MacNaughton (Independent)	<ul style="list-style-type: none"> ▪ Housing management and maintenance of social housing ▪ Regeneration ▪ Accountancy and audit, knowledge of relevant statutory requirements ▪ Organisational strategy and policy development 	2027	At least life of plan (2024)
John Henderson (Independent)	<ul style="list-style-type: none"> ▪ Legal and regulatory ▪ General commercial business, financial & management skills ▪ Property, asset management, development, regeneration, surveying etc. ▪ Knowledge of the areas, clients, tenants and communities served 	2027	At least life of plan (2024)
Irene Clark (Independent)	<ul style="list-style-type: none"> ▪ Organisational change and development ▪ Communications, marketing & public affairs ▪ General commercial business, financial & management skills 	2028	2021
John McCraw (Tenant)	<ul style="list-style-type: none"> ▪ Knowledge of the areas, clients, tenants and communities served ▪ Community engagement – scrutiny and service delivery ▪ Provision of services in a housing or other similar context 	2028	At least life of plan (2024)
Fiona Burden (Independent)	<ul style="list-style-type: none"> ▪ Legal and Regulatory ▪ General commercial business, financial & management ▪ Corporate Governance ▪ Risk identification, management and mitigation 	2028	At least life of plan (2024)
Caryl Hamilton	<ul style="list-style-type: none"> ▪ Accountancy and audit, knowledge of relevant statutory requirements ▪ General commercial business, financial & management skills ▪ Risk identification, management and mitigation 	2030	At least life of plan (2024)

4. Succession Plan 2021-2024

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

2021

Future vacancies

Bill Robertson and Irene Clark will retire from the Board at the 2021 AGM. A successor shall be recruited for Bill Robertson, with all other vacancies remaining on pause until the Group strategic governance review is concluded.

2022-2024

There are no planned retirements, beyond retirements by rotation, between 2022 and 2024. It is assumed that retirements by rotation will seek reappointment.

5. Review

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



Report

To: DGHP Board

By: Pauline Turnock, Director of Financial and Legal Services

Approved by: Steven Henderson, Group Director of Finance

Subject: 2020/21 Financial Statements

Date of Meeting: 18 August 2021

1. Purpose

- 1.1 The purpose of this report is to provide the Board with an overview of the 2020/21 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 4 August 2021.

2. Authorising and strategic context

- 2.1 Under the terms of the Intra-Group Agreement between DGHP and the Wheatley Group, as well as the Group Authorise, Manage, Monitor Matrix, the Board is responsible for the on-going monitoring of performance against agreed targets. This includes the on-going performance of its finances and the approval of the statutory financial statements.
- 2.2 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 2020/21 management accounts.

3. Risk appetite and assessment

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

4. Customer engagement

- 4.1 No implications.

5. Summary of year-end financial results

- 5.1 The financial statements are now complete and have been audited. The financial results for the DGHP Group (which is made up of DGHP, Novantie and DGHP 3) for the year are summarised below. The financial results reflect the requirements of the 2014 Statement of Recommended Practice ("SORP 2014") for Social Housing Providers.

	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
Turnover	48,692	48,495
Operating Expenditure	(33,187)	(42,793)
Other gains and losses – gain on investment properties	3,064	319
Operating Surplus	18,569	6,021
Finance income	138	364
Finance costs	(6,125)	(12,587)
Office property – valuation	7	(56)
Surplus/(deficit) for the year	12,589	(6,258)
Tax	(17)	25
Property revaluation – social housing properties	32,301	(104)
Actuarial gain/(loss) in respect of pension schemes	120	1,554
Total comprehensive income for the year	44,993	(4,783)

- 5.2 The DGHP Group's turnover for the year was £48.7m and included new build grant income of £1.1m for the 12 properties completed at Sanquhar and other grant of £2.4m which was £1.9m higher than the previous year with no new build properties completed in 2019/20. Turnover from social housing activities was £0.6m higher due to the rent increase in April 2020. Income from other activities was £2.3m lower with the completion and sale of the final 13 properties in the new supply shared equity programme in 2019/20.
- 5.3 Operating costs in the year totalled £33.2m reducing by £9.6m on 2019/20. Operating costs in 2019/20 included a one-off £5.6m additional depreciation charge which arose from a change in the estimate of useful lives when our accounting policies were aligned with Group accounting policies last year. Other movements included:

- Spend on reactive and cyclical repairs of £9.0m, a reduction of £1.8m when compared with the prior year due to the restrictions placed on the service during the Covid-19 pandemic;
 - Management and administration costs reduced by £2.0m to £10.1m when compared to the prior year from a combination of lower office running costs, as many staff worked from home for the full year, and cost efficiencies achieved in staff and direct running costs as well as efficiencies achieved through the use of Group contractual arrangements and staff resources; and
 - Restructuring costs of £2.8m were incurred in the year which includes provision for dilapidations in leased offices and the implementation of the new staff operating model.
- 5.4 A gain of £3.1m has been reported on the increase in valuation of mid-market rent properties, with the valuation being carried out this year by Jones, Lang Lasalle (“JLL”) who also provide valuation services to the other Group RSLs. This gain is included within operating surplus in line with FRS 102 requirements for the treatment of valuation movements on investment properties. Finance costs of £6.1m are £6.5m lower than the prior year which included a non-recurring charge of £6.3m for the termination costs of the fixed rate hedging arrangements.
- 5.5 Social housing properties have also been valued by JLL and this has shown an upward valuation movement of £32.3m in the year.

6. Adjustments from 31 March 2021 management accounts

- 6.1 The adjustments made between the 31 March 2021 management accounts and the final audited accounts are summarised below:

	Income and Expenditure £m	Net Assets £m
P12 Management accounts	9.8	242.1
Revaluation of social housing properties	32.3	32.3
Revaluation of investment properties	3.1	3.1
FRS 102 pension adjustments	(0.6)	(0.6)
Depreciation	0.8	0.8
Other	(0.4)	(0.4)
DGHP Statutory accounts	45.0	277.3

- 6.2 The high value adjustments between period 12 management accounts and the audited statutory accounts relate to inclusion of non-cash year end adjustments relating to property valuations and pensions. The key changes are:
- 6.3 Revaluation of Properties: Housing, investment and office properties have been revalued at the year-end by Jones Lang Lasalle. This resulted in an increase of £32.3m in the valuation of social housing properties, an increase of £3.1m for mid-market rent (investment) properties and an increase of £7k for office properties.

- 6.4 FRS 102 Pension adjustments: The Dumfries and Galloway Council Pension Fund defined benefit pension scheme is revalued on an annual basis by independent actuaries. The 2020/21 valuation resulted in the recognition of £605k of service costs, £75k of interest costs, and an actuarial gain of £120k. The pension scheme reports a liability of £3.3m on the Statement of Financial Position.
- 6.5 Depreciation and other adjustments: These adjustments are for other items finalised after the preparation of the management accounts such as a review of accruals made following the receipt of the invoices post year end and update of the depreciation charge for component accounting.

7. Audit summary

- 7.1 The external auditors, KPMG, have completed their audit of the financial statements and have issued an unqualified audit opinion.
- 7.2 No audit adjustments were identified during the course of the audit.
- 7.3 As a standard part of their 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).
- 7.4 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.
- 7.5 The accounts will be signed following the approval of the Wheatley Group accounts at the Group Board meeting on 26 August 2021.

8. Digital transformation alignment

- 8.1 No implications.

9. Financial and value for money implications

- 9.1 The business plan will be updated to reflect the 2020/21 statutory accounts.

10. Legal, regulatory and charitable implications

- 10.1 No implications.

11. Equalities impact

- 11.1 Not applicable.

12. Environmental and sustainability implications

12.1 Not applicable.

13. Recommendations

13.1 The Board is asked to:

- 1) Approve the 2020/21 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

Appendix 1 - DGHP Consolidated Financial statements for the year ending 31 March 2021 [redacted] available at https://www.wheatley-group.com/data/assets/pdf_file/0019/131428/DGHP-annual-accounts-2021.pdf

Appendix 2 – [redacted]

Appendix 3 – [redacted]



Report

To: DGHP Board

By: Ranald Brown, Director of Assurance

Subject: Internal Audit Annual Report and Opinion 2020/21

Date of Meeting: 18 August 2021

1. Purpose

1.1 This paper provides the Board with an update for noting on the following matters:

- the Internal Audit Annual Report and Opinion 2020/21;
- the results of assurance work completed in Q4 2020/21; and
- the rolling 3-month Internal Audit Plan for 2021/22.

1.2 As the Internal Audit Annual Report and Opinion supports the 2020/21 year-end financial statements, we present this paper at the Board meeting as part of the overall Annual Accounts.

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 long-term plan for internal audit within the Group, to approve the annual Group Assurance Plan and monitor results as presented in the annual internal audit report and assurance statement. The 2020/21 Annual Internal Audit Report and Assurance Statement was approved by the Group Audit Committee on 5 May 2021, as was the Internal Audit Plan 2021/22.

3. Risk appetite and assessment

3.1 The Board's risk appetite in relation to Governance is deemed "cautious" meaning that tolerance for risk taking is limited to events where there is little chance of any significant repercussion should there be a failure.

- 3.2 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.

4. Background

- 4.1 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).
- 4.2 In line with the requirements of the Standards, Internal Audit provides the Group Audit Committee 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.
- 4.3 The Internal Audit Annual Report and Opinion 2020/21 was approved by the Group Audit Committee at its meeting on 5 May 2021. The Group's established position is that it only operates Committees at Group level. The Group Audit Committee's role and responsibilities are contained within its Terms of Reference. **Annex 3 of Appendix 1** sets out the core areas and further explanation of the respective roles and responsibilities of the Group Audit Committee and partner Boards. 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.
- 4.4 In terms of our Assurance coverage, **sections 3 and 4 of Appendix 1** provide details of all the reviews and which Subsidiary they include. The reviews specifically relevant to us are detailed below:

Gas Safety	PPE Health & Safety	Fire Safety	Arears Management
NETs PPE	Allocations	Business Continuity Planning	Cybersecurity Healthcheck – IT operations
Cybersecurity Healthcheck – SaaS systems	Working from Home review	Payroll Data Analytics	Digital Strategy

- 4.5 The Annual Report refers to the results of work reported to the Group Audit Committee in May 2021, which has not previously been reported to the Board. A summary of the Internal Audit Plan for 2021-22 is set out in **Appendix 2 – Group Assurance Update**, along with key findings for the following reviews:
- a) Allocations;
 - b) Business Continuity Planning;
 - c) DGHP Transformation Programme;
 - d) Digital Strategy Interim report;
 - e) Wheatley Care self-assurance consultancy review;
 - f) Payroll Data Analytics; and
 - g) Follow-Up of Management Actions.

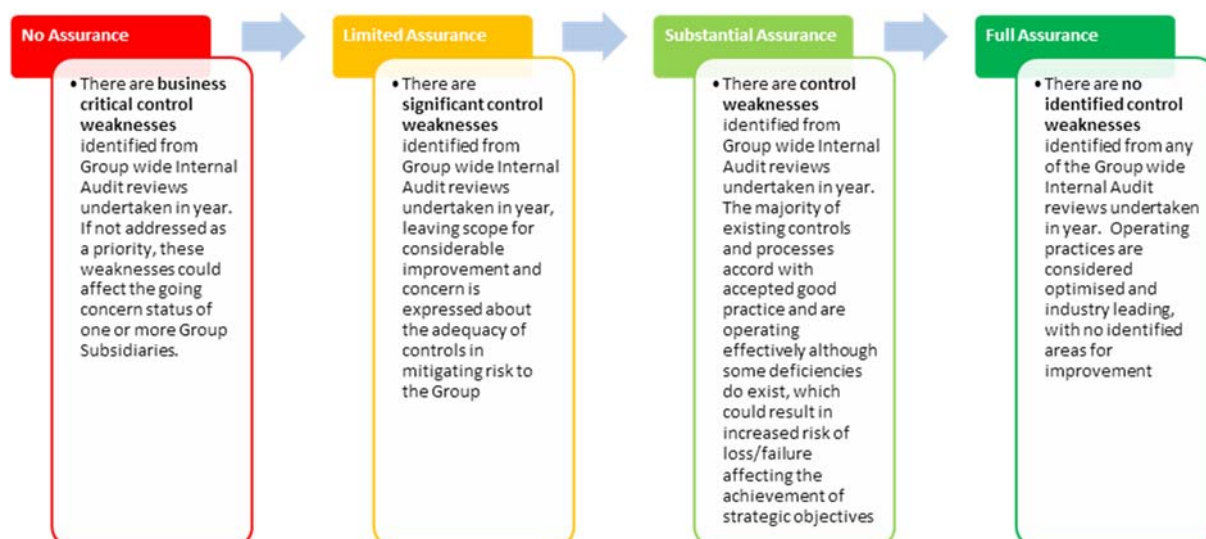
5. Customer engagement

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

6. Discussion

Internal Audit Annual Report and Opinion 2020-21

- 6.1 A copy of the Annual Report and Opinion has been included at **Appendix 1**. The table below shows the different types of Internal Audit Opinion which may be given:



- 6.2 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 2020/21. In giving this opinion, it should be noted that assurance can never be absolute.
- 6.3 During the course of our work, we identified no critical weaknesses in the governance, risk management, or internal control environments that would put the achievement of subsidiary or Group strategic objectives at risk. Management has acted to address the findings we reported during the year, and thereby strengthen the control environment. The status of all audit actions will continue to be reported regularly to the Group Audit Committee. In addition, we gave a mid-year Assurance update to Partner Boards to highlight relevant audit findings.

Internal Audit Opinion 2020/21

Based on our Group-wide work undertaken in 2020/21 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. However, some weaknesses in the design and or consistent application of controls exist. Management has agreed to the improvements to the control environment and the progress of implementing these additional controls will be reported to the Group Audit Committee.

Group Assurance Update August 2021

- 6.4 The table below summarises the results of 2020/21 Annual Plan work reported to the Group Audit Committee in May 2021.

Review	Control objectives
Allocations	Green Green Yellow Green Green
Business Continuity Planning	Yellow Yellow Yellow Yellow
DGHP Transformation Programme	Green Green Green Green
Digital Strategy interim report	Not applicable for this review
Payroll analytics	Not applicable for this review

- 6.5 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. In addition, we have provided consultancy support to Wheatley Care for the design and implementation of a self-assessment process to demonstrate compliance with the Care Inspectorate's Care Quality Framework.
- 6.6 The paper at **Appendix 2** also sets out identified areas for internal audit focus for 2021/22, which have been identified through review of Group and Subsidiary Board Strategies and Risk Registers, discussion with senior managers and consideration of the Assurance map. These areas of focus will be updated on a rolling basis throughout the financial year and will be used to identify the reviews to be prioritised each quarter. This plan was approved by the Group Audit Committee at its meeting on 5 May 2021.

7. Digital transformation alignment

- 7.1 The agreed actions within the Digital Strategy interim review will assist management to achieve the digital transformation required in order to successfully deliver the Group's strategic aims.
- 7.2 The good practice highlighted within the DGHP Transformation Programme would, if applied to the Digital Transformation Programme, provide management and the Group Audit Committee with additional assurance about whether the programme is delivering in line with expectations.

8. Financial and value for money implications

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

9. Legal, regulatory and charitable implications

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

10. Equalities implications

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

11. Environmental and sustainability implications

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

12. Recommendation

- 12.1 The Board is asked to note the contents of this report, including the Annual Internal Audit opinion detailed in Section 6 above.

List of Appendices

- Appendix 1 – Internal Audit Annual Report and Opinion 2020-21
- Appendix 2 – Group Assurance Update August 2021

Internal Audit Annual Report and Opinion 2020/21

Ranald Brown
Director of Assurance
5 May 2021

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 2020/21 Annual Assurance Plan.

The 2020/21 Annual Assurance Approach and Plan was approved by the Group Audit Committee and progress against this plan has been reported to the Group Audit 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 Group Audit Committee throughout 2020/21. Reporting to Subsidiary Boards and the Group Board has taken place 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 2020/21.

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 2021;
- 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;
- due to the COVID-19 pandemic, the Group followed UK Government advice and implemented virtual working arrangements while moving to an emergency service delivery model;
- 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 2020/21. 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.

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 2020/21

Based on our Group-wide work undertaken in 2020/21 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. However, some weaknesses in the design and or consistent application of controls exist (See **Annex 2** for Assurance Opinion Definitions). Management has agreed to the improvements to the control environment and the progress of implementing these additional controls will be reported to the Group Audit Committee.

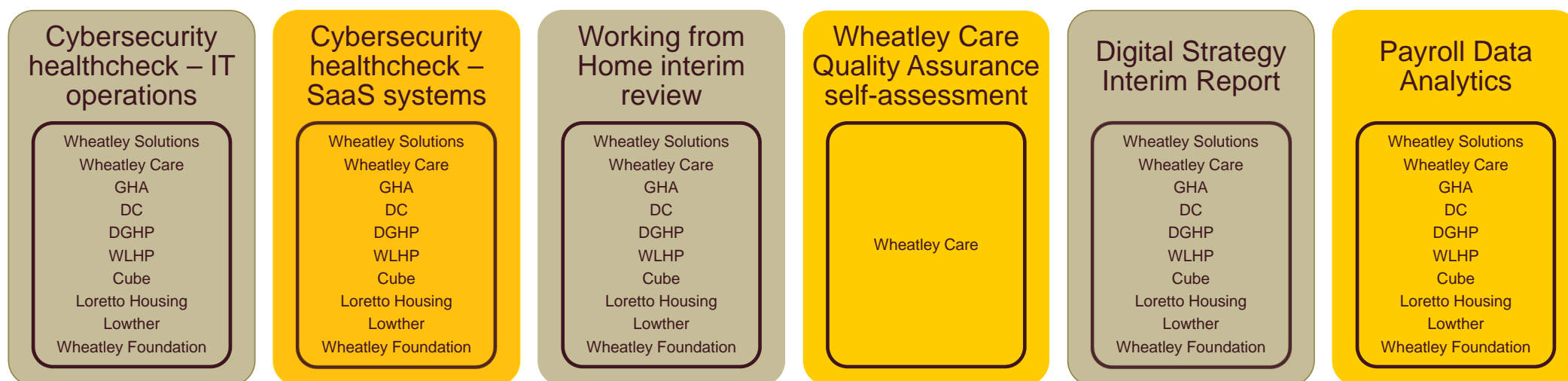
3. Summary of Findings

This section summarises the results of Internal Audit advisory reviews completed during 2020/21. 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 2020/21 have previously been reported to the Group Audit Committee and to Subsidiary Boards.

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. During 2020/21, the Group Audit Committee approved a decision to pause routine follow up activity during 2020/21.

In order to resume follow up activity for 2021/22, we have completed an annual assessment of the status of all open actions.

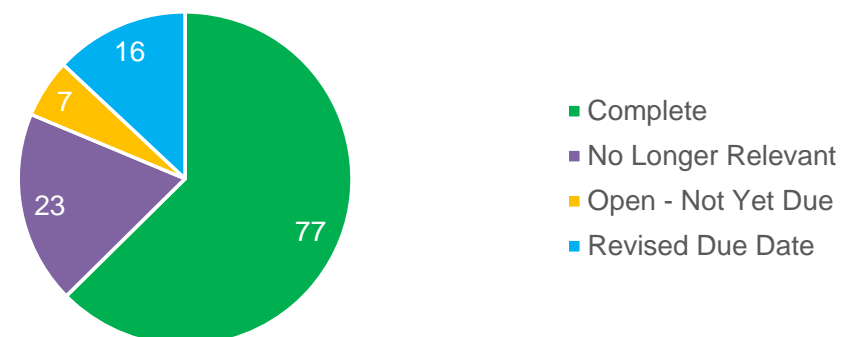
These comprise Wheatley Group actions brought forward from 2019/20, DGHP actions brought forward from 2019/20, and actions reported during 2020/21. Our assessment has included review of each action to determine whether:

- a) The action has been completed during 2020/21; or
- b) The action is no longer relevant or has been superseded by revised plans for the Group's new operating model.
- c) For those actions that remain open and relevant, we have discussed the current status with management and identified revised timescales for completion of the original actions.

Status	Actions
Actions brought forward from 29 Feb 2020	22
Q4 2019/20 actions added	16
Legacy DGHP actions added	52
New actions agreed during 2020/21	33
Total Actions followed up	123

The chart below summarises our assessment of the status of the 123 actions carried forward to 2021/22.

Status of Actions at 31 March 2021



6. IA Key Performance Indicators

The Internal Audit team's performance against its agreed KPIs for 2020/21 is set out below:



Notes:

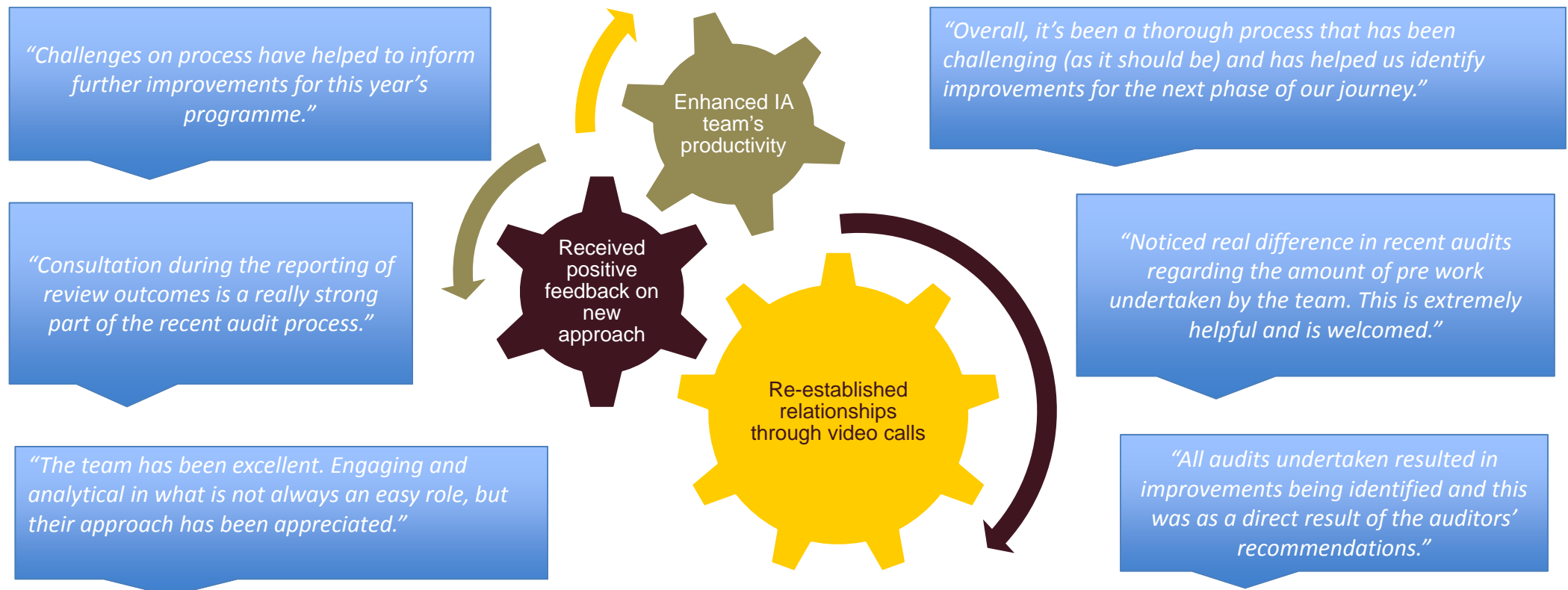
1. The 2020/21 Annual Plan was superseded following lockdown. The revised plan has been approved by the Group Audit Committee on a quarterly basis and delivered in line with proposed timescales.
2. The Internal Audit team was furloughed between April 2020 and September 2020. The team's utilisation has therefore been measured based on 100 days for 2020/21, reflecting the period they were working.

Key:

Red	More than 15% away from target
Amber	Within 15% of target
Green	Target met / on track for year

7. IA 2020/21 Feedback

The Internal Audit team has received the following feedback since returning from furlough in September 2020/21 and changing the audit approach. The quotes are taken from 2020/21 review feedback forms received from Subsidiary Directors.



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 2020 and the exercise will be repeated in September 2021.

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 2020/21, 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.

Annex 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 Annual Assurance 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 Annual Assurance 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

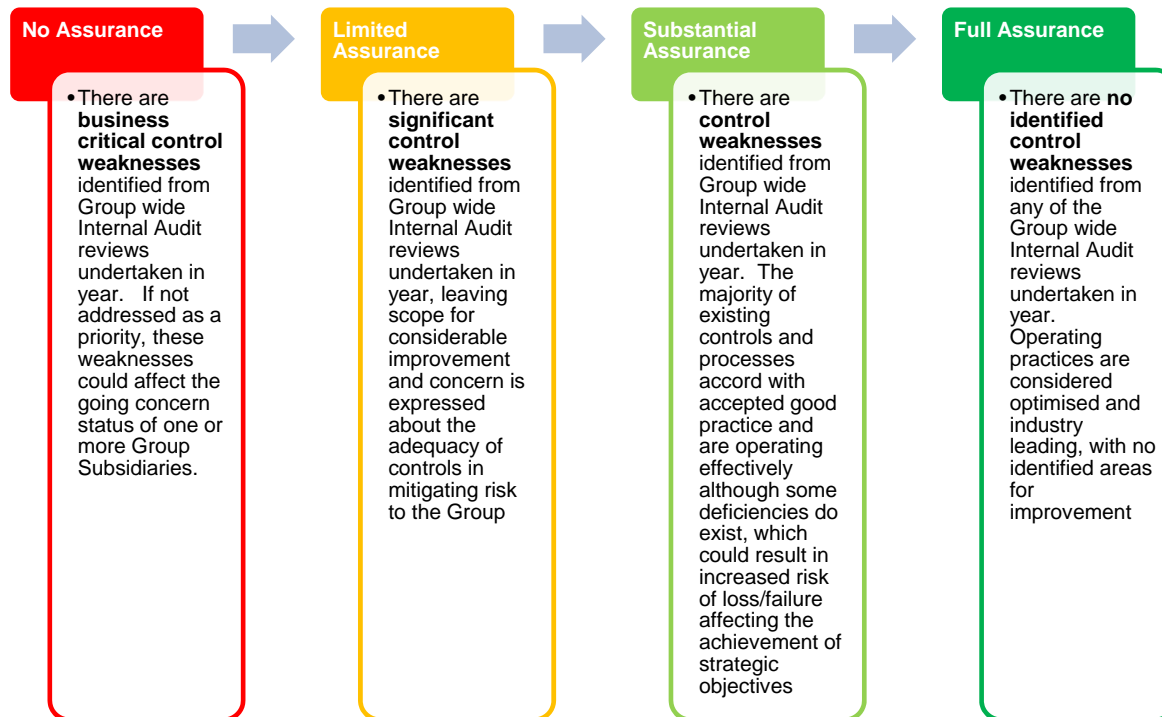
It is Management's responsibility to develop and maintain sound systems of risk management, internal control and governance to ensure the prevention and detection of irregularities and fraud. Internal Audit work should not be seen as a substitute for Management's responsibilities for the design and operation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

Annex 2: Assurance Opinion definitions

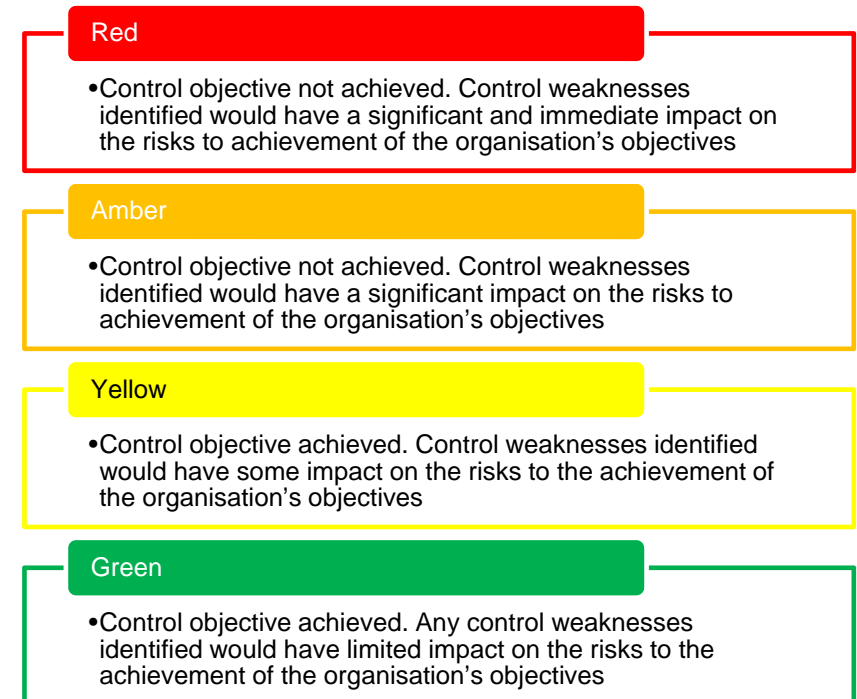
Annual Assurance Opinion Definitions

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:



Annex 3: Respective roles of Group Audit Committee and Partner Boards



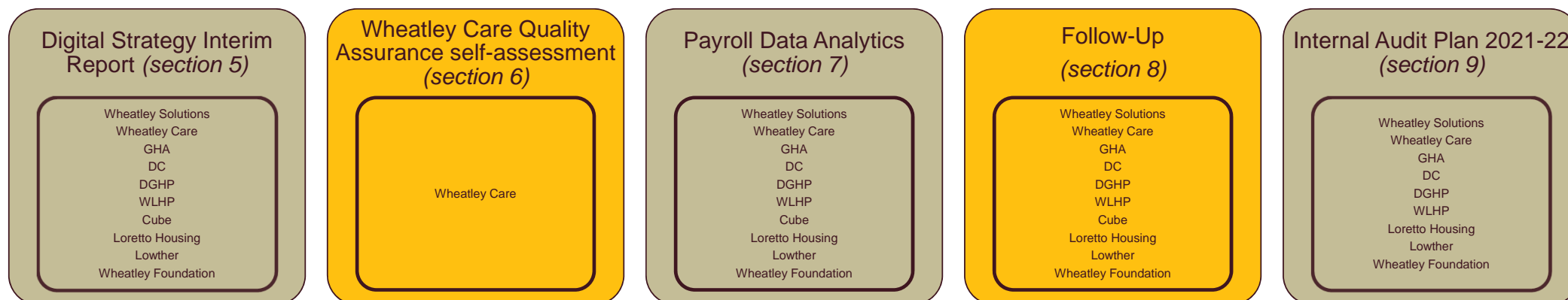
Core area	Group Audit Committee roles and responsibilities	Partner Board roles and responsibilities
Internal Audit	<ul style="list-style-type: none"> ▪ Approve annual assurance plan (all planned Internal Audit work for the year). ▪ Consider feedback from Group wide audits and inspections and monitor progress in implementing recommendations. ▪ Consider annual report and opinion for Group. ▪ Monitor effectiveness of Internal Audit. 	<ul style="list-style-type: none"> ▪ Note the Annual Plan and identify any potential areas to recommend to the Group Audit Committee for inclusion. ▪ Note feedback from Partner specific audits and inspections and monitor progress in implementing recommendations. ▪ Receive updates on Group-wide audits as part of bi-annual assurance update. ▪ Note Group annual report and opinion. ▪ Provide feedback, as appropriate, on Internal Audit to Group Audit Committee.
Risk, Fraud and Whistleblowing	<ul style="list-style-type: none"> ▪ Review and make recommendations to the Group Board on the Group's risk management framework and Corporate risk register (Subsidiaries and Joint Ventures). ▪ Group Audit Committee approves 'Fraud, Corruption and Bribery' and 'Whistleblowing' policies. 	<ul style="list-style-type: none"> ▪ Approve Subsidiaries risk appetite level and risk register. ▪ Partner Boards to monitor compliance with 'Fraud, Corruption and Bribery' and 'Whistleblowing' policies.
Financial Statements	<ul style="list-style-type: none"> ▪ Review the Group's accounting policies. ▪ Review financial statements of all group members. 	<ul style="list-style-type: none"> ▪ Approve individual financial statements and letters of representation.
External Audit	<ul style="list-style-type: none"> ▪ Approve annual audit plan. ▪ Recommend appointment/re-appointment of external auditors to Group Board. ▪ Set policy for award of non-audit work to external auditors. 	<ul style="list-style-type: none"> ▪ As required under individual constitution.
Policy	<ul style="list-style-type: none"> ▪ Recommend to Group Board and/or approve assurance related policies. 	<ul style="list-style-type: none"> ▪ Provide feedback on and implement Group assurance policies.

Appendix 2 - Group Assurance Update August 2021

Ranald Brown
Director of Assurance

1. IA Plan 2020/21 Status

Status of Reviews : This section summarises the results of Internal Audit activity completed during this period. We have completed the reviews approved by the Group Audit Committee at its February 2021 meeting.



1. IA Plan 2020/21 Status

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. Allocations

Report Conclusion

The Group suspended allocations across its housing stock from the end of March 2020 in line with the Scottish Government's COVID-19 response. Management put temporary processes in place to manage customer expectations and ensure that staff could work safely once letting activity could resume. We reviewed the Allocations process developed during the COVID-19 lockdown and assessed plans for development of a post-COVID process for the new operating model. This included consideration of variations to Allocations processes followed across the MyHousing, EdIndex and Orchard systems.

We tested a sample of 25 allocations across all three systems and found that interim processes were applied correctly. We also reviewed all complaints received in the year to date and found no trends or cases that indicate any issues with the processes followed or information provided to customers.

There are ongoing reviews into aspects of the allocations systems, such as the use of digital signatures for tenancy agreements, and the outcome of these will impact on the way in which lessons learned during lockdown can be applied in a post-COVID process.

This report includes agreed management actions to progress the outcomes of this ongoing activity and consider how staff working across all three Allocation systems can share learning and opportunities for improvement.

Control Objective Classification



The Group's agreed COVID-19 response for allocations activity has been reviewed and amended as required during the pandemic period, in line with Scottish Government guidance.



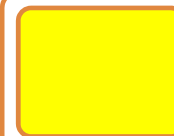
Customer expectations have been managed throughout the lockdown period, with support provided to existing and new housing applicants as required.



The registration, selection and offer processes currently in use enable staff to work remotely, and in a COVID safe way.



Properties used for temporary accommodation during the pandemic will be returned or 'flipped' in a managed way which minimises void periods and supports the achievement of the Group's agreed COVID-19 response.



Lessons learned during lockdown will inform the development of a post-COVID allocations process for the new operating model.

2. Allocations

Areas of Good Practice

- ✓ The Group's Void and Allocation Recovery Plan has evolved in response to changing Scottish Government COVID guidance and priorities. The Executive Team received weekly updates and presentations on the Group's allocations response throughout lockdown.
- ✓ Specific guidance on managing our homes during COVID was created for Housing Officers. This includes Health and Safety procedures for conducting viewings and sign-ups safely.
- ✓ Voids and Allocations Forum has been established to track voids, review void performance and identify and reduce blockages across West RSLs. Forum leads attend the Allocations Community of Excellence (COE) where opportunities for improvement can be shared.
- ✓ COE Bulletins are published on WeConnect to keep staff informed of the work of the COE and ongoing activity.
- ✓ RSL websites contain clear information for customers on how to access housing or get support. Letters were sent to customers who had live offers or notes of interest in place at the time letting activity had to stop due to lockdown to reassure them that these would still be valid post-lockdown.
- ✓ MyHousing and Orchard Housing Management systems retain the details of each selection and offer, providing an online record and audit trail of which applicants were eligible at the time of selection and the rationale for each offer made.
- ✓ Opportunity to develop a matching process for section 5 applications has been trialled with Glasgow City Council. The results of a Vanguard review are still to be agreed and shared with the Executive Team, but it is expected that the proposed approach would reduce staff time spent reviewing referrals, reduce the likelihood of section 5 applications held in MyHousing becoming outdated and increase the likelihood of successful tenancies.
- ✓ Flat-flipping approach is being used where customers have settled well into a temporary property and community and would benefit from remaining in that home permanently.

2. Allocations

Opportunities to Improve - (Management had identified these areas prior to our review. They reflect work which is in progress and planned next steps.)

- Once approved, the Allocations Recovery Plan should form the basis of an action plan of approved changes to the Allocation systems, policies and procedures in place across the Group. The Allocations COE should manage the plan and ensure it reflects the outcomes of the Group Allocation systems review and Vanguard review.
- Management should review the EdIndex process and to identify any short-term solutions which could make the process more efficient while staff continue to work remotely. For example, the Sharepoint 'version history' function could remove the need for different versions of the same letting pack document to be retained.
- An Allocations Engagement Plan should be developed to set out what key messages the Group will communicate with customers, how and when. Management should also use the plan to identify key communications to staff to ensure they have the knowledge to manage customer queries and concerns about post-COVID allocations activity in a consistent and informed way.
- Service Innovation & Improvement Teams should resume compliance checks on samples of Allocations to confirm that selections and offers are being completed in line with policy. The new Voids and Allocations Forum will provide an opportunity to share learning from these checks with RSLs in the West. The Allocations COE should consider how staff in the East RSLs and DGHP can also work with this Forum to increase sharing of good practice at an operational level.
- Following the Executive Team's decision on the use of digital signatures on tenancy agreements, the Allocations COE should lead the development of revised procedures and guidance to support either the adoption of digital signatures, or a revised process for handling and storing tenancy agreement documents following sign-up.

3. Business Continuity Planning

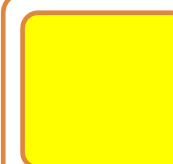
Report Conclusion

The COVID-19 pandemic has demonstrated the importance of having a robust Business Continuity Management System (BCMS) in place. While the Group has a documented framework for business continuity in place, the Group's response to COVID-19 has deviated from the planned response in order to successfully manage a challenging situation.

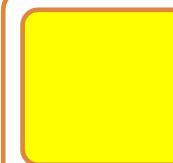
Management was aware from the outset of this review that the Group's BCMS requires update (particularly to reflect the new operating model) and so this review assessed the existing documentation against the good practice outlined in ISO 22301:2019 and any lessons learned during 2020/21.

We have identified some areas of good practice to be continued and have highlighted opportunities for improvement, including the opportunity to revise the BCMS structure in light of the new operating model.

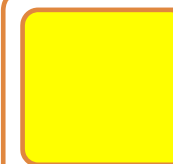
Control Objective Classification



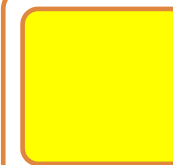
Lessons learned and examples of good practice from local COVID-19 responses are being used to review and update the Group's BCP approach and individual BCPs.



BCP business owners review the content of their plans at least annually and as operational changes are implemented including responses to Scottish Government guidance.



Group BCP's include identification of key office bases, IT systems and any supply chain threats to the delivery of key services, including vendor solvency and implementation of supplier BCPs.



There is a list of prioritised BCPs that reflects the order in which services and IT systems would be restored if all became unavailable at the same time.

3. Business Continuity Planning

Areas of Good Practice

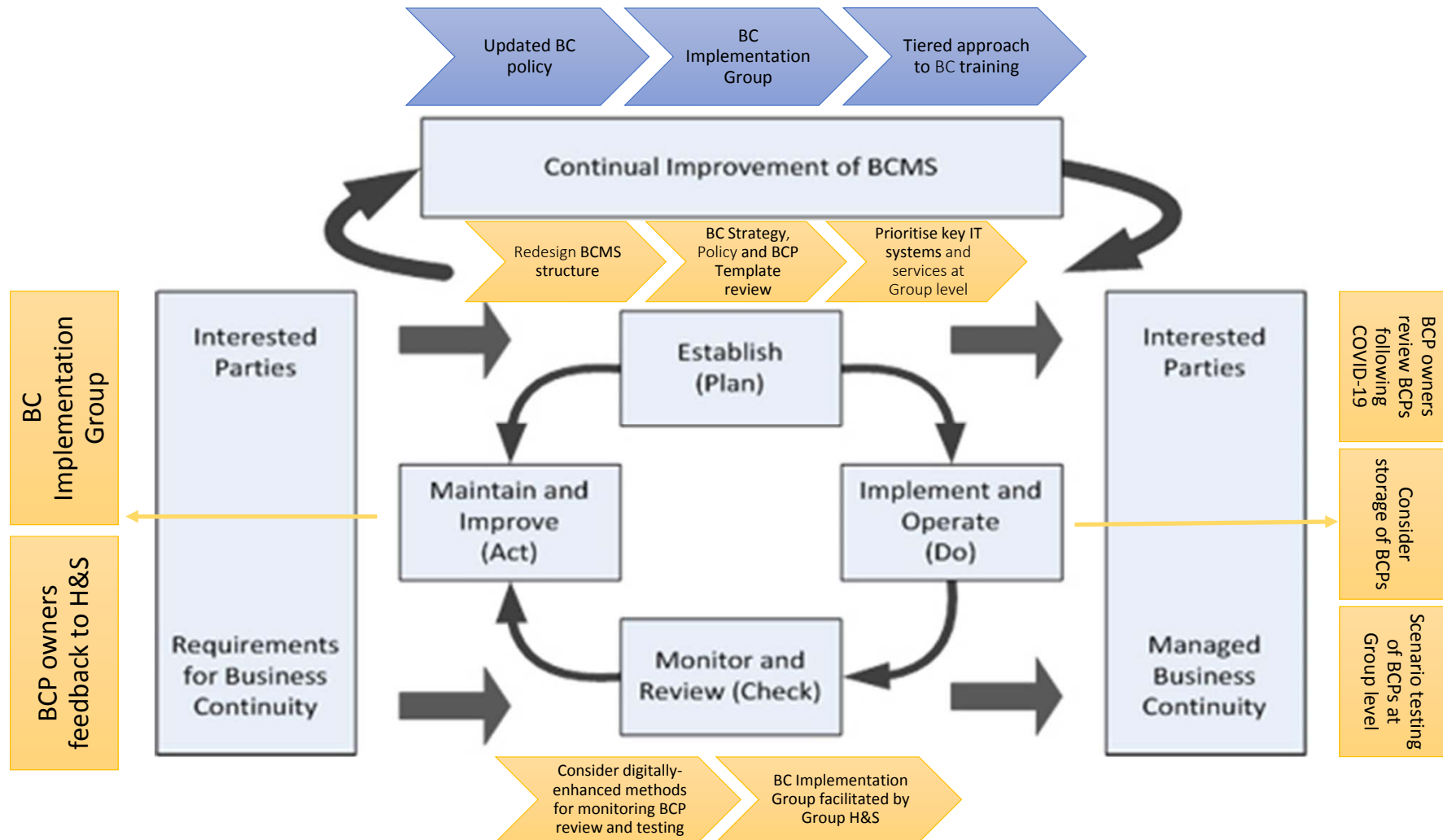
- ✓ At the start of lockdown, an Essential Services presentation to the Wheatley Group Board and Subsidiary Boards clearly set out who was in the initial response team, their responsibilities and the approach being taken.
- ✓ In response to COVID-19, Business Continuity (BC) was successfully directed and implemented by the Group Chief Executive and Executive Team through daily calls in the initial phase which allowed a consistent response to be implemented and consistent messaging to be relayed across Group.
- ✓ The uncertain return to full service delivery caused by COVID-19 was managed through regular business updates and remobilisation plans reported to Boards to allow scrutiny over business decisions. These accounted for a variety of possible scenarios depending on easing/tightening of restrictions (e.g. the impact of 10%/20%/30% loss of staff).
- ✓ The Group aligned its BC response to relevant legal/regulatory requirements (e.g. the Coronavirus (Scotland) Bill).
- ✓ Business Continuity is a risk on the Group's Strategic Risk Register which is regularly reviewed by senior management, Group Audit Committee and Boards.
- ✓ The Group Health and Safety Manager attends a Disaster Response Team meeting with representatives from the emergency services, Scottish Government and Local Authorities, which provides good practice examples that can be introduced to the Group BCMS.

3. Business Continuity Planning

Opportunities to Improve – including to reflect the new operating model

- Group Health and Safety should develop a proposed new BCMS, agreed by ET, which reflects the Group's new operating model. This should be documented to show which teams are responsible for different aspects of the BCMS and which teams should prepare BCPs.
- Group Health and Safety should establish a BC Implementation Group to oversee monitoring and review of BCPs, share lessons learned and good practice and to discuss and action improvements to the BCMS.
- The BC Implementation Group should review the BCMS (including BC strategy, BC policy and BCP templates) in line with the summarised improvement areas noted below and the redesigned Group BC structure.
- Group Health and Safety should review the BCP template and consider including assessment of the impact particular events might have on services over different time periods (e.g. a few hours, a day, a week) and the different levels of support that might be required from teams such as IT and Facilities Management in each case.
- The BC Implementation Group should develop and monitor a prioritised list of IT systems/networks across Group which considers the needs of business users and the order in which resources are made available during a BC event.
- Group Health and Safety/ the BC Implementation Group should consider digitally-enhanced methods (e.g. Teams/SharePoint/a BC apps) for storing BCPs and monitoring BCP review/exercise completion.
- Group Health and Safety/ the BC Implementation Group should review BC training, giving consideration to a tiered system of BC training across Group, depending on the individual's level of involvement and responsibility for BC. This would include review of the Group's current BCP e-learning module, which is available on MyAcademy.

3. Business Continuity Planning



4. DGHP Transformation Programme

Report Conclusion

This report reviewed the revised DGHP Transformation Programme, 'Time to Excel', to assess the processes in place to manage delivery of a large-scale change programme.

We found that the Programme is well-managed, has allowed for the impact of COVID-19 on the delivery of the individual projects and has made significant progress towards the full integration of DGHP into the Group. There has been strong communication with stakeholders and staff from both DGHP and Wheatley Solutions have commented positively on the joint working arrangements for the programme.

We noted some minor opportunities for continuous improvement that would facilitate delivery of the remainder of the programme.

Control Objective Classification



The transformation programme has been updated as the challenges of COVID-19 are managed.



Key stakeholders are informed of implementation progress and any changes due to COVID-19.



The Transformation Programme Group meets regularly to review plan progress and identify any emerging risks or issues to be escalated to the Executive Team and Boards as appropriate.



A process is in place to review and evaluate individual projects within the programme as they are completed to determine the extent to which success criteria have been delivered.

4. DGHP Transformation Programme

Areas of Good Practice

- ✓ The Transformation Programme Board meets every two weeks to review and assess progress of the outstanding projects within each of five workstreams. This includes review of workstream exception reports and status of previous meeting actions, which are formally documented.
- ✓ Detailed progress reports on the Transformation Programme status, including where the impact of COVID –19 has caused slippage to the original programme target dates, have regularly been provided to the Group's Executive Team (ET), the Group and DGHP Boards.
- ✓ Requests for amendments to timelines and changes to the Transformation Programme have been approved by ET and the Group Board, in line with the Group's Authorisation Framework.
- ✓ A detailed Communications and Engagement Plan has been developed and implemented by the Group and DGHP Communications teams to support delivery of the Transformation Programme.
- ✓ Members of the Transformation Programme Board have held regular internal and external stakeholder updates, including to the wider Dumfries and Galloway community, using different mediums such as, Zoom meetings, YouTube videos for staff, staff presentations, local press releases and customer newsletters.
- ✓ An independent evaluation is being commissioned by the Group to assess delivery of DGHP and Group Promises, which the programme was set up to deliver.

4. DGHP Transformation Programme

Opportunities to Improve: Continuous improvement actions

1. Recording of Meeting Actions - A master action log will be created to improve the Transformation Programme Board's ability to track open and ongoing actions.

2. Recording of Changes to the Transformation Programme - A change log will be created to record all future changes to the Transformation Programme, which will provide additional assurance over the completeness of amendments and provide clarity over any programme slippage.

3. Strategic Partnership Register - A Transformation Programme Strategic Partnership Register will be developed to ensure knowledge from partnership relationships is not lost due to staffing changes or remits.

4. Lesson Learned - A lesson learned /success log will be added to the key documents file of the Transformation Programme to record opportunities for future improvements to the management of projects and the overall Programme.

Members of the Transformation Programme Board will participate in a lessons learned session to assess delivery of the programme to date, with the outcomes from the session recorded in the lesson learned /success log.

5. Base-lining performance to allow measurement of project benefits - A review of “DGHP Promises” will be completed, to establish, where appropriate, agreed measures that will demonstrate delivery and achievement of benefits.

5. Digital Strategy Interim report

Work Performed: This interim review examined the status of the technology planning underway to support the delivery of the technology elements within the Wheatley Group Strategy 2021-26, the Wheatley Solutions Strategy 2021-2026, and the February 2021 Wheatley Solutions Board paper “Approach to developing our technology plan”.

Findings:

- There are linkages between the overall approved Group Strategy and the agreed Delivery Plan. This includes the key digital areas included within the Group’s Strategy.
- Managing Directors and Directors have taken ownership for delivery of the digital projects being implemented across the Group to reflect the ambition to have digital leaders throughout the organisation.
- Seven key focus areas have been identified to meet Wheatley’s Strategic Digital Outcomes. High level road maps have been created for each focus area outlining the activities planned over the next five years. Ongoing improvement and enhancement of projects has also been built into the road map.
- The Director of IT has taken on the role of the digital lead.
- The Digital Team has been created, which sits under the Director of IT & Digital Services’ remit. The Digital Team has three goals:
 1. Improve digital maturity across the 7 model competencies,
 2. Improve project delivery, and
 3. Promote digital adoption and digital ways of working. Work is ongoing to bring the appropriate skills and resources into the Digital Team.

Next Steps:

- Detailed planning will be reviewed through completion of Year 1 project scoping documents to detail dependencies, resources required, and key stakeholders.
- Consideration will be given to the programme governance structure to support delivery of the plans.
- A communications plan will be created by the Digital Team to ensure engagement for wider groups of staff during the programme delivery stages.

Further Action: *The IA team will work with Azets to bring an updated position to the Group Audit Committee in August 2021.*

6. Wheatley Care Quality Assurance Self-assessment



Work Performed: As part of Wheatley Care's project to update its quality assessment processes, Service Managers were asked to complete a pilot self-assessment based on Question 7 (Q7) of the Care Inspectorate's Quality Assurance Framework. Q7 was selected for the pilot because it relates to arrangements for the management of services during the COVID-19 pandemic. The pilot checklist was circulated to all services for completion, with managers initially asked to provide a "yes / no" response along with evidence to support the selected response. The Internal Audit team reviewed a sample of six Service responses to determine whether the process design provided assurance that there was sufficient evidence available to support each service's self-assessment.

Findings: Our initial assessment found that more evidence is required to support the services' self-assessments and we identified areas in which the process design could be improved to simplify the assessment process and to promote capture of the required evidence. For example, the Q7 checklist contains 60 statements against which service managers are asked to rate performance and provide evidence. This represents a significant administrative burden, especially when replicated across Questions 1 – 5 (Question 6 requires development of an action plan). In designing the process, further consideration should be given to balancing the level of assurance provided against the time taken to complete each exercise.

We also requested further evidence from each of the Services and completed virtual tours of each service to determine whether the evidence gaps in the self-assessments were due to lack of information or if processes were not followed. We found that, while additional evidence was provided, this did not fully evidence the statements in all cases. The volume of the evidence provided and the fact it was still insufficient to fully evidence the pilot checklist reinforced our conclusion that the design of the pilot process would be overly onerous and that there are more efficient ways of presenting the information.

Next Steps: *We have discussed options for improving the process design and will continue to work with Care management to implement the new process during 2021/22.*

7. 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 2020/21 we have used IDEA to confirm:

1. There are ***no duplicate employee numbers being used*** (across all payrolls)
2. We identified ***21 duplicate bank account numbers in use during the year*** (across all payrolls). These were matched to the staff establishment list 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 16 employees who received no Gross Pay in year. These are all Wheatley Care staff and we have confirmed with the payroll team that this is due to the nature of the contracts in place for these staff members.

7. Data Analytics- Payroll Review

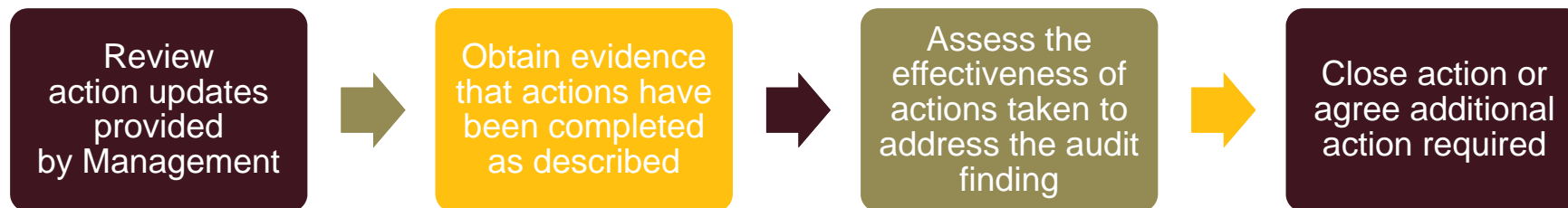
Next Steps

- The payroll team will prepare reports so the IA team can test the IDEA approach and confirm all planned testing works as expected. This will include ongoing comparison of payroll data from Access (new name for Selima) to HR spreadsheet of:
 - New starts
 - Leavers
 - Salary changes
 - Changes to bank details.
- The payroll and IA teams will agree a schedule of reports to be provided at agreed points during the year.
- Following the introduction of the planned self-service approach for expenses and overtime, the IA team will complete walkthrough testing and update the IDEA testing approach (if required).
- The results of the continuous audit testing will be reported to each meeting of the Group Audit Committee during 2021/22.

8. Follow up

Follow Up Approach 2020/21

Internal Audit completes follow up activity to verify that management have implemented actions as agreed in our internal audit reports. Follow up activity is usually completed on an on-going basis, with quarterly updates reported to the Executive Team and Group Audit Committee. Our verification approach includes the following key steps:



In March 2020 in response to COVID-19, the Group implemented a reduced service delivery model. To support this and enable management to focus on the remobilisation of services, the Group Audit Committee approved a decision to pause routine follow up activity during 2020/21. In order to resume follow up activity for 2021/22, we have completed an annual assessment of the status of all open actions. These comprise Wheatley Group actions brought forward from 2019/20, DGHP actions brought forward from 2019/20, and actions reported during 2020/21. Our assessment has included review of each action to determine whether:

- a) The action has been completed during 2020/21; or
- b) The action is no longer relevant or has been superseded by revised plans for the Group's new operating model.
- c) For those actions that remain open and relevant, we have discussed the current status with management and identified revised timescales for completion of the original actions.

This report summarises the results of our assessment and the status of those actions carried forward to 2021/22.

8. Follow up

Group-wide action status at 31 March 2021

Overall there has been good progress in implementing actions during 2020/21, with 77 of the 123 actions followed up being confirmed by Internal Audit as complete. A further 23 have been closed as no longer relevant, due to changes arising from the Group's new Strategy or the Group's new operating model, leaving a total of 23 open actions.

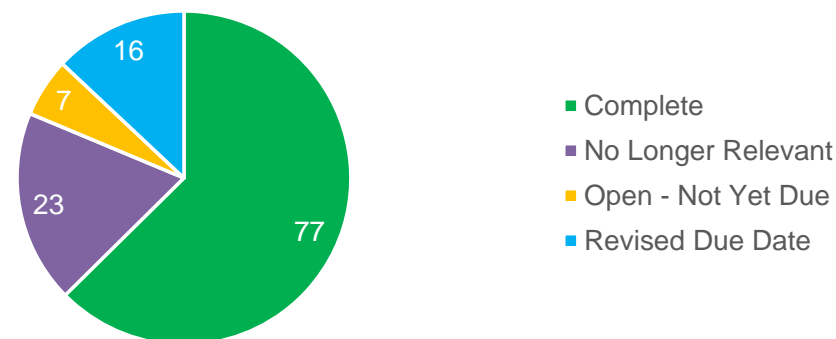
Sixteen of the open actions have been allocated revised due dates because delays caused by resource availability and competing priorities during COVID-19 lockdown meant actions were not completed in line with original timescales. These 16 actions arose in the following reports, and details of the current status of each action are set out in the rest of this report:

- External Stakeholder Engagement
- Assurance Statement
- Project Management
- Risk Management
- Talent Management
- Universal Credit Management
- Fire Safety
- WFH Readiness Health Check
- Cyber Security Health Check
- Wheatley Foundation Emergency Response Fund Expenditure

Status	Actions
Actions brought forward from 29 Feb 2020	22
Quarter 4 2019/20 actions added	16
Legacy DGHP actions added	52
New actions agreed during 2020/21	33
Total Actions followed up	123

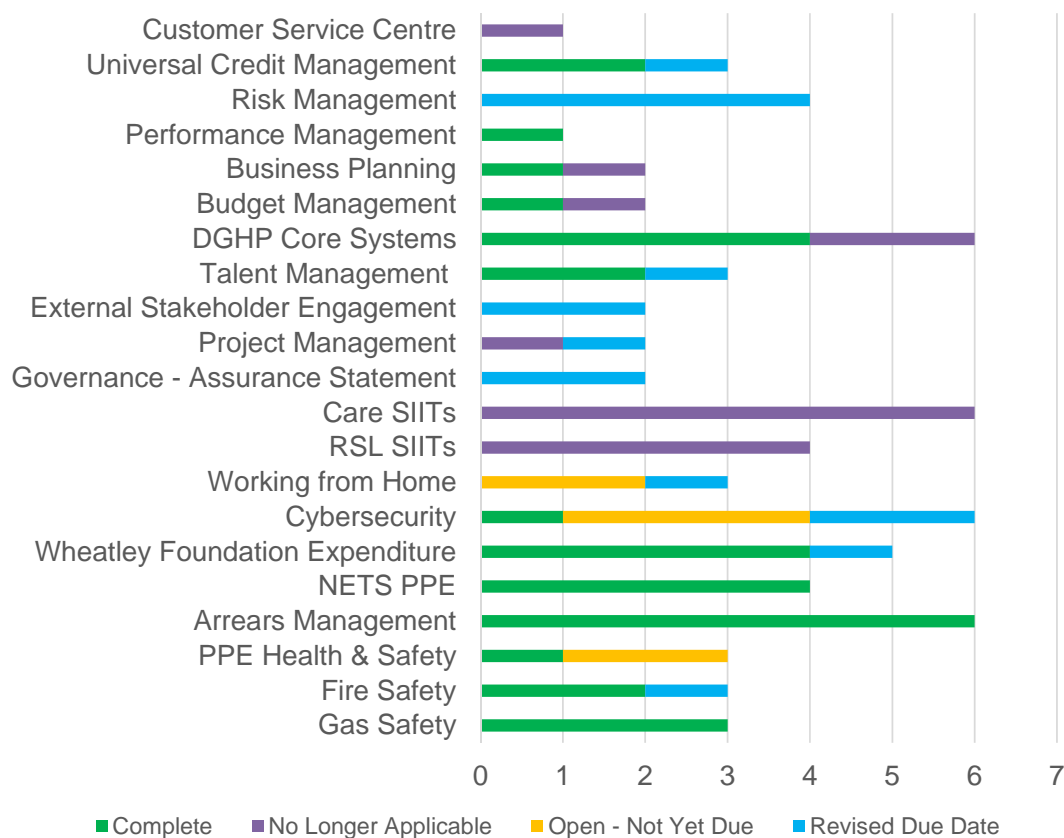
The chart below summarises our assessment of the status of the 123 actions carried forward to 2021/22.

Status of Actions at 31 March 2021

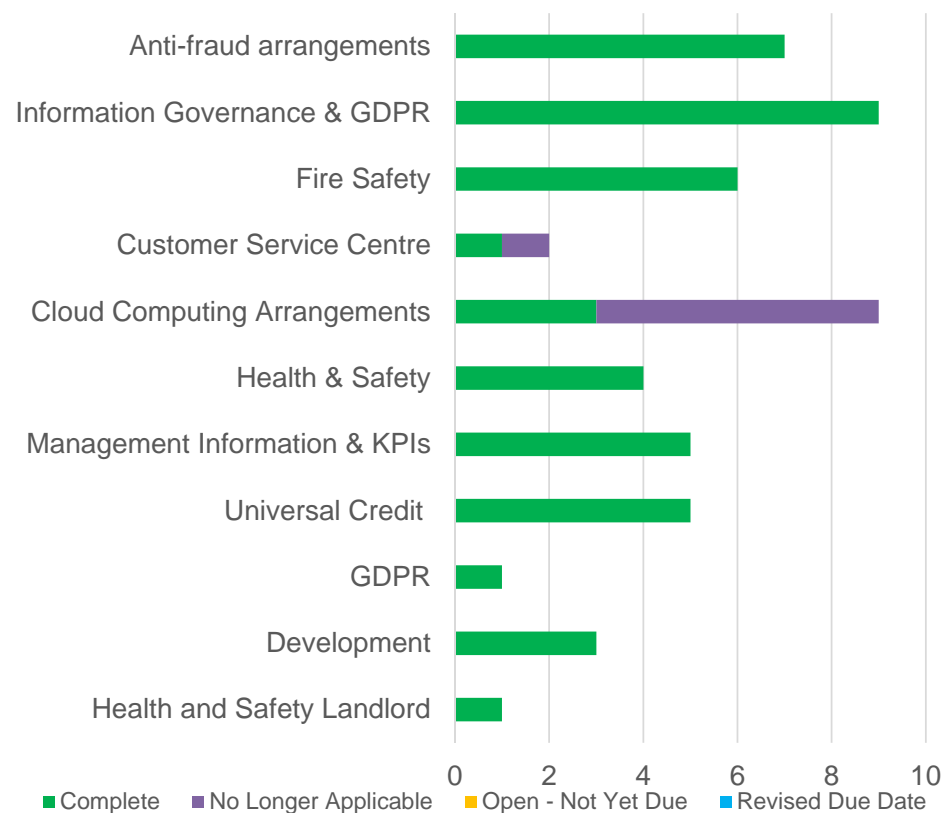


8. Follow up

Wheatley Group actions status



Legacy DGHP action status



9. IA Annual Plan 2021-22

Identification of internal audit areas of focus

As previously agreed by the Group Internal Audit Committee, the Internal Audit team has re-introduced some aspects of annual planning for 2021-22, in order to provide assurance on the completeness of systems and processes considered when identifying reviews for the rolling 3-month plan.

This has resulted in identification of areas of audit focus over the next 12-month period (see next slide), from which reviews for the next 3 months have been prioritised, based on consideration of the following matters:



The areas of audit focus we have identified have been allocated to one the following four categories.



Assurance to Group and Subsidiary Boards

The Internal Audit team will also consider the extent to which the identified areas of focus for 2021-22 apply to Group and Subsidiary Boards, to confirm that an appropriate range of assurance is provided. This includes the following:

RSLs	Care	Commercial	Support
<ul style="list-style-type: none">•GHA•DGHP•DC•Loretto Housing•WLHP•Cube (part year)	<ul style="list-style-type: none">•Wheatley Care	<ul style="list-style-type: none">•Lowther•City Building Glasgow (Joint Venture)	<ul style="list-style-type: none">•Wheatley Solutions•Wheatley Foundation•WGC•WLF1•WLF2

9. Internal Audit Areas of Focus for 2021/22

The following details the identified areas of audit focus over the next 12 months to be monitored during 2021-22. This list (along with any new risk areas) will be used to identify reviews to be prioritised each quarter, for approval by Group Audit Committee. The areas of focus will also be reviewed quarterly. The areas highlighted in **bold italics** are proposed for the next three months.



Operational Process

- ***Accounts payable: Purchase Cards, Faster Payments***
- ***Payroll and expenses***
- ***Furlough scheme***
- Accounts payable: IPOS
- Complaints management
- Voids management
- Treasury & Cash management, including covenant reporting
- Lowther: Letting process
- Procurement: Use of Supplier Frameworks
- Home working follow up
- Care Appointee Accounts




Regulatory Focus

- ***SHR Annual Assurance Statement***
- ***Environmental, Social and Governance (ESG) reporting arrangements***
- ***Equalities & Human Rights reporting***
- Lowther: Factoring Code of Conduct process
- Implementation of Group Homelessness Framework
- Fire Risk Assessments
- Care quality assurance framework



Strategic Change

- ***Digital Strategy and Technology Roadmap follow up***
- CSC operating model
- Digital Maturity Assessment refresh
- New Build Programme- locality planning, development pipeline, portfolio additions
- Customer Engagement model
- DGHP Transformation Programme
- Repairs Transformation Project
- Capital Investment Programme



Management Focus

- Delivery of promises to Cube tenants
- Power BI reporting
- Group-wide review of repairs provision by geographic area
- MyAcademy
- New build programme – securitisation process
- Employee Performance Management system (MyContribution)
- User device / asset management
- Repairs end-to-end customer journey (with GCC to review CBG arrangements)

9. IA Plan Key Performance Indicators 2021/22

In line with previous years, the Internal Audit team will monitor and report on performance against agreed targets throughout 2021/22. The proposed targets are set out below, for approval by Group Audit Committee. These targets have been revised to provide a wider assessment of team performance.

Customer Satisfaction:
consultation and
engagement

- *Target Average score:
8 out of 10*

Customer Satisfaction:
delivery of review

- *Target Average score:
8 out of 10*

Customer Satisfaction:
Added value of actions

- *Target Average score:
8 out of 10*

The three customer satisfaction measures will be based on feedback forms completed by auditees following each review.

Performance against target will be allocated a Red, Amber or Green rating, as follows:

Team utilisation on IA
delivery (based on 200
days)

- *Target: 100%
utilisation*

Team operates in
accordance with IIA
Standards

- *Target: "Generally
Conforms" rating*

Team members meet
CPD/ training
requirements

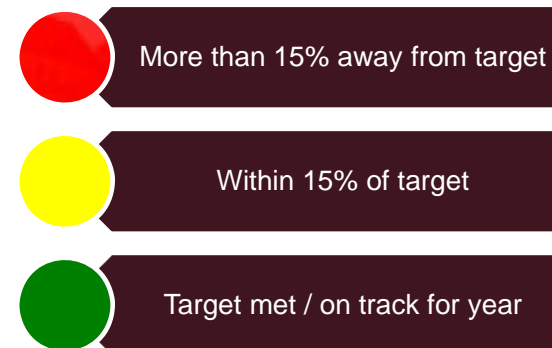
- *Target: 100% of team*

Annual workplan:
completed to agreed
timescale and budget

- *Target: 100% of audits*

Annual Report available
for signing of Annual
Accounts

- *Target: August Group
Audit Committee*







Report

To: DGHP Board

By: Pauline Turnock, Director of Financial and Legal Services

Approved by: Steven Henderson, Group Director of Finance

Subject: Finance Report

Date of Meeting: 18 August 2021

1. Purpose

- 1.1 The purpose of this report is to provide the Board with an overview of the management accounts for the period to 30 June 2021.

2. Authorising and strategic context

- 2.1 Under the terms of the Intra-Group Agreement between DGHP and the Wheatley Group, as well as the Group Authorise, Manage, Monitor Matrix, the Board is responsible for the on-going monitoring of performance against agreed targets. This includes the on-going performance of its finances.

3. Risk appetite and assessment

- 3.1 Our agreed risk appetite in Performance against Group is “Open”. This level of risk tolerance is defined as “Prepared to invest for reward and minimise the possibility of financial loss by managing the risks to a tolerable level”.
- 3.1 Delivery of financial results within approved budgetary limits is a key element in delivering our strategy and maintaining the confidence of investors. This report provides the Board with an update of performance to date to allow it to discharge its role in monitoring performance and agreeing any actions required.

4. Background

- 4.1 This report outlines performance against budget for the period to date of 30 June 2021.

5. Customer engagement

5.1 No implications.

6. Discussion

6.1 This report outlines performance against budget with the appendix providing more detail on the financial results. This report also outlines the Q1 forecast full year out-turn for the year to March 2022.

Results to 30 June 2021

6.2 We have reported a statutory surplus of £3,104k to 30 June 2021, which is £875k favourable to budget.

6.3 The key drivers of the favourable variance are lower repairs expenditure as works have experienced challenges with material supplies and lower levels of other expenditure with savings reported in staff and running costs as well as lower bad debt costs.

6.4 Key points to note:

- Net rental income is £60k favourable to budget with the budget based on average rents but actuals reporting income at a higher level. Void losses are reporting a reducing trend and are running at 1.1% which is £13k higher than budget which is set at 1%.
- Grant income of £518k was recognised as the five Monreith units completed in May 2021. The budget includes the 12 properties at Sanquhar which completed early in March 2021 accounting for the adverse variance in the year to date.
- Other income is favourable by £265k mainly due to aids and adaptations claims being submitted for work carried out in Q4 2020/21.
- All expenditure lines are reporting spend favourable to budget with direct staff costs £38k favourable to budget due to vacancies and a further £82k of savings in group services staff and running costs recharged by Wheatley Solutions.
- Repairs and maintenance spend is £694k favourable to budget with slower spend on catch up repairs in Q1 than anticipated. Material supply issues have impacted the planned accelerated start to the year. Recruitment is going well, which will bring the in house service up to full staffing levels. City Building have been assigned specific backlog repairs work to help meet the higher levels of demand.
- Bad debt costs are £145k favourable to the budget which has been set on a prudent basis as the longer term impact of the pandemic on our tenants' financial circumstances starts to become clearer.

6.5 We has reported a net capital spend of £6,433k, which is £1,414k lower than budget for the period to date.

6.6 Key points to note:

- Core investment expenditure of £4,028k is £1,593k lower than budget where the mobilisation of some workstreams has taken longer. The forecast reflects the expected acceleration in workstreams and the delivery of the planned programme by the year end.
- New Build expenditure of £2,016k is £2,074k lower than budget, with the sites at Nursery Avenue, and Lincluden progressing well with spend at Lincluden being higher in Q4 2020/21 which is driving the lower level of spend in the current financial year. The five units completed at Monreith in May 2021. The budget was set before the completions last year and has been reforecast to reflect up to date timings.
- Other capital expenditure of £389k is the design and concept on the Dumfries Hub and the IT migration project.

Q1 2021/22 Full Year Forecast

6.7 The Q1 Forecast outturn for 2021/22 reports a statutory surplus of £11,114k £854k lower than budget and an operating surplus of £17,339k, £737k lower than budget. The main drivers of this variance are:

- A lower level of grant income recognised on the completion of new build properties, £1,207k lower than budget. This is to reflect the actual timing of Sanquhar and Monreith completions.
- Gross rental income is forecast to be £292k higher than the original budget with the forecast being based on the actual rates on a property by property basis after the rent increase
- Total operating expenditure is projected to be £176k favourable to budget with Group services running and staff costs both anticipating full year savings against budget. In direct staffing costs, a saving of £38k in line with the amount reported in the year to date from vacancies in the structure has been included in the forecast out-turn.
- Interest income is expected to be £117k lower than budgeted as deposit rates available in the market are negligible and are expected to remain so for the rest of the year.

6.8 Net capital expenditure is forecast to be £791k lower than budget. Planned core investment works are expected to be fully delivered. New build expenditure is expected to be £6,043k lower than budget reflecting the lower spend at Lincluden after the good progress made in 2020/21, a delay in Thornhill while the archaeological report is assessed by the Council offset by an earlier site start at Eastriggs. Grant income is £5,252k lower with £2,917k linked to the early claim for Lincluden and claims for other sites matched to the re-profiled expenditure.

Covenant compliance

6.9 [redacted]

7. Digital transformation alignment

7.1 No implications.

8. Financial and value for money implications

- 8.1 Our results for the period to 30 June report a statutory surplus of £3,104kk which is £875k favourable to budget.
- 8.2 Underlying surplus after deducting major repairs and interest costs from EBITDA was £1,437k for the period compared to budgeted underlying deficit of £1,471k, with the variance driven by the lower levels of expenditure and lower capital investment spend in our existing properties.

9. Legal, regulatory and charitable implications

- 9.1 No implications.

10. Equalities implications

- 10.1 Not applicable.

11. Environmental and sustainability implications

- 11.1 Not applicable.

12. Recommendations

- 12.1 The Board is requested to:
 - 1) Note the management accounts for the period to 30 June 2021 at Appendix 1:
and
 - 2) Note the covenant measures for the first quarter of 2021/22.

List of Appendices

Appendix 1: Finance report – period to June 2021



Year to 30 June 2021

Finance Report



1 Operating statement P3 – June 2021



OPERATING STATEMENT	Year to 30 June 2021			Full Year
	YTD Actual £000s	YTD Budget £000s	YTD Variance £000s	Budget £ks
INCOME				
Rental Income	£10,967	£10,894	£73	£45,254
Void Losses	(£121)	(£108)	(£13)	(£457)
Net Rental Income	£10,846	£10,786	£60	£44,797
Grant Income	£518	£957	(£439)	£5,291
Other Income	£1,025	£760	£265	£2,286
Total Income	£12,389	£12,503	(£114)	£52,374
EXPENDITURE				
Employee Costs - Direct	£762	£800	£38	£3,307
Employee Costs - Group Services	£493	£532	£39	£1,918
ER / VR	-	-	-	£305
Direct Running Costs	£742	£785	£43	£3,372
Running Costs - Group Services	£468	£558	£90	£2,231
Revenue Repairs and Maintenance	£2,226	£2,920	£694	£10,359
Bad debts	£118	£263	£145	£1,052
Depreciation	£2,878	£2,878	-	£11,510
Demolition and Tenants Compensation	-	-	-	£244
TOTAL EXPENDITURE	£7,687	£8,736	£1,049	£34,298
NET OPERATING SURPLUS / (DEFICIT)	£4,702	£3,767	£935	£18,076
Net operating margin	38.0%	30.1%	7.8%	34.5%
Interest received	£2	£24	(£22)	£141
Interest payable & similar charges	(£1,600)	(£1,562)	(£38)	(£6,249)
STATUTORY SURPLUS / (DEFICIT)	£3,104	£2,229	£875	£11,968

INVESTMENT	Year to 30 June 2021			Full Year
	Actual £ks	Budget £ks	Variance £ks	Budget £ks
Total Capital Investment Income	£0	£2,917	(£2,917)	£6,855
Total Expenditure on Core Programme	£4,028	£5,621	£1,593	£32,816
New Build & other investment expenditure	£2,016	£4,090	£2,074	£16,970
Other Capital Expenditure	£389	£1,053	£664	£4,211
TOTAL CAPITAL EXPENDITURE	£6,433	£10,764	£4,331	£53,997
NET CAPITAL EXPENDITURE	£6,433	£7,847	£1,414	£47,142



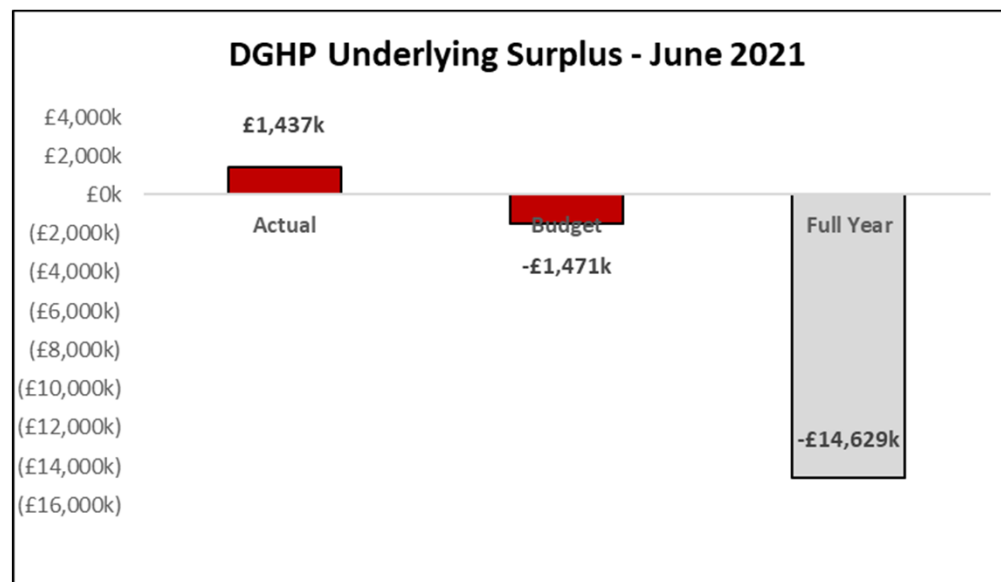
Key highlights :

- Net operating surplus of £4,702k is £935k favourable to budget. Statutory surplus for the period is £3,104k , £875k favourable to budget. The key driver of the variance is in lower grant income recognised on new build completions due to timing v budget, and repairs and maintenance where accelerated works and completion of backlogs in responsive repairs was planned for Q1, however material supply and operative capacity has slowed this spend.
- Net Rental income is £60k favourable to budget, benefitting from the earlier completions at Sanquhar in March 2021. Monthly void rent in total is 1.1%
- Grant income to date is £439k adverse to budget. The budget was based on 12 completions at Sanquhar in the year which were delivered early in March 2021. The actual grant income relates to the 5 units at Monreith which were delayed from the prior year.
- Other income is £265k favourable to budget driven by the first quarter Aids and Adaptations claim which is already more than 50% of the budgeted amount,. The bid for A&A has been accepted at £604k which is £100k more than anticipated.
- Total expenditure is favourable to budget by £1,049k. All costs, are favourable to budget at P3, with repairs and maintenance the main driver of the underspend. All areas of repairs were under budget at June. Progress on the repairs backlog has been affected by material shortages and capacity restraints at start of the quarter, however repairs recruitment progressing well and City Building have been allocated a tranche of backlogged repairs to allow in house team to address voids and the current spike in demand for previously unreported repairs .
- Bad debt costs are £145k favourable to budget with arrears balances broadly in line with the year end figure.
- No new build grant cash income been claimed in the year to date. The budget assumed income would have been received for Lincluden, however the Lincluden cash claims against cost were made in full in 20/21
- Core programme is £1,593k lower than budget across all lines of expenditure most notably the mobilisation on windows and heating has been slower than expected.
- New Build expenditure is £2,074k lower than budget, driven by lower levels of spend to budget at Lincluden (£1.8m) and Sanquhar (£0.7m). Sanquhar was completed in 2021 and Lincluden phasing has been updated to reflect the latest work schedule.
- Other IT capital expenditure of £389k relates to the migration of DGHP IT systems and the refurbishment of the office property in central Dumfries.

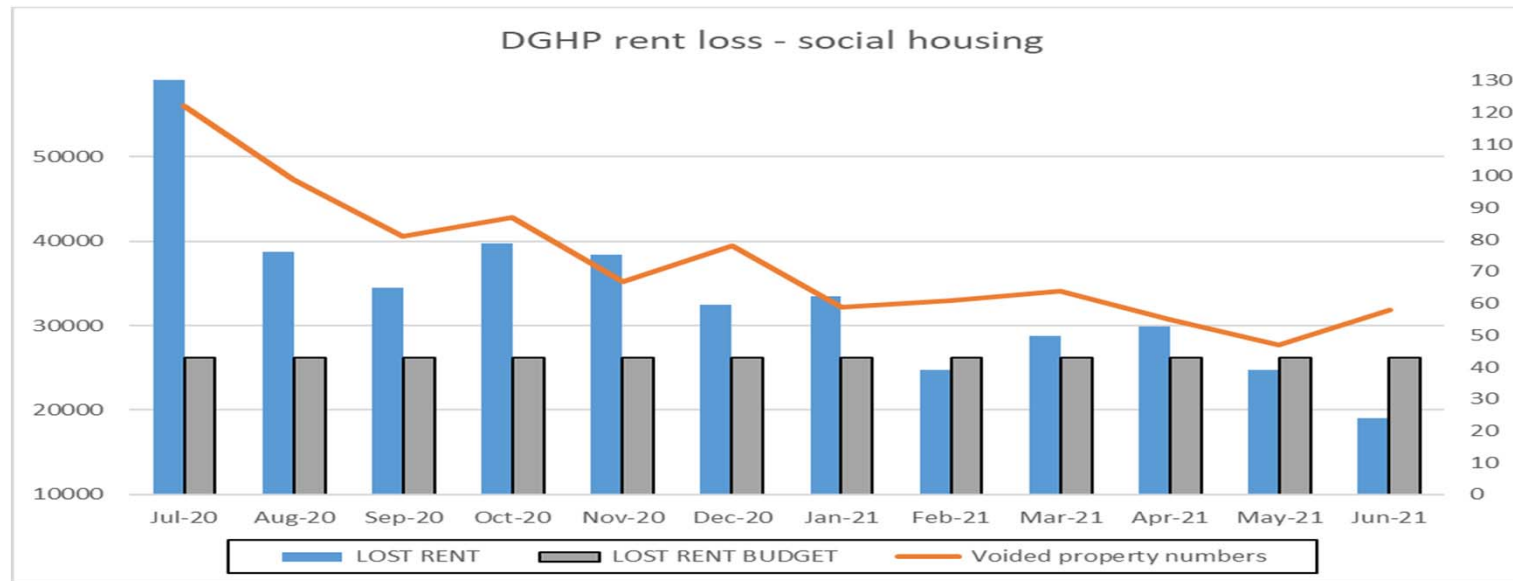
1b Underlying surplus – P3 June 2021

Key highlights :

- The Operating Statement (Income and Expenditure Account) on page 2 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 chart below therefore shows a measure of underlying surplus which adjusts our net operating surplus by excluding the accounting adjustments for the recognition of grant income and depreciation, but including capital expenditure on our existing properties.
- At June, an underlying surplus of £1,437k has been generated using this measure which is £2,908k favourable to budget. The variance is driven by slower than budget profile spend in investment and repairs which is expected to be caught up in the current financial year. The full year budget reflects the large investment programme planned for 21/22 hence the full year deficit of £14,629k



2. Period 3 – Void Analysis



Key comments:

- The graph shows the housing void loss and number of void tenancies at the end of the period
- The void loss is £20k in June with 58 properties void at the end of the month.
- 4 voids have utilities issues out with DGHP control
- 8 voids were terminations due to deaths and family were clearing the property
- 4 were Ready to Let and new tenancies have been agreed in early July.

3b. Period 3 – In House Repairs service (IHR)



Dumfries & Galloway Housing Partnership	Year to June 2021			Full Year Budget £ks
	Actual £ks	Budget £ks	Variance £ks	
INCOME				
Internal Subsidiaries	3,107	3,099	8	11,845
External Customers	-	-	-	-
TOTAL INCOME	3,107	3,099	8	11,845
COST OF SALES				
Staff Costs	1,123	1,266	143	5,060
Materials	386	388	2	1,500
Subcontractor & Other Costs	1,053	1,035	(18)	3,246
TOTAL COST OF SALES	2,562	2,689	127	9,806
GROSS (LOSS)/PROFIT	545	410	135	2,039
Margin %	18%	13%	1688%	28%
Overheads	371	410	39	2,039
NET (LOSS)/PROFIT	174	-	174	-

Key Comments:

- Income for the in house repairs service is £8k lower than budget which represents a lower activity levels on revenue repairs and compliance, offset by higher demand for void work. Voids are capitalised and reported with investment spend on slide 6.
- Responsive repairs were lower than budget by £281k, whereas void repairs were £388k over budget. The £3,107k of activity by the inhouse repairs service, includes £1,113k of void work capitalised.
- An element of void works (13% of jobs) are being carried out are using subcontractors to help with more complex works. The repairs team recruitment is ongoing with the team progressing towards a full structure. The focus is on the responsive backlog and increased new demand since the start of the financial year. City Building are also providing support in this area.
- The higher recovery rates have resulted in a gross profit £135k favourable to budget with further favourable variances reported in management overhead and salaries in the first quarter of the year.

3a. Period 3 – Repairs and Investment

Dumfries & Galloway Housing Partnership	Year to June 2021			Full year Budget £k's
	Actual £ks	Budget £ks	Variance £ks	
Reactive	1,436	1,717	281	6,262
Gas planned maintenance	230	309	79	1,296
Landscaping and cyclical maintenance	320	323	3	1,278
Compliance	414	571	157	1,510
Loss/(profit) on IHR	(174)	-	174	-
TOTAL	2,226	2,920	694	10,346

Major Repairs - Capital	YTD			Full Year Budget
	Actual	Budget	Variance	
Core Programme	2,474	4,362	1,889	28,002
Capitalised Voids	1,113	725	(388)	2,900
Adaptations	170	259	89	814
Capitalised Staff	271	275	4	1,098
Fire Safety				3
TOTAL	4,028	5,621	1,593	32,816

Key Comments:

Repairs

- Total repairs and maintenance spend including the notional surplus reported by the in-house service is £694k lower than budget.
- Reactive repairs are £281k lower than budget. The budget has been phased to allow for catch up works in the first 2 quarters, however supply constraints for materials have impacted the volume of jobs carried out in Q1.
- Gas planned maintenance is showing and underspend mainly due to VAT savings on using inhouse labour. The service has been recently transferred to the in-house team from the third party contractor. The budget for planned gas maintenance was based on Saltire cost as a contractor with no savings forecast in first year of operation.

Investment

- The Core program is £1,593k lower than budget spend due to profiling of budget which anticipated an accelerated program in Q1. The investment works have been slowed due to similar material supply issues facing the in house repairs service.
- Within the core programme spend, window replacements and the heating programme is being supported by City Building who confirm they will deliver the full program for the year..
- Void spend is £388k higher than budget. Subcontractors have been engaged to help clear outstanding works. Main subcontractors are Powermac joinery and Bell Group Carlisle Decoration.

5. Period 3 – New Build

Development Name	Year to 30 June 2021 (£'000's)			FY Budget	FY Forecast
	Actual	Budget	Variance		
<i>Lincluden Dumfries</i>	1,120	2,917	1,797	7,098	2,573
<i>Nursery Avenue</i>	413	-	(413)	4,366	2,894
<i>Queensberry Sq. Sanquhar</i>	11	685	674	685	100
<i>Queensberry Brae Thornhill</i>	26	-	(26)	1,703	284
<i>Monreith 3</i>	260	332	72	332	255
<i>Springholm</i>	-	12	12	12	129
<i>North St. Glenluce</i>	4	-	(4)	618	864
<i>Catherine Field Farm , Locharbriggs</i>	4	-	(4)	-	69
<i>Curries Yard Heathhall</i>	12	-	(12)	-	300
<i>Johnstonebridge</i>	-	-	-	12	68
<i>Eastriggs</i>	8	-	(8)	1,274	2,344
<i>Corsbie Road (The Wee House Company)</i>	-	-	-	116	134
<i>Ashwood Drive</i>	-	-	-	-	100
<i>George Hotel</i>	-	-	-	-	20
<i>Other tbc</i>	-	-	-	-	40
<i>Completed developments</i>	1	-	(1)	-	-
Total Cost	1,859	3,946	2,087	16,217	10,174
Capitalised Staff	157	144	(13)	574	574
Capitalised interest				179	179
Subtotal	2,016	4,090	2,074	16,970	10,927
Grant Income	-	2,917	2,917	6,855	1,603
Net New Build Costs	2,016	1,173	(843)	10,115	9,324

Key Comments:

New build expenditure is reporting a £2,087k underspend for the year to date compared to budget driven by the earlier completion in 20/21 of Sanquhar site. Grant income of £2,917k was for Lincluden, the full amount was claimed in the prior year.

- Lincluden – Phase 1 handover is confirmed for 23 August 2021 and Phase 2 is on programme for February 2022. Making good progress with all grant for the site claimed in the prior year matched with accelerated spend in 20/21 which is driving the lower spend in the current year.
- Nursery Ave – The site start was achieved on 31 May 2021, earlier than the planned July start date when the budget was set. Works are progressing in line with the earlier programme and completion is due September 2022.
- Sanquhar – all 12 units completed early in March 2021.
- Monreith – The project completed on 24 May 2021 and the final account is being prepared.
- Eastriggs – Site start has been achieved July 2021, leading to increase in current year forecast and completion is expected July 2022.
- Thornhill - SG and Council continue to support the project and the archaeological survey is with the Council for review. Discussions are being progressed with potential development partners. The reduced forecast reflects the timing changes due to delay after surveys

6. Balance Sheet P3 – June 2021



Balance Sheet	30 June 21 £'000's	31 March 21 £'000's
Fixed Assets		
Social Housing Properties	408,704	407,072
Other Fixed Assets	1,237	847
Investment Properties	13,993	11,010
	<u>423,934</u>	<u>418,929</u>
Current Assets		
Stock	481	1,414
Trade Debtors	21	375
Rent and service charge arrears	2,678	2,632
less: provision for rent arrears	(1,209)	(1,093)
Prepayments and accrued income	485	622
Other debtors	410	391
Total Debtors	2,385	2,927
Due from other group companies	399	345
Cash & Cash Equivalents	67,675	70,022
	<u>70,940</u>	<u>74,708</u>
Creditors: within 1 year		
Trade Creditors	(1,951)	(3,710)
Accruals & Deferred Income	(4,934)	(5,048)
Grants	(3,566)	(4,084)
Provisions	(379)	(379)
Prepayments of Rent and Service Charge	(783)	(160)
Other Creditors	(337)	(424)
Total Creditors	(11,950)	(13,805)
Amounts due to Group Undertakings	(1,705)	(2,332)
	<u>(13,655)</u>	<u>(16,137)</u>
Net Current Liability	57,285	58,571
Long Term Creditors		
Loans	(188,704)	(188,688)
Loan interest	(2,381)	(2,114)
Grants	(7,742)	(7,742)
Pension Liability	(3,325)	(3,325)
	<u></u>	<u></u>
Net Assets	279,066	275,631
Capital and Reserves		
Share Capital		
Revenue Reserve	92,902	89,797
Revaluation Reserve	185,834	185,834
	<u></u>	<u></u>
Shareholders' funds	278,736	275,631

Key Comments:

The balance sheet reported reflects the final 31 March 2021 year end statutory accounts position after completion of the audit. Year end adjustments applied include the revaluation of housing properties and actuarial valuation of the pension scheme.

- **Fixed assets** of £423.9m – representing investment works added less depreciation of existing assets. Other fixed assets have increase in value due to IT capital investment spend. The revaluation of fixed assets resulted in an increase to reserves of £35.2m in 2021
- **Trade & other debtors** – arrears remain well managed with the provision for bad debts is calculated in line with the Group policy reflecting the age and recoverability of arrears balances.
- **Stock** relates to repairs stock purchased from Saint Gobain and replenished weekly. Payment is made for stock as received, with this only being expensed to the Income statement as utilised. Materials on site at 31 March have now been added to capital assets.
- **Cash at Bank** consists of £67.7m cash in hand ready for investment and New Build
- **Short-Term Creditors** Includes
 - amounts due to Wheatley Group and DGHP3.
 - M&G interest accrued and paid twice annually
 - Payroll is accrued monthly for second half of the month as pay date is 15th.
 - Provision £379k has been made for dilapidation liabilities – offices now vacated
 - Investment accruals confirmed by the surveyors.
- **Long-Term Creditors** This relates to
 - Capital loans of £188.7m,
 - The roll up of accrued interest on Allia loans not payable until end date £2.4m incurred since drawdown
 - Grant income received is deferred until the completion of new build properties, totals £11.3m. Reduction as £0.5m released at Monreith. Lincluden is expected to complete releasing a further £4m in the current financial year with £7.7m for release on future years' completions

7. Q1 Forecast Full year – 2021/2022

Forecast at Q1 2021	Full Year 20/21		
	Budget £000's	Full year Q1 forecast £'000's	Variance £k's
INCOME			
Rental Income	45,254	45,546	292
Void Losses	(457)	(455)	2
Net Rental Income	44,797	45,091	294
Grant Income	5,291	4,084	(1,207)
Other Income	2,286	2,286	-
TOTAL INCOME	52,374	51,461	(913)
EXPENDITURE			
Employee Costs - Direct	3,307	3,269	38
Employee Costs - Group Services	1,918	1,875	43
Transformation budget	305	305	-
Direct Running Costs	3,372	3,372	-
Running Costs - Group Services	2,231	2,136	95
Revenue Repairs and Maintenance	10,359	10,359	-
Bad debts	1,052	1,052	-
Depreciation	11,510	11,510	-
Demolition	244	244	-
TOTAL EXPENDITURE	34,298	34,122	176
NET OPERATING SURPLUS	18,076	17,339	(737)
<i>Net operating margin</i>	35%	34%	
Interest receivable	141	24	(117)
Net Interest payable & similar charges	(6,249)	(6,249)	-
STATUTORY SURPLUS	11,968	11,114	(854)
INVESTMENT			
TOTAL CAPITAL INVESTMENT INCOME	6,855	1,603	(5,252)
Total Expenditure on Core Programme	32,816	32,816	-
New Build	16,970	10,927	6,043
Other Capital Expenditure			
Premises	2,035	2,035	-
IT	2,176	2,176	-
TOTAL CAPITAL EXPENDITURE	53,997	47,954	6,043
NET CAPITAL EXPENDITURE	47,142	46,351	791

Key Comments:

- Ful year forecast out-turn statutory surplus of £11,114k is forecast being £854k unfavourable to budget
- Net rental income is forecast with current variance continuing and at 1% void giving £294k increase, due to budget using average rents and actuals now used to rebase forecast
- Grant income is showing a decrease of £1,207k with the profile of completions now updated to reflect the 12 properties completed in March 2021 at Sanquhar.
- In employee costs, £38k savings in staff costs reported to the end of June have been include to the year end as permanent savings with a further £43k projected savings in group services employee costs.
- Group services running costs are expected to be £95k lower than budget reflecting DGHP's share of their projected full year savings. While direct running costs reports a small favourable variance in the year to date, the forecast has been held at budgeted levels pending the full transition to the new operating model and the opening of the new Dumfries office.
- Repairs and maintenance costs are forecast to be in line with budget with the expectation that year to date costs will move back to budgeted levels as the postponed works are picked up in Q2.
- A prudent approach continues to be taken with bad debt costs, forecasting in line with budget for the full year.
- Net finance costs are forecast to be £117k adverse to budget, due to the lower deposit rates available in the market and payable on cash balances.
- Core programme forecast in line with budget to reflect the rephasing of the programme based on the delivery of whole program as budgeted for the year.
- New Build reflects the current program with Sanquhar and Lincluden profiling updated based on accelerated progress on these sites in the prior year (20/21).
- Premises design of new Hubs and IT migration are expected to be as budgeted.





Report

To: **DGHP Board**

By: **Matt Foreman, Managing Director**

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

Subject: **Delivery Plan 2021-22 Quarter 1**

Date of Meeting: **18 August 2021**

1. Purpose

- 1.1 This report provides the Board with an update for quarter 1 on the performance measures and projects in the performance framework and strategy. Appendix 1 contains the dashboard of Board Performance Measures, Appendix 2 provides a table of progress delivering Group Strategic Projects and Appendix 3 details progress on our Strategic Projects as agreed by Board at the meeting in May.

2. Authorising and strategic context

- 2.1 Under the terms of the Authorising Framework, the Board is responsible for setting the overall Performance Framework and approving the delivery plan for each year. Under the Authorise/Manage/Monitor Matrix, the Board has an ongoing role monitoring performance against the key indicators agreed under the performance framework.
- 2.2 Under the terms of the Intra-Group Agreement between DGHP and the Wheatley Group, as well as the Group Authorise, Manage, Monitor Matrix, the Board is responsible for approving regulatory returns including the Charter. It is also responsible for monitoring of performance against agreed targets. In our case, this includes the on-going performance of its services. In addition, the Authorising Framework states that the Board is responsible for approving any changes to their Service Delivery Model or arrangements which it may consider necessary to deliver the level of performance to achieve agreed targets.
- 2.3 This report is based on the Wheatley Group Strategy and DGHP Strategy for 2021 to 2026, which set out strategic themes, outcomes and intended results.

3. Risk appetite and assessment

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

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

4. Background

- 4.1 The Board agreed our Strategy for 2021 to 2026, ***Your Home, Your Community, Your Future***, in February 2021. In May 2021, the Board also agreed the supporting Performance Framework, setting out the measures, targets and reporting arrangements that provide performance management and oversight of delivery for Boards and management.
- 4.2 Performance has remained strong across Q1 with 14 out of 21 measures either achieving or exceeding targets set. Notable amongst these met or exceeded targets are:
- timescales in relation to complaint response;
 - emergency repair timescales;
 - fire risk assessments in place;
 - average time to relet properties; and
 - gross rent arrears.
- 4.3 This performance has been achieved whilst going live on the new operating model for Housing Officers which was implemented at the start of 2021.

5. Customer engagement

- 5.1 A key theme throughout our strategy is our commitment to ensuring customers have greater power, control, and choice regarding the services they receive. We have reflected this in our approach to developing our strategic projects, with over 50% incorporating an element of customer engagement activity. This is a key deliverable within our new engagement framework, Stronger Voices, Stronger Communities.
- 5.2 An update on the engagement framework is subject to a separate agenda item.

6. Discussion

Part 1: Performance Update

Delivering Exceptional Customer Experience

Complaints

- 6.1 Our performance to responding to complaints remains strong. In quarter 1 we received 78 complaints at stage 1 which were responded to within 4.66 days and 8 stage two complaints within 17 days. The number of complaints received about repairs services has shown an increase in the year to date, in tandem with an increasing volume of completed works.

Customer Contact Centre

- 6.2 The first quarter of the year has been challenging, call volumes are up significantly and have not eased over the first quarter as we have continued our remobilisation from the COVID pandemic. In June, 69,000 calls were presented to the Hub which is the busiest month since October 2019 and a 17% increase in customer demand from our position in April, prior to the full remobilisation of our core services. The areas that we are seeing the greatest increase in call volumes is across repairs which is equating for approximately 60% of the inbound demand. This is consistent and expected given the large demand for repairs that we have to work through as a result of the pandemic. The volume of calls has seen our ability to meet our wait times challenged as we try to manage the inbound volume and ensure that we maintain high levels of first contact resolution.
- 6.3 The launch of the new strategy has sharpened focus on the way in which we will deliver our services to our customers. In order to support this, we are creating a revised vision for the Customer Service Centre which will focus on resolving customer service queries and issues at the first contact, so that customers do not need to raise a complaint and our satisfaction levels continue to grow.

Tenancy Sustainment

- 6.4 The percentage of new tenancies sustained for more than 12 months remains consistent at 85.37%, which is just shy of the 87% target. 9% of lettable homes became vacant in quarter 1 and as we work to increase tenancy sustainment this will reduce.
- 6.5 We have implemented a plan to improve the tenancy sustainment of our new tenancies. My Great Start, which supports new tenants with financial and benefits advice, launched in Dumfries & Galloway at the end of June 2021. This service will provide an important additional tool in our aim to increase the tenancy sustainment rate.

Making the Most of Our Homes and Assets

Repairs Performance

- 6.6 Progress against the backlog of repairs created between 4 January and 26 April 2021 was made difficult by an increase in demand for newly reported repairs since the service relaunched in April and supply challenges for some materials that has been experienced across Scotland.
- 6.7 The number of outstanding service requests on 2 August 2021 was 227 – down from a peak of 2,205. We anticipate that by the time of the Board meeting on 18 August all the remaining backlog repairs will have been actioned.
- 6.8 Since resuming the full repairs service we have noticed a significant demand in new repairs reported. Between the resumption of a full service on 26 April 2021 and 18 July 2012 we have completed 10,579 reactive repairs, compared to 8,553 in the equivalent period in 2019 pre pandemic. This is an increase of 24%.

- 6.9 The increase in repairs reported, alongside a national shortage of some repair materials is impacting on our performance target for non-emergency repairs to be completed within 5.5 working days. This is performing at 7.29 days at the end of the first quarter. The increase also reflects the high levels of investment needs in our homes and a new Housing Service that has been very visible and proactive in contacting customers since the lifting of some of the restrictions.
- 6.10 An action plan is in place to ensure we improve the performance of non-urgent repairs. We have appointed 11 new members to our trades teams in July to increase our capacity. We have also been supported by City Building Glasgow who are providing us with additional repairs capacity to help speed up the delivery of the repairs service. A detailed action plan and regular meetings are also being held with our materials supplier St Gobain to improve the availability of some materials, including wood and cement based products. Provision was made within our budget in 2021/22 to deal with an anticipated increase in demand for repairs services. We will continue to monitor the budget for repairs closely in quarter 2.

Medical Adaptations

- 6.11 In the first quarter we have completed 106 adaptations in an average of 24.9 days. We have a further 66 adaptations that are being progressed. Following the lifting of Covid restrictions we are seeing an increase in referrals from Occupational Therapists to carry out adaptation works.

Gas Safety

- 6.12 We continue to be in a 100% compliant position for gas safety, with no further expired gas certificates. Current figures against the rolling 12-month Charter indicator show that we had gas certificates that failed during the last 12 month rolling period during lockdown. At a recent meeting of Scotland's Housing Network, it was noted that some local authorities are still clearing the back log of gas certificate expiries that arose during the pandemic. In that context, our efforts to tackle this issue and bring into compliance by September last year is significant. The figures will return to zero by the end of September 2021.
- 6.13 Following the TUPE of the heating service in April 2021 we have been transitioning from a ten-month cycle for annual gas safety inspections to a nine-month cycle, in line with Group. Each month we are bringing forward a significant number of services and anticipate that this process will have been aligned by 31 December 2021.

SHQS Compliance

- 6.14 SHQS compliance has been supported by the external work streams being remobilised since October 2020. Compliance with SHQS is currently at 91.01% but this increases to 95.47% including abeyances and exemptions. We are focussing on delivery of the remaining 4.53% as we remobilise our full investment programme.

New Builds

- 6.15 The development projects at Sanquhar and Monreith have now completed and the 26 new build homes at Lincluden are due to complete in September 2021, followed by the 6 homes within the refurbished stable block in February 2022. The Eastriggs project started on site in July 2021 and is programmed to complete in July 2022.

Changing Lives and Communities

Homelessness

- 6.15 We have let 49.1% of lets to homeless applicants in the year exceeding the target of 45%. Most RSLs within Group are meeting target as Wheatley Group continue to lead the way in supporting homeless households to move into a new home.
- 6.16 The increased letting to homeless applicants over the course of the pandemic has not affected associated key measures such as arrears, letting times and tenancy sustainment.

Percentage of Lets Homeless Applicants	June to (relevant lets)	Year to date (relevant lets)	Relevant lets target	Year to date ARC	2020/21 Relevant lets	2020/21 ARC
DGHP	55.4%	49.1%	45%	46.9%	51.8%	50.3%

Anti-Social Behaviour

- 6.17 The percentage of tenancies classified as peaceful year to date is 75%, against the target of 68%. The Group five-year strategic target is 70%. Improvement to this measure requires a reduction in Police-recorded ASB in the “Safe” data zones. Our CIP Police Team has focused on working with the Police to target repeat perpetrators, which the team believes has the biggest impact on the percentage of tenancies classified as peaceful.
- 6.18 We have seen a slight decrease in performance that is attributed to Housing Officers not closing lower level ASB cases down within agreed timescales. This is due to the roll out of the new Housing Officer team as they have now taken responsibility to investigate low level ASB. An ASB workshop has been developed and will be rolled out to Housing Officers in August to make sure that processes and timescales are clear and performance in this area improves.
- 6.19 The new Anti-Social Behaviour Framework – Peaceful Places in Thriving spaces 2021-26 is included as a separate agenda item. The main proposal is to deploy our Community Improvement Partnership approach to take communities from being merely safe to ones which are improving, peaceful, and with high levels of satisfaction. This will be based on building a confidence reporting cycle with and for communities—supporting communities to become more resilient through increased confidence to report crimes and other issues. In turn, this information will help us and our community partners to support those living there to make their communities stronger and more peaceful. A separate presentation will be provided to the Board at the meeting in August to highlight the role of the Community Improvement Partnership team in some of our communities.


Developing our Shared Capacity

- 6.20 The attendance rate for our teams has remained very positive. At the end of the first quarter our sickness rate was 2.47%. We benefit from a very high attendance rate as a result of the support available to support our teams.

Enabling Our ambitions

Income Collection

- 6.21 Gross rent arrears remained low at 3.95%, maintaining a sector leading arrears position and achieving the target for keeping gross rent arrears at 4.57% in the first quarter of the financial year. When compared to the combined results of Local Authorities (LAs), we are performing better than the reported 8%-10% gross rent arrears reported by our comparator group (Housemark).


RSL	Current performance	Current target	Previous month	Variance	2020/21 Result
DGHP	3.95% 	4.57%	3.92%	0.03	3.86%

Universal Credit

- 6.22 During the first quarter there was an increase of 271 UC cases. This is 69 cases more than at this point last year but 104 fewer cases than in 2019/20. The case load at the end of quarter 1 was 3,329 customers claiming UC. The cumulative total is 4,477 UC cases. The cumulative figure includes customers who are no longer on UC due to change of circumstances.
- 6.23 With the end of furlough planned in September and the removal of the £20 a week uplift in Universal Credit, the sector is preparing for an increase in arrears and it is expected that the numbers needing to claim Universal Credit will increase.

Lettings

- 6.24 Our relet performance remains very strong. The average days to let at the end of quarter 1 was 16.31 days against a quarter target of 22.8 days.
- 6.25 Group target for the year is for all RSLs to be under 20.0 days so that we are in a recovered position post-pandemic to achieve the strategic target of less than 14.0 days in year two of the Strategy. A recent Scotland's Housing Network event noted that local authorities expect to see this figure increase further before it starts to improve, so our position is very positive.
- 6.26 The table below provides the year-to-date position for each RSL against their respective Q1 targets.

Average days to re-let (ARC)	In month - June/P3	CurrentYTD	Current Target (Q1)	Q2 Target	2020/21 Results
DGHP	16.38	16.31 	22.8	21.1	37.26

Part 2: Delivery of Strategic Projects Update

- 6.27 All strategic projects listed under Appendix 2 remain on target. Work has also started to design our new Centre of Excellence in Dumfries Town Centre.

Part 3: Delivery of DGHP Strategic Projects Update

- 6.28 The Board agreed at their meeting in May to incorporate the key strategic projects for 2021/22 with the remaining Partnership Promises and to receive a quarterly update on progress.
- 6.29 Three of the 16 projects have been completed, with a number of interim milestones for the other 13 projects achieved. All projects remain on target and are detailed at Appendix 3.
- 6.30 Notable achievements during the first quarter include:
- The launch of the our Nets service following recruitment of 54 members of staff to the new NETs Team. This included 27 of our customers recruited as part of the new service;
 - The launch of the new Homelessness Support Service, commissioned by Dumfries and Galloway Council, in April. This provides floating support to households rehoused following a homelessness assessment to help support them as they settle into their new home;
 - The My Great Start service is now being offered to our customers at the start of their tenancy. This is being delivered in partnership with the Dumfries and Galloway Citizens Advice Service (DAGCAS);
 - We have launched the Wheatley Works Programme to increase employment opportunities for our customers; and
 - Dumfries and Galloway Council agreed in principle to work with us in the Lochside area as a Transformational Regeneration Area (TRA).

Part 4: Summary

- 6.31 Overall strong performance has been maintained in quarter 1. We have also made positive progress towards delivering our Strategic Projects which will further improve our service offer and support customers across the region.

Key Issues and Conclusions

- 6.32 This report outlines relatively strong progress in achieving the majority of our performance targets and the delivery of projects, despite the challenges posed by the COVID-19 pandemic and an unprecedented year. Particularly strong performance is noted in rent collection and reducing arrears means that the economic impact of the pandemic was mitigated by a Group response and our relet performance ensures we are maximising income by letting homes as quickly as possible. Emergency repairs continues to perform very well and we have plans in place to address the non-emergency repairs due to a significant increase in the number of repairs reported in the first quarter and some material supply challenges.

7 Digital transformation alignment

- 7.1 Our Migration onto group wide IT systems will help support the move to an agile delivery model for our team and an enhanced self-service offer for our customers in 2022.

8 Financial and value for money implications

- 8.1 The measures and projects included in this report were agreed as the strategy delivery plan for 2021/22. These items are intended to focus service improvement on the key priorities within the strategy to make sure that financial and other resources are aligned with our priorities.
- 8.2 There are no direct financial implications arising from this report. Any financial requirements related to actions and projects within the report are subject to separate reporting and agreement.

9 Legal, regulatory and charitable implications

- 9.1 The Scottish Housing Regulator requires an Annual Return on the Charter from each Registered Social Landlord. Key indicators within the Return are included in quarterly performance reporting to boards, such as gross rent arrears and the average days to re-let properties. 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 annually by October.

10 Equality implications

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

11. Environmental and sustainability implications

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

12. Recommendation






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

List of Appendices






Appendix 1 Board Performance Measures Dashboard
Appendix 2 Board Strategic Projects Dashboard
Appendix 3 DGHP Strategic Projects Update



Appendix 1 - DGHP Board - Delivery Plan 21/22 - Strategic Measures

1. Delivering Exceptional Customer Experience









	2020/21	YTD 2021/22		
Measure	2020	2021		
	Value	Value	Target	Status
Average time for full response to all complaints (working days) - Stage 1	4.42	4.66	5	
Average time for full response to all complaints (working days) - Stage 2	12.82	17	20	
Group - % of first contact resolution at Hub	91.79%	88.97%	80%	
Group - Average waiting time (seconds)	64.38	125.62	60	
% new tenancies sustained for more than a year	84.98%	85.37%	87%	

2. Making the Most of Our Homes and Assets


	2020/21	YTD 2021/22		
Measure	2020	2021		
	Value	Value	Target	Status
Reduce the volume of emergency repairs to less than 30% of overall reactive repairs	Q1 19/20 – 4,035	3,688		
Average time taken to complete emergency repairs (hours) – make safe	1.9	2.05	3	
Average time taken to complete non-emergency repairs (working days)	5.63	7.29	5.5	
% reactive repairs completed right first time	93.46%	89.96%	92%	
Average time to complete approved applications for medical adaptations (calendar days)	43.3	24.66	35	
Number of gas safety checks not met	298	232	0	

	2020/21	YTD 2021/22		
Measure	2020	2021		
	Value	Value	Target	Status
DGHP - % stock compliant with SHQS	87.07%	91.01%	91%	
New build completions - Social Housing	0	5	5	




3. Changing Lives and Communities

	2020/21	YTD 2021/22		
Measure	2020	2021		
	Value	Value	Target	Status
% lets to homeless applicants	51.8%	49.1%	45%	
% lets to homeless applicants (ARC)	50.3%	46.9%		
Number of lets to homeless applicants (contributes to 10,000 for Group by 2025/26)	396	104		
DGHP - Over 70% of customers live in neighbourhoods categorised as peaceful by 2025/26	69.4%	75%	68%	
% ASB resolved	99.9%	95.36%	98%	
Total number of jobs, training places or apprenticeships created including Wheatley Pledge	-	13	5	
Group Result - Increase the number of active users of MySavings to 5,000 as part of our commitment to reduce the cost of running a home.		325		
Group Result - Relevant properties with current fire risk assessment in place	100%	100%	100%	
Number of accidental dwelling recorded by Scottish Fire and Rescue	23	6		

4. Developing Our Shared Capacity






	2020/21	YTD 2021/22		
Measure	2020	2021		
	Value	Value	Target	Status
% Sickness rate	1.49%	2.47%	3%	

5. Enabling Our Ambitions



	2020/21	YTD 2021/22		
Measure	2020	2021		
	Value	Value	Target	Status
Gross rent arrears (all tenants) as a % of rent due	3.86%	3.95%	4.57%	
% court actions initiated which resulted in eviction - overall	No evictions	No evictions	25%	
Average time to re-let properties (ARC)	37.26	16.31	22.8	
% lettable houses that became vacant	7.83%	9.04%	8%	

Appendix 2 - DGHP Board - Delivery Plan 21/22 - Strategic Projects



01. Delivering Exceptional Customer Experience

Delivery Plan Project	Delivery Date	Status	% Progress
Implement new engagement framework - Phase 1	31-Mar-2022		<div><div></div>0%</div>
Develop a Wheatley Whole Family approach	31-Mar-2022		<div><div></div>0%</div>
Introduce new cloud based telephony system	31-Mar-2022		<div><div></div>0%</div>
Develop new RSL online services model	31-Mar-2022		<div><div></div>0%</div>
Refine Repairs Delivery Model	28-Feb-2022		<div><div></div>33%</div>



02. Making the most of our Homes & Assets

Delivery Plan Project	Delivery Date	Status	% Progress
Implement Group corporate estate model - phase 1	31-Mar-2022		<div><div></div>14%</div>
Wheatley Green Investment Plan	31-Dec-2021		<div><div></div>50%</div>



03. Changing Lives & Communities

Delivery Plan Project	Delivery Date	Status	% Progress
Deliver a group wide Antisocial Behaviour Prevention & Mitigation Framework (ASBPMF) that maps out our approach to preventing, managing and mitigating ASB	30-Jun-2021		<div><div></div>100%</div>
Review Group Fire Prevention & Mitigation Framework including digital solutions	31-Mar-2022		<div><div></div>33%</div>

04. Developing our Shared Capability

Delivery Plan Project	Delivery Date	Status	% Progress
Develop new leadership development programme	31-Jul-2021		<div><div>70%</div></div>
Strategic governance review	31-Oct-2021		<div><div>25%</div></div>

05. Enabling our Ambitions

Delivery Plan Project	Delivery Date	Status	% Progress
Restructure funding syndicate	31-Dec-2021		<div><div>0%</div></div>
Establish digital maturity approach and assessments	28-Feb-2022		<div><div>42%</div></div>

DGHP Strategic Delivery Projects 2021/22

Project

Introduce in house NETs service to DGHP

Identify potential DGHP new build opportunities via stock viability appraisal

DGHP Care phase 1 alignment

Carry out a review of common housing registers and choice based letting systems currently used within the Group

Digital Repairs Service enhancements introduced

DGHP digital technical integration

Implement Group corporate estate model - phase 1

Expand Wheatley Works into DGHP

Develop and agree joint plans for DGHP
Transformational Regeneration Area (Lochside)

Implement new engagement framework - Phase 1

DGHP Promises 2021/22
Project
Implement My Great Start
Implement WE Benefits
Home Comforts
Assess options for DGHP3

Deliver SHQS and EESH compliance

Develop strategic agreement with DGC

Outcomes	Target
Improved quality of environmental management services measured against Keep Scotland Beautiful criteria (KSB) with increased customer engagement opportunities.	31/07/21
Completion of Strategic Asset Return on Investment to inform investment and regeneration opportunities for DGHP.	31/10/21
New Support contract implementation to improve homelessness support Care wraparound services utilised in DGHP Care Review of Young Persons Service/Temp accommodation funding and model	31/12/21
Review of Homes4D&G with partners and DGC will help inform groupwide review of lettings	31/01/22
Book It, Track It, Rate It introduced in DGHP	31/01/22
DGHP onto Group wide systems improving self service options for customers and delivery of Go Mobile for DGHP staff	31/01/22
DGHP Dumfries Hub complete	28/02/22

<p>Delivery of increased employment opportunities working with local employability delivery partners. Roll out Wheatley Pledge offering to local employers Introduce Modern Apprenticeship programme Expand Changing Lives programme into DGHP Capture increased job and training opportunities as part of 500 promised in the Partnership agreement.</p>	31/03/22
<p>Strategic agreement with Dumfries and Galloway Council for Transformational Regeneration area and draft masterplan outlining long term approach to regeneration</p>	31/03/22
<p>Engagement Plan developed for DGHP 21/22 to include recruitment of Tenant Voice, Recruitment to Customer Voices, Roll out of Keep Scotland Beautiful assessors and pilot You Choose Challenge in DGHP</p>	31/03/22

Measures	Target
Implement My great start for new tenants to increase tenancy sustainability	31/06/2021
Access to WE Benefits will provide savings for DGHP customers and increase disposable incomes to support tenants to maintain their tenancy.	31/05/21
Develop delivery model for Home Comforts in DGHP	31/03/22
Review of DGHP3 completed as part of intragroup agreement	30/09/21

Achieve compliance with SHQS / EEESH standards	31/08/21
Strategic agreement in place to outline new partnership approach between DGHP and DGC.	30/11/21

Commentary/Update	
<p>The NETs service launched on 01/07/21 with 27 DGHP customers taking up roles within the service. Although KSB assessed DGHP as a no award area due to them returning a score of 45.9% the NETs service have already started to resolve the actions highlighted and will have all NETs identified issues resolved by 31st August.</p>	
<p>The stock viability data was completed at the end of June and DGHP Board will receive a report on the overall return on investment for our assets at their September meeting.</p>	
<p>The new contract with DGC was implemented by 30/4/21 and care wraparound services by 31/05/21. The review of the Young Persons Service/Temp accommodation funding and model remains on track to be completed by 30/09/21 with the overall alignment completed by 31/12/21.</p>	
<p>A consultant has been appointed to undertake the review a group wide review of allocations and DGHP have appointed an interim role to carry out a more detailed review of Homes 4D&G.</p>	
<p>The project remains on target to go live by 31/01/22.</p>	
<p>Phase 1 of the I.T. integration has been completed including user acceptance testing, dataload testing and pre-migration activities. The project remains on target.</p>	
<p>Tenders have been issued and work is expected to begin in October.</p>	

The Modern Apprenticeship programme has been introduced, along with the Changing Lives programme. Changing Lives recruitment began in May and trainees will begin their placements in July and reported in quarter 2. All trainees are DGHP customers with various barriers to work including caring responsibilities and mental health issues. A dashboard has been developed by Wheatley Foundation monitoring job and training opportunities. Local employability delivery partners will be identified by 31/10/21 and Wheatley Pledge will be delivered by 31/12/21.

A report went to D&G Committee on Principal of TRA in June and the masterplan brief will be completed by 31/08/21. Consultants for the masterplan will be procured by 31/09/21 with the initial draft masterplan on target for completion by 31/03/22.

As detailed in the report at agenda item 6 the Engagement Plan remains on target.

Commentary/Update

A formal partnership with D&G CAB has been agreed and My Great Start service now available for tenants.

WE Benefits was launched in May and all wraparound services, including fuel advisors, contents insurance and employability, in place and operational by end June 2021. Home Contents Insurance has been agreed by Group's insurance provider and will be promoted to tenants in August.

Scoping work underway to consider opportunities for furniture donation/recycling for DGHP customers in need.

The original target of 31/03/21 has been amended in line with the Group target. Group are reviewing DGHP3.

Compliance with SHQS is currently at 91.01% and increases to 95.47% including abeyances and exemptions. We are focussing on delivery of the remaining 4.53% as we remobilise our full investment programme.

The Managing Director has met with Lorna Meahan, Director of Economy and Resources at DGC, to jointly develop the strategic agreement that sets out the new collaborative working partnership between the Council and DGHP. Once developed this will be presented to the DGHP Board at a future Board meeting.



