



**WHEATLEY HOMES SOUTH LIMITED
BOARD MEETING
Wednesday 26 March 2025 at 10.30 am
Brasswell, Dumfries**

The Board meeting will be followed by the stock tour

AGENDA

1. Apologies for absence
2. Declarations of interest
3. a) Minute of meeting held on 5 February 2025 and matters arising
b) Action list

Main business and approvals

4. Building compliance update
5. a) 2025/26 Budget
b) Finance Report

Other business

6. [REDACTED]
7. Governance update
8. Scrutiny Panel update (presentation)
9. Gender Pay Gap (presentation)
10. Radio Teleswitch update
11. Group Procurement – annual strategy and policy updates
12. AOCB

Date of next meeting: 21 May 2025

**WHEATLEY HOMES SOUTH LIMITED
MINUTES OF BOARD MEETING
held on Wednesday 5 February 2025
Brasswell, Dumfries**

- Members Present: Jo Boaden (Chair), John Henderson, Garry Legg, Martin Dorby, Michael Greaves Mackintosh, John McCraw and Karen Hunter
- In Attendance: Pauline Turnock (Group Director of Finance), Alex Lamb (Wheatley Homes South Managing Director) Eilidh Mowat (Governance Business Partner), Lindsey Dryden (Financial Controller)
- In Part: Lorna McCubbin, Director of Assets (Items 8 & 15)
Lindsey Lauder, Director of Property and Development (Items 9 & 10)
Eugene Mullan, Architect, Smith Scott Mullan (Item 10)
Samantha Bett (Via Teams), Director of Treasury (Item 11)
Helen Berry (Via Teams), Head of Assurance (Item 14)

1. Apologies for Absence

The Chair confirmed that the meeting was quorate.

2. Declarations of Interest

The Board noted the standing declaration of interest. No new declarations were made.

3. a) Minute of 20 November 2024 and matters arising

Decided: The Board approved the minutes of the meeting of 20 November 2024.

b) Action list

Decided: The Board noted the action list.

4. Chair and Managing Director updates

The Chair gave an update on the matters arising from the Group Board meeting and specifically updated the Board on the reinstatement of the capital housing budget for 1 year only and the ongoing close partnership working.

The Chair also provided an update on the ongoing recruitment of an Independent Board member.

The Managing Director gave an update on 2 sudden deaths which had occurred within our care premises. The Board noted that an update on our Care premises is scheduled to be provided at the May Board meeting.

The Board were provided with an update on our response to Storm Eoin. The Board noted that major jobs had all been made safe post-storm, and no injuries had been reported. The Board commended our personalised approach to customer contact during the storm.

Decided: The Board noted the updates

5. Strategy 2026-31 pathway

The Board were provided with an update on the pathway and timings for developing the 2026-2031 strategy, noting that the strategy workshop in May will provide an opportunity to consider the strategy in detail.

The Board discussed the strategy, emphasising that it must reflect the priorities and aspirations of customers and staff and put our customers at the heart of the strategy. A number of workshops have been held with staff and there will be sessions arranged for customers to provide input. The Board asked that the timing of the strategy renewal be considered in the national context and allow room for flexibility within those timelines.

The Board discussed the approach to monitoring the targets/aims set out in the strategy and noted that the strategy is refreshed annually. The Board also requested that we draw out within the strategy any issues/targets that are outstanding and Health and Safety.

Decided: The Board noted the proposed approach to developing the 2026-2031 strategy.

6. Rent setting and service charges 2025/26

The Board were provided with feedback on the 2025/26 rent, service and other charges consultation.

The Board noted that the consultation attracted nearly 1850 responses, with 456 respondents also giving qualitative feedback. The proportion of respondents, at just over 25%, indicating a preference for the higher rate of 7.9% based on additional investment is consistent with the qualitative feedback. The Board commended an excellent response rate to the consultation.

The Board emphasised the need to ensure we communicate with tenants on an ongoing basis how the investment and services resulting from the rent setting will be delivered. The Board urged caution when comparing our rents in Dumfries and Galloway with other RSLs in the Group as our rural, dispersed geography is not comparable to the other RSLs.

Decided: The Board

- 1) Considered the feedback received through the consultation process with tenants on our 2025/26 rent, service and other charges increase; and**
- 2) Approved a 6.9% rent, service charges and other charges (including garages and lock ups) for 2024/25 for all tenants effective from the first of April.**

7. Financial projections 2025/26

The Board were provided with updated financial projections for investment in assets and services over the period to 2030 and approved updated financial projections forming the budget for 2025/26.

The Board discussed the interest debt peak and interest cover position and how this applies in the overall context of the RSL Borrower Group.

The Board discussed our risk mitigation and our planning to manage a perfect storm noting an example in September 2022 when we engaged our mitigation plans.

This Board noted the business plan for the five-year period to 31 March 2030.

Decided: The Board

- 1) Approved the updated financial projections for investment in assets and services over the five-year period to 2030; and**
- 2) Agreed that the projected 2025/26 figures form the basis of next year's annual budget which will be presented to the Board for final approval in March.**

8. Five-year investment plan

The Board were provided with an update on the five-year capital investment in our existing homes for the period 2025/26-2029/30.

The core investment programme will deliver £53.3m of planned improvements within our properties. The continuing focus of our programme is on delivering improvements that contribute the greatest value to our tenants and neighbourhoods.

The Board discussed how the customers' voice has been integral to the investment planning process, with the feedback from customer voice panels informing the prioritisation and approaches in the Strategic Asset and Investment Plan and reflected in the capital investment plan.

Decided: The Board approved the five-year capital investment plan 2025-2030.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

10. Lochside Masterplan

The Board were provided with an update on the progress of the registration of Lochside including the Masterplan and phasing of new builds.

The Board noted that partnership working with DGC has progressed well to deliver a 15-year masterplan for the regeneration of Lochside. Community engagement has shown strong local support for investment and new home delivery. Continued community involvement will ensure a holistic approach to Lochside's regeneration.

The Board emphasised the incremental nature of this project, being delivered in phases and we must ensure that we are clear with our customers on timeframes.

Decided: The Board;

- 1) Approved the submission of the Masterplan to Dumfries & Galloway Council to be adopted as Planning Guidance;**
- 2) Approved the reallocation of the £1.123m demolition budget within the 25/26 Business Plan to the Investment budget to carry out necessary repairs at Osbourne Drive (removing the requirement for demolition); and**
- 3) Noted the phasing of all Lochside sites are now included in WHS 5 Year Business Plan (approval for this plan is sought in a separate Board Paper).**

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

12. Finance report

The Board were provided an overview of the Finance Report for the period for to 31 December 2024 and the Q3 forecast.

The Board noted the financial performance for the period to 31 December 2024.

Decided: The Board noted the Finance Report for the period to 31 December 2024 and Q3.

13. Performance report

This Board were provided with an update on performance against targets and strategic projects for 2024/25 to the end of quarter three.

The Board noted strong performance against our targets for 2024/25 in several key areas including gross rent arrears, tenancy sustainment, CFC, Allocations and NETs CSATs, reducing emergency repair numbers, emergency repair timescales, repairs completed right first time and new build completions. The Board asked that we continue to highlight health and safety near misses and asbestos within this paper.

Decided: The Board noted the contents of the Performance report

14. Group Assurance update

The Board were provided with an update on the Internal audit work reported to the August and November 2024 Group Audit Committee meetings.

The Internal Audit team has completed the listed reviews. No significant matters were noted to bring to the attention of the Board members and management have agreed actions to address the improvement actions identified during each review. The Internal Audit team will monitor the completion of these actions and report progress to future meetings of the Group Audit Committee and this Board.

The Group Audit Committee has approved the Internal Audit team’s current programme of work and will continue to oversee and approve the work programme on a quarterly basis.

Decided: The Board noted the contents of the report

15. Radio Teleswitch (RTS) switch off update

The Board were provided with an update on the implications of the planned switch off of the Radio Teleswitch system for our customers.

The Board noted that 492 customers are affected by the proposals.

The Board expressed concern at the timelines proposed for switch off.

The Board asked that we ensure a strategic approach to supporting customers and track the progress of replacement options for those customers affected to conclusion. The Board noted further updates would be provided to each Board meeting until June.

Decided: The Board noted the Radio Teleswitch (RTS) switch off update

16. AOCB

No other items of business were raised.

Signed:.....(Chair)

Wheatley Homes South

Board meeting held on: 5 February 2025

Action List

Meeting date	Action	Owner	Due	Status
20/11/24	Tour of WHS young person service at Holm Park view to be arranged	Alex Lamb	March 2025	Complete – on the agenda for the stock tour this afternoon
20/11/2024	Ensure the sustainability section in reports is fully addressed	Alex Lamb/Eilidh Mowat	Ongoing	Ongoing review
5/02/2025	Wheatley Care update to be brought to May Board	Alex Lamb	May Board	ongoing
5/02/2025	Surveying Strategy will be brought back to Board in connection with stock condition survey on garages and lock ups	Lorna McCubbin		ongoing
5/02/2025	Update on progress with Lowther on communal improvements in factored blocks	Alex Lamb	March 2025	Complete – on this Agenda
05/02/2025	Development programme – customer engagement post handover- how do we take account of customer feedback	Lindsay Lauder	Mid-year development update	ongoing

Report

To: Wheatley Homes South Board

By: Stephen Devine, Director of Assets and Sustainability

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

Subject: Building Compliance Update

Date of Meeting: 26 March 2025

1. Purpose

- 1.1 This report provides an update on our home safety building compliance work streams during 2024/25.

2. Authorising and strategic context

- 2.1 Under our Terms of Reference, the Board is responsible for monitoring our performance. This report provides the Board with an update on our compliance work programmes and our performance against the programme targets.
- 2.2 Our Group strategy includes as one of its themes our commitment to “make the most of our homes and assets”, Our building compliance programmes contribute to this by helping to protect and maintain our assets and keep our customers safe in their homes.
- 2.3 Compliance is also one of the five drivers, and our priority for investment, within our asset management and investment strategy which the Board agreed on in September 2024.

3. Background

- 3.1 Our compliance work programmes include gas servicing, lift servicing, thermostatic mixing valves (“**TMVs**”), asbestos surveying, water management including legionella prevention and electrical works such as electrical inspections and smoke and heat detector renewals/replacements.
- 3.2 Landlords have a legal duty to repair and maintain gas pipework, flues and appliances in a safe condition, to ensure an annual gas safety check on each appliance and flue, and to keep a record of each safety check.
- 3.3 Landlords also have other obligations under legislation or approved codes of practice (“**ACOPs**”) for a variety of building maintenance and inspection activities for example firefighting equipment (dry risers/sprinklers), lifting equipment, and alarm systems. As well as a mandatory responsibility for electrical safety including carrying out electrical inspections, commonly referred to as Electrical Installation Condition Reports (“**EICR**”) or Fixed Installation Testing (“**FIT**”).

- 3.4 The arrangements for how we meet our obligations through our compliance work programmes are illustrated in the table below.

Work Stream	Cycle	Status
Gas Servicing	Annual (10-month cycle)	Rolling programme ongoing
Electrical (EICR)	Maximum Every 5 years	Rolling annual programme ongoing
TMV maintenance and Installation	Annual	Rolling programme ongoing
Smoke and Heat Detector re-life programme	Every 10 years but is dictated <i>annually</i> by build date / LD2 install date	Rolling annual programme ongoing
Lift Insurance Inspections	Six monthly	Rolling programme ongoing
Mechanical and Electrical Works	Subject to asset requirements: examples include CCTV, pumps, aerials, and alarms	Ongoing programme
Water Management	Site-by-site basis requirement, works include tank inspections, bacterial testing, legionella testing	Ongoing Programme
Asbestos surveying	Annual	Ongoing programme

One and done approach

- 3.5 Where practical, we take a “one-and-done” approach, tailored to the compliance activities within our tenanted properties. This means that, for related compliance activities within our stock, we try to package works together taking account of asset compliance cycles, property attributes and individual customer requirements. The table below shows the three “one-and-done bundles” we apply.

Type of Package	Stock Targeted	Type of works
Home Safety Bundle 1: Gas and Water Management works	Gas properties	<ul style="list-style-type: none"> ▪ Annual gas servicing ▪ Temperature checks at water outlets ▪ TMV works ▪ Test/servicing of smoke/heat/carbon monoxide detectors ▪ Complete all certification
Home Safety Bundle 2: Electrical installs and servicing	All properties	<ul style="list-style-type: none"> ▪ Installation of S + H detectors (re-life programme) ▪ Carry out EICR inspections
Home Safety Bundle 3: Joinery and electrical	Electric properties	<ul style="list-style-type: none"> ▪ Test/servicing of smoke and heat detectors

- 3.6 We also use the opportunity when one of our properties is void, to carry out any required compliance activities. This provides additional assurance that every new customer is moving into a home that is safe and secure, while also maximising the access we need to undertake cyclical or capital compliance works.

4. Discussion

- 4.1 We continually monitor and report progress against our various compliance workstreams to ensure our obligations are met and to provide an early indication if progress is not as planned. The remainder of this report provides the Board with details on progress against core compliance programmes during 2024/25.

Gas Safety

- 4.2 All our gas safety inspection records (CP12s) are up to date and fully compliant. Achieving this requires an annual inspection of every property with gas. We have **8,280** homes with gas.
- 4.3 To support **100%** compliance we send appointment letters, text messages and emails to all customers. Tenants can change appointments to suit their needs by contacting our 24Hr Customer First Centre. We also manage individual cases where there are complex issues or housing management challenges that impact access.

- 4.4 As a last resort - after we have exhausted all reasonable efforts to obtain access through communication and liaison - we move to a “forced appointment”. Our forced appointment process involves:
- Hand-delivery of a forced access appointment letter a minimum of 24 hours before the appointment;
 - Doorstep discussion if the tenant is present at the delivery of the letter to negotiate access;
 - Completion of officer pre-appointment checklist & Health & Safety checklist;
 - Liaison with the Housing Officer for any additional knowledge of the customer;
 - Wheatley representative joint attendance with WHS Gas Engineer and Housing Officer; and
 - Liaison at forced access appointment as required to reach successful completion of gas service and achieve compliance.

Water Management

- 4.5 Our water management regime varies on a site-by-site basis taking into consideration the water system installed, the type of property and the customer demographic.
- 4.6 Works can include visual inspections of the communal tanks, risk assessments, temperature checks of both the water inlet and of resting water within the tank, bacterial testing which checks the water supply for various bacteria including e-coli and legionella and chemical testing for metal and mineral contents to ensure that water meets the relevant water quality standards as set by the Water Supply (Water Quality) (Scotland) Regulations 2001.
- 4.7 We have **100%** completions for all specialised housing such as Sheltered blocks and all Relevant Premises, which include non-domestic property, such as offices.
- 4.8 In our general needs stock blocks across Dumfries and Galloway we do not always have a common loft hatch and require access into individual homes to access the tank for inspection. Multiple attempts have been made at these properties throughout the year including appointment letters and outbound calling, currently, 45 properties require surveys where we continue to liaise with customers about allowing us access to carry out the inspection. In connection with our communal loft hatches, we have 10 that require to be accessed. As a result of the surveys we have 16 outstanding blocks that require H&S access works for the surveys to be completed.
- 4.9 Any properties that remain on this list will be prioritised for further access attempts during Quarter 1 of the 2025/26 rolling programme.
- 4.10 The table below provides details of progress with the overall rolling annual programme.

Inspections/tasks completed so far	Total Inspections/tasks Required	Percentage completion
108	179	60.34%

TMV Servicing for qualifying households

- 4.11 Our TMV programme is a best practice approach that involves a rolling annual programme focused on homes containing under 5s or over 75s, and care sites / specialist housing locations. We adopted the Group approach in 24/25 moving our TMV Servicing onto the Gas Servicing appointments. As a result of this we have moved to the Gas Servicing appointment dates, which means not all TMV Servicing has been done in 24-25 but will be done with a 1-year rolling programme and by 25-26 fully compliant.
- 4.12 Of the 1,163 properties in the programme we have completed 614 inspections so far. This is a completion rate of 53%.
- 4.13 The programme is reliant on customers permitting access. To encourage this, we include TMV servicing alongside gas servicing appointments, where possible. We also offer flexibility to amend appointments, proactively contact customers and make up to three access attempts.
- 4.14 Where access is not achieved, we send letters to customers informing them of our attempts and inviting them to contact us to make a follow up appointment. Forced appointments are not undertaken in keeping with the non-mandatory nature of the programme.

Smoke and Heat Detectors

- 4.15 All of our **10,304** properties have compliant LD2 smoke and heat detectors. These were installed at the time the home was constructed (for newly built homes) or as an upgrade as part of our rolling programme of re-life works (10-year cycle). All customers are offered a minimum of two appointments to enable the work to be completed at a convenient time for them. As a last resort, we move to a forced appointment, to ensure we maintain 100% compliance in this area.

Periodic Electrical Testing ("EICR")

- 4.16 Periodic electrical inspections are required in all properties on a cycle of no more than 5 years. Landlords must make "reasonable efforts" to ensure that homes are accessed to carry out the inspection.
- 4.17 The outstanding 58 addresses are currently being managed by our Housing Team to find solutions to the current housing management issues preventing the EICR from being carried out. Once resolved these addresses can be quickly programmed for completion.

Qualifying Addresses*	EICRs: current number that is out with 5 years	Percentage complete to date
10,304	58	99.44%

**Excludes long term voids*

Lift Inspections and Maintenance

- 4.18 Proactive servicing of our lifts are carried out monthly via our approved maintenance contractor with supplementary six-monthly inspections by our insurance company.
- 4.19 Lift performance, such as time to complete any minor defects or major repairs, is routinely monitored and managed within set Service Level Agreement (“SLA”) timescales. Examples of these SLAs include 1 hour for trapped passengers and all other emergencies within four hours.

No. of passenger lifts	Total Inspections complete	Percentage complete to date
2	2	100%

No. of stair lifts	Total Inspections complete	Percentage complete to date
196	196	100%

- 4.20 Our lifts are part of our wider digital switchover project preparing for the Public Switched Telephone Network (“PSTN”) switch off. Transitioning to digital provides several benefits, beyond ensuring continued operation after switch-off, including cost savings, increased management information, better reliability and the ability to integrate with other digital services. We have 2 passenger lifts to migrate to digital, and this is expected to be completed by August 2025.
- 4.21 Alongside digitising our lift alarms, we have also transitioned fire and intruder alarms from the PSTN. Doing this means that our alarm systems are *future-proofed*, more resilient and that we are better able to meet the needs of vulnerable customers and protect our assets.

Mechanical and Electrical Works (“M&E”)

- 4.22 We carry out other works in line with our stock and below shows a table of the task and number. As of the 1st of April 2025, we will onboard these compliance activities to Equans to bring us in line with the rest of the Group. We are responsible for carrying out preventative maintenance activities across 107 blocks, ensuring building compliance safety for 716 individual homes. This extensive maintenance program covers a range of critical services, including water management, sprinkler systems, fire alarm systems and automatic vent opening services.
- 4.23 The programme ensures M&E compliance across our stock, specialised housing and new build stock where this is increasingly more prevalent through Building Regulations. The table below provides some examples of the scale involved across the M&E asset programme.

WHS - Task	Example Numbers
Sprinklers	12
Fire alarm systems	17
Automatic Opening Vent (AOVs)	3
Intruder Alarms	4
Fire Extinguishers	15
Emergency Lighting	111
PAT Testing	67
CCTV	1
Fall Arrest Systems	3
Lightning Protection	6

- 4.24 We monitor contractor performance to ensure any emergency callouts are dealt with within timescales and that routine preventative maintenance and compliance tasks are being managed and delivered as required.

Asbestos Surveying

- 4.25 Asbestos management survey inspections of communal areas are undertaken through a rolling programme. Following inspections, the report for each block is uploaded to our asset management system PIMSS.
- 4.26 To date we have carried out 325 common area surveys (c 99.39% of all communal areas). This provides good coverage of all archetypes. During 2025/26, we plan to continue this programme with 327 re-inspections, which will provide 100% coverage of the blocks. All relevant staff have access to asbestos information relating to our properties through PIMSS. These staff also provide asbestos information to contractors when they are required to work in our properties and this work is monitored.
- 4.27 Where asbestos is identified that requires a minor repair, a process is followed that ensures this is managed and correct working procedures are carried out. If there is ever uncertainty on the presence of asbestos, sampling is undertaken before work begins using a licenced asbestos contractor, with remedial works carried out as necessary.
- 4.28 During our 2024/25 inspection programme 4 blocks to date have been identified where we intend to carry out asbestos removal works, and this is currently in the planning process to be completed.

Radon Gas Monitoring

- 4.29 We are continually looking to enhance our approach to home safety and this year we plan to pilot a testing programme for radon gas. Our approach to Radon Gas Monitoring for existing stock during 2025/26 will be focused on properties with the potentially highest concentration of radon gas (above 10%) being 75 properties.

- 4.30 Radon is a naturally occurring radioactive gas that can be found in high concentrations in indoor environments, such as homes and workplaces. It is created when uranium decays in the ground seeps to the surface and can get indoors through floors.
- 4.31 Radon levels in the ground are usually low, but some parts of Scotland may have higher levels depending on the ground type/conditions.
- 4.32 As there are no warning signs for the presence of radon, testing for radon is the only way to get evidence of levels and ensure there is no danger from exposure to residents.

5. Customer Engagement

- 5.1 Engaging with our customers and ensuring they understand the importance and benefits of compliance works to keep them safe in their homes is crucial in successfully delivering our home safety compliance programmes.
- 5.2 We emphasise the importance of allowing access for compliance activities during routine interactions with our customers including through our Customer First Centre, at the annual tenant visit and in programme specific letters, texts, calls and visits.
- 5.3 Achieving compliance across our wide range of home safety programmes involves significant planning and liaison between customers, and our teams, particularly if we are required to escalate to a forced access appointment.
- 5.4 We also advocate for our customers with other third party's such as utility companies and external support providers to resolve issues so that we can complete our compliance obligations in our homes and keep our customers and properties safe.

6. Environmental and sustainability implications

- 6.1 There are no direct environmental and sustainability implications associated with this report.
- 6.2 Our approach to carrying out associated compliance works in one visit wherever practical will as a result lead to fewer travel visits by engineers and trade staff across our assets.

7. Digital transformation alignment

- 7.1 We are developing a multi-year programme to enhance our compliance system, management, monitoring and reporting that will see data from multiple sources brought together and closer integration with our various suppliers. This will ensure we continue to develop our existing systems and approaches, as we have been doing, to ensure consistency of management and reporting.

8. Financial and value for money implications

- 8.1 Funding for our compliance workstreams is included as part of our agreed 5-year Revenue and Capital Investment business plan approved by the Board in February and is sufficient to meet our compliance obligations.

9. Legal, regulatory and charitable implications

- 9.1 Our compliance activities support us to meet our legal obligations as a landlord. At this time, we do not expect any additional compliance requirements to be introduced, although we will maintain a forward look including through our relationships with the Scottish Government and the SHR.

10. Risk Appetite and assessment

- 10.1 Our risk appetite relating to building compliance work streams is minimal” i.e. preference for ultra-safe business delivery options that have a low degree of inherent risk and only have a potential for limited reward.
- 10.2 The compliance activities and the progress against them discussed in this report ensure that the risk is managed in line with our agreed risk appetite.
- 10.3 Some compliance activities, for example, gas servicing, and electrical safety are embedded in the Scottish Housing Regulator’s reporting return requirements.

11. Equalities implications

- 11.1 Specific work programmes have been developed and put in place to address potential vulnerabilities due to age i.e. the TMV Servicing programme. When undertaking works we will carry these out in ways that minimise inconvenience to all of our customers such as by offering a range of appointments that suit their needs and offering a one-stop shop service through compliance trades teams for compliance events required within a customer’s home.

12. Key issues and conclusions

- 12.1 We are continuing to deliver our agreed compliance programmes. These programmes ensure we meet our statutory and regulatory obligations as a landlord relating to gas, electricity, water management, lifts, asbestos and fire. We also undertake other programmes as part of our compliance activities that, while not legally required, are necessary to ensure we help to keep our customers safe. These programmes include TMV servicing and annual smoke alarm servicing outwith our mandatory 5 yearly EICR and 10-year LD2 rolling programmes.
- 12.2 Our “one and done” approach continues to be offered where possible for similar related compliance activities subject to asset cycles, property attributes and customer requirements. Ensuring we remain agile and alert to any changing legislation or best practice is key to maintaining our commitment to provide a robust level of landlord assurance across the various compliance activities.
- 12.3 We also continue to robustly monitor and manage the performance of our in house team and our M&E contractor to ensure tasks are delivered on time and to the required standards.
- 12.4 As in previous years, the delivery of our compliance programmes is making sure that we meet our obligations and responsibilities as a landlord.

13. Recommendations

- 13.1 The Board is asked to note the content of this report and the ongoing approach to managing and delivering our compliance related works.

LIST OF APPENDICES:

None

Report

To: Wheatley Homes South Board

By: Lyndsay Brown, Director of Financial Reporting

Approved by: Pauline Turnock, Group Director of Finance

Subject: 2025/26 Budget

Date of Meeting: 26 March 2025

1. Purpose

- 1.1 The purpose of this paper is to seek the Board's approval for the 2025/26 budget.

2. Authorising and strategic context

- 2.1 Under the terms of the Intra-Group Agreement between Wheatley Homes South and the Wheatley Group and this Board's Terms of Reference, we are responsible for the on-going monitoring of performance against agreed targets. This includes the on-going performance of our finances.

3. Background

- 3.1 At the previous meeting in February 2025 the Board were presented with the detailed five-year financial projections and agreed that the 2025/26 figures would form the basis of the 2025/26 annual budget, which is presented in Appendix 1.

4. Discussion

- 4.1 The budget is summarised below and compared against the financial projections.

	2025/26		
	Budget £'000	Business Plan* £'000	Variance £'000
Turnover	64,328	63,126	1,202
Operating expenditure	43,580	43,580	0
Operating surplus	20,748	19,546	1,202
<i>Operating margin</i>	32%	31%	
Net interest payable	(7,221)	(7,221)	0
Surplus	13,527	12,325	1,202
Net Capital Expenditure	23,190	21,975	1,215

**Excluding property valuation movements, which do not form part of the management accounts*

- 4.2 The 2025/26 budget reports an operating surplus of £20,748k and a statutory surplus of £13,527k, both £1,202k higher than the financial projections approved in February 2025.
- The movement is due to the recognition of gift aid paid [REDACTED] with corresponding to WH higher costs in new build spend. This is an intra-group item which has a nil effect on the consolidated results for both the RSL Borrower Group and the full Wheatley Group.
- 4.3 Keeping rents affordable remains a key strategic aim but it is important that we strike an appropriate balance between affordability for our tenants whilst ensuring the ongoing financial viability of our operations and the appropriate levels of investment in our homes and services to customers. The 2025/26 budget reflects the annual rent and service charge consultation that concluded with the Board approving a 6.9% increase in rent and service charge levels.
- 4.4 Allocations for repairs and investment continue to be at the core of our budget. During the year, as part of our asset strategy discussions, we agreed the investment priorities set out in our neighbourhood plans be reflected in our rent setting proposals together with the creation of a provision to fund energy efficiency improvements in our homes which will be required to meet the new Scottish Housing Net Zero Standard (“**SHNZS**”). In the 2025/26 budget, our investment programme spend of £14.0m on existing homes includes £1.2m of neighbourhood investment works and £0.4m to fund energy efficiency improvements.
- 4.5 The budget also recognises the sustained demand and cost pressures on repairs with £12.5m provision for revenue repairs and maintenance included in the 2025/26 budget.
- 4.6 Our frontline housing, customer first centre and neighbourhood environmental teams and the Wheatley 360 wraparound service remain key elements of our service provision. Support for vulnerable customers is prioritised through our Wheatley Foundation, and our Sheltered Housing offer for older customers. Our “Helping Hand Fund” will continue to offer support to customers with this particularly focused on help with paying rent.
- 5. Customer Engagement**
- 5.1 This report relates to our financial reporting and therefore there are no direct customer implications arising from this paper.
- 6. Environmental and sustainability implications**
- 6.1 The budget includes a provision of £0.4m in 2025/26 to fund energy efficiency improvements in our homes which will be required to meet the new SHNZS.
- 6.2 Our planned investment includes £3.2m spend in 2025/26 to improve energy efficiency in 637 homes through new windows, doors, external wall insulation and efficiency heating systems.
- 7. Digital transformation alignment**
- 7.1 There are no digital transformation alignment implications arising from the Finance Report.

8. Financial and value for money implications

- 8.1 The financial projections incorporate cost efficiency measures, which are a key element of continuing to demonstrate value for money. These are reflected in the annual budget and performance will be monitored against budget each month.
- 8.2 Our financial covenants are assessed individually and for the RSLs within the WFL1 borrowing group as a whole. In preparing the 2025/26 budgets across the RSL borrower group, the overall budgeted operating surplus and covenant compliance for the WFL1 borrowers is in line with the RSL financial projections.

9. Legal, regulatory and charitable implications

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

10. Risk Appetite and assessment

- 10.1 The Board's agreed risk appetite for business planning and budgeting assumptions is "open". This level of risk tolerance is defined as "prepared to invest for reward and minimise the possibility of financial loss by managing the risks to a tolerable level".
- 10.2 Delivery of financial results within approved budgetary limits is a key element in delivering our strategy and maintaining the confidence of investors.

11. Equalities implications

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

12. Key issues and conclusions

- 12.1 This paper presents the proposed 2025/26 budget.

13. Recommendations

- 13.1 The Board is requested to:
 - 1) Approve the 2025/26 Budget

LIST OF APPENDICES:-

Appendix 1: Budget 2025/26



2025/26 Budget



1a) Operating statement

Operating Statement	2025/26 Budget	2025/26 Business Plan	Variance
	£'000	£'000	£'000
INCOME			
Rental Income	54,778	54,778	0
Void Losses	(600)	(600)	0
Net Rental Income	54,178	54,178	0
Grant Income	6,244	6,244	0
Other Grant Income	1,542	1,542	0
Other Income	2,364	1,162	1,202
TOTAL INCOME	64,328	63,126	1,202
EXPENDITURE			
Employee Costs - Direct	5,344	5,344	0
Employee Costs - Group Services	3,492	3,492	0
ER/VR	0	0	0
Direct Running Costs	3,348	3,348	0
Running Costs - Group Services	2,086	2,086	0
Revenue Repairs and Maintenance	12,496	12,496	0
Bad debts	1,119	1,119	0
Depreciation	15,695	15,695	0
TOTAL EXPENDITURE	43,580	43,580	0
NET OPERATING SURPLUS	20,748	19,546	1,202
Net interest payable	(7,221)	(7,221)	0
STATUTORY SURPLUS	13,527	12,325	1,202
CAPITAL INVESTMENT INCOME	19,930	19,930	0
Capital Investment spend	13,908	13,908	0
New Build Programme	27,229	26,014	(1,215)
Other Fixed Assets	1,983	1,983	0
TOTAL CAPITAL EXPENDITURE	43,120	41,905	(1,215)
NET CAPITAL EXPENDITURE	23,190	21,975	(1,215)

Key comments:

The 2025/26 budget shows a net operating surplus of £20,748k and statutory surplus of £13,527k, both £1,202k higher than the Business Plan financial projections presented to the Board in February 2025. The movement is due to the recognition of intra group gift aid paid to WH South from Wheatley Developments Scotland Ltd (WDS).

- **Net rental income** of £54,178k is in line with the financial projections. The budgeted void rate is prudently assumed at 1.0% for all social rent properties.
- **Grant Income** recognised on completion of new build units is budgeted at £6,244k with completion of 33 units anticipated in 2025/26 at Johnstonebridge.
- **Other Grant Income** includes £540k aids and adaptation grant income and Care services related grant income.
- **Other Income** includes the recognition of the gift aid payment from WDS of £1,202k, reflecting the management charge income received from WH South in WDS net of running costs incurred by WDS (£13k). This is an intra-group item and has a net nil impact at an RSL Borrower Group level.
- **Expenditure** is in line with the financial projections previously presented with analysis for employee costs, running costs and repairs and maintenance shown on page 5. The provision for repairs recognises the sustained increase in demand that we have experienced in 2024/25 and growth from the additional stock.
- **Capital Investment Income** of £19,930k includes £19,390k new build grant income and £540k adaptation grant income.
- **Investment programme** expenditure has been budgeted at £13,908k and includes £1.2m of neighbourhood investment works and £0.4m to fund energy efficiency improvements in our homes which will be required to meet the new Scottish Housing Net Zero Standard (SHNZS).
- **New build** expenditure of £27,229k has been included in the budget for 2025/26, £1,202k higher than the financial projections recognising a 5% management charge on the design and build services provided by WDS. The design and build costs are reimbursed to WH South through gift aid recognised in Other Income.

1b) Underlying Surplus

Comments

- 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 for the 2025/26 budget which adjusts our net operating surplus by excluding the accounting adjustments for the recognition of new build grant income, gift aid and depreciation, but including capital expenditure on our existing properties.
- An underlying surplus of £7,867k is budgeted, in line with the financial projections and £1,741k higher than the forecast underlying position for 2024/25. Higher net rental income is contributing to an improved net operating surplus partly offset by additional core programme expenditure when excluding the £3.1m SHNZ funded spend in 2024/25.

WH South Underlying Surplus - 2025/26 Budget			
	FY Budget 2025/26 £ks	FY Projection 2025/26 £ks	FY Forecast 2024/25 £ks
Net Operating surplus	20,748	19,546	30,915
add back:			
Depreciation	15,695	15,695	15,441
less:			
Grant income	(6,244)	(6,244)	(16,418)
Gift aid	(1,202)	0	(521)
Net interest payable	(7,221)	(7,221)	(7,219)
Total expenditure on Core Programme	(13,908)	(13,908)	(16,073)
Underlying surplus	7,867	7,868	6,126

2) Income

Rental Income	2025/26 Budget
	£'000
INCOME	
Rental Income	54,778
Void losses	(600)
Net Rental Income	54,178
Average stock no's	10,280
Average rent per property (£)	5,270

Rental Income

- Budgeted figures include a rent increase of 6.9%
- Void losses are budgeted at 1.0% of rental income
- In 2025/26, expected to complete 33 units at Johnstonebridge.

Other Grant Income	2025/26 Budget
	£'000
Temporary Accommodation Grant	613
Young Person Project Grant	215
Sheltered Housing Grant	138
RHI Grants	36
Adaptation grant	540
Total Other Grant Income	1,542

Other Grant Income

- The care services grant income increases in line with the individual Council contracts.
- Adaptation grant income in 2025/26 aligns with budgeted spend.

Other Income	2025/26 Budget
	£'000
MMR	447
Garage & Garage Sites	349
Leased Properties	192
Commercial Properties	57
Solutions lease income	117
WDS gift aid income	1,202
Total Other Income	2,364

Other Income

- Garage, garage sites and leased properties increases at 6.9% in line with the rent increase.
- Gift aid income of £1,202k is payable by WDS. This is an intra-group item and has a net nil effect on the operating surplus at an RSL Borrower Group level.

3) Expenditure

Employee Costs	2025/26 Budget
	£'000
Employee costs - Direct	5,344
Employee costs - Group	3,492
Employee costs (net of capitalisation)	8,836
ER/VR costs	0
Total Employee Costs	8,836

Employees Costs

- The 2025/26 budget reflects the cost of living uplift for both direct and group services employee costs.
- Direct employee costs include £0.7m for the funded Care related services.
- The budgeted figures include the additional national insurance announced in the UK Government Autumn 2024 budget.

Running Costs	2025/26 Budget
	£'000
Running costs - Direct	2,455
Running costs - Group	2,086
Support activities - Care	560
Wheatley Foundation donation	333
Total running costs	5,434

Running Costs

- Running costs in 2025/26 include a 2.5% cost inflation increase.
- Direct running costs include NETS and W360 recharges. Group running costs reflect WH South's share of Wheatley Solutions group costs.
- Donation to Wheatley Foundation includes £164k for the Here For You fund.

Repairs	2025/26 Budget
	£'000
Response Repairs	9,529
Gas Servicing	1,219
Cyclical & Landscaping	412
Compliance Revenue	1,336
Total	12,496

Repairs and Maintenance

- The responsive repairs budget reflects the demand during 2024/25 and includes a 3.0% increase to align with current repairs inflation.
- Employee costs related to the inhouse repairs service assume the cost of living uplift.

4) Capital Investment

Capital Investment	2025/26 Budget
Investment programme grant income	
Aids and Adaptations	540
Total Grant Income	540
Investment programme spend	
Core Programme	7,704
Capitalised repairs	944
Adaptations	540
Capitalised voids	3,565
Capitalised Staff	1,156
Total spend on existing properties	13,908
NET SPEND ON EXISTING PROPERTIES	13,368
New Build Expenditure	
New Build development	27,229
Grant income	(19,390)
Net New Build cost	7,839
Other Fixed Assets	
IT spend	1,301
Office spend	600
Other	82
Total Other Fixed Assets	1,983
TOTAL NET CAPITAL EXPENDITURE	23,190

Capital Investment

Existing Properties

- Grant income assumed in 2025/26 relates to medical aids and adaptations.
- Core programme spend in 2025/26 reflects the increased capacity in the programme ensuring we have an appropriate level of funding available to maintain the quality of our homes and meet our legislative obligations.
- The core programme includes £1.2m of neighbourhood investment works, £0.4m to fund energy efficiency improvements in our homes which will be required to meet the new Scottish Housing Net Zero Standard (SHNZS) and £0.8m environmental works.
- Capitalised voids are budgeted at £3,565k, reflecting the costs per job in 2024/25.

New build

- Net investment in new build properties has been budgeted at £7,839k. The programme is in line with the financial projections and the updated in-house new build programme presented to the Board in February 2025.
- A total of 33 social housing units are budgeted to complete in the coming year.

Other Fixed Assets

- IT and office spend increased driven by the Group capital programme. The office spend relates to the new Ashwood Drive hub.



Report

To: Wheatley Homes South Board

By: Lyndsay Brown, Director of Financial Reporting

Approved by: Pauline Turnock, Group Director of Finance

Subject: Finance Report to 28 February 2025

Date of Meeting: 26 March 2025

1. Purpose

The purpose of this paper is to:

- Provide an overview of the Finance Report for the period to 28 February 2025; and
- Seek approval of a proposed new debt facility of £7.3m with Allia Social Impacts Investments Limited (“Allia”).

2. Authorising and strategic context

- 2.1 Under the terms of the Intra-Group Agreement between Wheatley Homes South and the Wheatley Group and this Board’s Terms of Reference, we are responsible for the on-going monitoring of performance against agreed targets. This includes the on-going performance of our finances.
- 2.2 Under the Group Standing Orders, we are required to approve borrowing levels and any associated loan agreements, covenant returns and granting of security in line with the Board’s terms of reference. The Group Board and the Wheatley Funding No.1 Limited (“WFL1”) Board have approved a new loan of up to £13m from Allia at their February Board meetings. The amount of funding available has now been confirmed at £7.3m.

3 Background - Financial performance

- 3.1 The results for the period to 28 February are summarised below:

	Actual £'000	Budget £'000	Variance £'000
Turnover	68,466	68,281	185
Operating expenditure	(38,540)	(40,092)	(1,552)
Operating surplus	29,926	28,189	1,737
<i>Operating margin</i>	44%	41%	
Net interest payable	(6,698)	(6,928)	230
Surplus	23,228	21,261	1,967
Net Capital Expenditure	19,963	23,238	3,275

4. Discussion

- 4.1 The Statutory surplus to 28 February is £23,228k, which is £1,967k favourable to budget with expenditure being well managed and reporting spend favourable to budget across the majority of expenditure categories. Repairs spend remains favourable to budget with savings in compliance and gas servicing, partly offset by higher reactive repairs following Storm Eowyn in January. Within income a continuation of our strong letting performance and quick turnaround of properties when they become vacant is driving favourable variances in rental income.

Key points to note:

- Net rental income is £373k higher than budget, with Curries Yard development completing earlier than budgeted and a void loss rate of 0.6% vs 1.0% in budget. Grant income is in line with budget following the completion of 54 units at Curries Yard and 47 units at Springholm, all for social rent;
- Other grant income is £186k adverse to budget due to lower than budgeted aids & adaptations grant funding (with lower corresponding costs in investment spend), partly offset by higher renewable heat incentive (“**RHI**”) grant income and higher Supporting People grant income from Dumfries and Galloway Council (“**DGC**”);
- Operating expenditure is £1,552k favourable to budget:
 - Total employee costs (direct and group services) are £181k favourable to budget due to the timing of changes to the budgeted structure partly offset by additional spend from Wheatley Solutions for Group employee costs;
 - Total running costs (direct and group services) are £179k favourable to budget due to savings across various expenditure lines in direct running costs and Wheatley Solutions; and
 - Repair costs remain £433k favourable to budget. Responsive repairs are unfavourable to budget at the end of P11 with additional costs in February following Storm Eowyn. Cyclical and compliance spend is £568k favourable to budget due to timing and reprofiling of spend compared to budget. Repairs and maintenance costs are being managed within the overall budget.
- Capital Investment income is £7,486k lower than budget mainly due to the delay in the site start for Ashwood Drive, Corsbie Road and College Mains. Grant income received relates to Johnstonebridge and grants in relation to social housing net zero (SHNZ) and adaptation claims;
- Total capital investment spend within existing homes is £13,471k which is £616k lower than budget, mainly due to the timing of spend on core investment programme, and lower adaptation spend, partly offset by increased void costs. The full capital investment budget, enhanced with the additional allowance following the covenant release is planned to be spent by year end; and
- New Build expenditure is £9,381k lower than budget due to the later than budgeted site start dates at Ashwood Drive, Corsbie Road and College Mains. Curries Yard is also under budget due to additional spend occurring in 2023/24. This is partially offset by additional spend in Springholm, with all 47 units completing in September, and Johnstonebridge which is ahead of schedule.

4.4 [REDACTED]

[illegible]

4.6

The diagram illustrates a sequence of operations or data flow across a grid. The grid is divided into four rows and ten columns. The top row is mostly black, with a tan segment in the first column. The second row has a tan segment in the first column, followed by black, tan, black, tan, black, tan, black, and tan segments. The third and fourth rows show a sequence of black and white blocks, with some blocks containing a 2x2 grid pattern. The diagram illustrates a process flow or data transformation.

[REDACTED]

5. Customer Engagement

- 5.1 This report relates to our financial reporting and therefore there are no direct customer implications arising from the Finance Report.

6. Environmental and sustainability implications

- 6.1 We have delivered £2.7m of energy efficiency improvements through the Scottish Government's Social Housing Net Zero ("SHNZ") fund. The full year spend is forecast to be £3.1m. This includes deep retro-fit of our least energy efficiency homes in Dumfries and Galloway. This project sees a range of measures applied to improve the energy efficiency including EWI, air source heat pumps, new windows, solar PV and batteries. This will benefit 108 homes, with EPC's improving from EPC 'E' to EPC 'B', bringing the total number of deep retro-fit SHNZ supported homes to 358.
- 6.2 The Allia loan does not have a direct sustainability link. It is a requirement from Scottish Government that the loan is used to fund the supply of new social and mid-market rent homes which meet stretching energy efficiency standards.

7. Digital transformation alignment

- 7.1 There are no digital transformation alignment implications arising from the Finance Report.

8. Financial and value for money implications

- 8.1 The statutory surplus for the year to 28 February 2025 is £23,228k, £1,967k favourable to budget. Our cost efficiency targets are built into the budget and delivery of these is a key element of continuing to demonstrate value for money.
- 8.2 After adjusting the net operating surplus for new build grant income, depreciation and including capital expenditure in our properties an underlying surplus of £7,493k has been generated which is £2,583k favourable to budget. Within net operating surplus an improved operating performance position together with the timing of investment spend are contributing to the favourable underlying performance.
- 8.3 The Group's ability to successfully deliver new build housing helps strengthen the income streams in our business plan and supports our RSLs' charitable objectives to address housing need. As set out in paragraph 4.6, the pricing of the new loan is better than our assumed cost of funding in our financial projections.

9. Legal, regulatory and charitable implications

- 9.1 There are no direct legal, regulatory and charitable implications arising from the Finance Report.
- 9.2 We have been advised by Brodies in respect of the Allia funding agreement. The Allia agreement is unsecured saving time and legal fees. The SHR will be updated about the new loan in our regular quarterly meetings. There are no charitable implications arising from the new loan facility.

10. Risk Appetite and assessment

- 10.1 The Board's agreed risk appetite for business planning and budgeting assumptions is "open". This level of risk tolerance is defined as "prepared to invest for reward and minimise the possibility of financial loss by managing the risks to a tolerable level".
- 10.2 Delivery of financial results within approved budgetary limits is a key element in delivering our strategy and maintaining the confidence of investors.
- 10.3 The Group's risk appetite in respect of development is "open", which is defined as willing to choose the option "*most likely to result in successful delivery while also providing an acceptable level of reward*". The Group's risk appetite in respect of governance is "cautious" which is defined as "*preference for safe delivery options that have a low degree of inherent risk and may only have limited potential for reward*".
- 10.4 Raising funding to support our ambitions is a Strategic Outcome under the Theme of Enabling our Ambitions. Our agreed risk appetite for the operational delivery of raising funding is cautious, preferring safe delivery options that have a low degree of inherent risk. The previous track record of dealing with Allia, the associated pricing and the unsecured nature of the loan meets this risk criteria

11. Equalities implications

- 11.1 There are no equalities implications arising from the Finance Report.

12. Key issues and conclusions

- 12.1 This paper presents the financial performance for the period to 28 February 2025.
- 12.2 The proposal to borrow £7.3m [REDACTED] until October 2032 through the Scottish Government Charitable Bond Programme provides us with an opportunity to take advantage of well-priced, unsecured debt under existing documentation. It can be delivered at a rate lower than the assumed cost of funds in our current financial projections and alternative sources of funding currently available to us.

13. Recommendations

- 13.1 The Board is requested to:
- 1) Note the Finance Report for the period to 28 February 2025 at Appendix 1; and
 - 2) Approve the new £7.3m Allia facility to fund delivery of new affordable homes.

LIST OF APPENDICES:

Appendix 1: Period 11 – 28 February 2025 Finance Report

[REDACTED]



Period to 28 February 2025

Finance Report



1) Operating statement – Period to February 2025

OPERATING STATEMENT	Period to February 2025			Full Year
	Actual £ks	Budget £ks	Variance £ks	Budget £ks
INCOME				
Rental Income	46,977	46,797	180	51,163
Void Losses	(284)	(477)	193	(521)
Net Rental Income	46,693	46,320	373	50,642
Grant Income	16,418	16,418	0	16,418
Other Grant Income	4,319	4,505	(186)	5,297
Other Income	1,036	1,038	(2)	2,152
TOTAL INCOME	68,466	68,281	185	74,508
EXPENDITURE				
Employee Costs - Direct	4,626	4,831	205	5,277
Employee Costs - Group Services	3,232	3,208	(24)	3,508
ER/VR	0	0	0	210
Direct Running Costs	2,309	2,375	66	2,651
Running Costs - Group Services	1,977	2,090	113	2,305
Revenue Repairs and Maintenance	11,554	11,987	433	13,122
Bad debts	212	968	756	1,056
Depreciation	14,154	14,154	0	15,441
Demolition and compensation	476	479	3	523
TOTAL EXPENDITURE	38,540	40,092	1,552	44,093
NET OPERATING SURPLUS	29,926	28,189	1,737	30,415
<i>Net operating margin</i>	44%	41%	2%	41%
Interest receivable	118	28	90	30
Interest payable & similar charges	(6,816)	(6,956)	140	(7,417)
STATUTORY SURPLUS	23,228	21,261	1,967	23,028
INVESTMENT	Actual £ks	Budget £ks	Variance £ks	Budget £ks
TOTAL CAPITAL INVESTMENT INCOME	5,992	13,478	(7,486)	16,304
Capital Investment spend	13,471	14,087	616	15,432
New Build Programme	11,314	20,695	9,381	24,207
Other Fixed Assets	1,170	1,934	764	2,137
TOTAL INVESTMENT EXPENDITURE	25,955	36,716	10,761	41,776
NET CAPITAL EXPENDITURE	19,963	23,238	3,275	25,472

Key highlights

Net operating surplus of £29,926k, £1,737k favourable to budget and a statutory surplus of £23,228k, £1,967k favourable is reported. Lower spend across most expenditure categories and a favourable net rental income position are contributing to the favourable performance.

- Net rental income is £373k higher than budget. Void losses are £193k favourable to budget, with a void loss rate of 0.6% vs 1.0% in budget. Rental income is £180k higher due to unbudgeted rental income from earlier handover of Curries Yard.
- Grant income is in line with budget following the completion of 54 units at Curries Yard and 47 units at Springholm, all for social rent.
- Other grant income is £186k adverse to budget due to lower than budgeted aids & adaptations grant funding (with lower corresponding costs in investment spend), partly offset by higher renewable heat incentive (RHI) grant income and higher Supporting People grant income from DGC.
- Total employee costs (direct and group services) are £181k favourable to budget due to the timing of changes to the budgeted structure partly offset by additional spend from Wheatley Solutions for Group employee costs.
- Total running costs (direct and group services) are £179k favourable to budget primarily due to several departments reporting lower costs across Wheatley Solutions.
- Repairs costs are £433k favourable to budget. Responsive repairs are £124k adverse to budget driven by increased cost per job from Storm Eowyn in January. Cyclical & gas maintenance and compliance are favourable due to timing of the programmes.
- Bad debts are £756k favourable to budget. A prudent approach was taken when setting the budget.
- Demolition costs includes three buy backs at Summerhill, one at Newington and the demolition costs at Ecclefechan with all 13 units at Ecclefechan now demolished.
- Interest payable of £6,816k represents interest due on the loans due to Wheatley Funding No.1 Ltd and external funders. The £140k favourable variance is due to lower drawdowns and a lower base rate charged on the variable loans than budgeted.

Net capital expenditure of £19,963k is £3,275k lower than budget.

- Capital investment income is £7,486k lower than budget. New build grant income is unfavourable to budget due to a delayed start at Corsbie Road, Ashwood Drive and College Mains. Grant received relates to Johnstonebridge. Adaptation (£614k) and SHNZ (£2,733k) grant income has also been received..
- Total capital investment spend of £13,471k is £616k lower than budget, mainly due to the timing of spend on core investment programme and lower adaptation spend, partly offset by increased void costs.
- New Build expenditure is £9,381k lower due to later than budgeted start dates at Corsbie Road, Ashwood Drive and College Mains. Curries Yard, now complete and fully handed over has less than budgeted spend in 2024/25 due to cost brought forward in 2023/24. This is partially offset by additional spend in Springholm and Johnstonebridge.
- Other capital expenditure of £1,170k is £764k lower than budget due to timing of IT spend and deferral of the Stranraer office to 2025/26.

1b) Underlying surplus – Period to February 2025

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.
- For the period to February 2025, an underlying surplus of £7,493k has been generated which is £2,583k favourable to budget. Within net operating surplus an improved income and favourable expenditure position, together with the timing of investment spend are contributing to the favourable underlying performance

Underlying Surplus - Period to 28 February 2025				
	YTD Actual £ks	YTD Budget £ks	YTD Variance £ks	FY Budget £ks
Net Operating surplus	29,926	28,189	1,737	30,415
add back:				
Depreciation	14,154	14,154	0	15,441
less:				
Grant income	(16,418)	(16,418)	0	(16,418)
Net interest payable	(6,698)	(6,928)	230	(7,387)
Total expenditure on Core Programme	(13,471)	(14,087)	616	(15,432)
Underlying Surplus	7,493	4,910	2,583	5,596

2) In House Repairs Service – Period to February 2025

In House Repairs	YTD			Full Year Budget
	Actual £ks	Budget £ks	Variance £ks	
INCOME				
Internal	10,714	11,577	(863)	12,675
External Customers	454	410	44	447
TOTAL INCOME	11,168	11,987	(819)	13,122
COST OF SALES				
Staff Costs	4,971	5,000	28	5,465
Materials	2,412	2,823	410	3,080
Subcontractor & Other Costs	2,101	2,363	261	2,577
TOTAL COST OF SALES	9,486	10,186	698	11,122
GROSS PROFIT	1,682	1,801	(119)	2,000
Margin %	15%	15%	0%	15%
Overheads	1,732	1,833	101	2,000
NET (LOSS) / PROFIT	(50)	(32)	(18)	

Key Comments:

- Income is £819k lower than budget. External customers income represents Home Group income generated in the period to 28 February 2025.
- Employee costs are £28k favourable to budget driven by an increase in the labour capitalised to accommodate the demand for capitalised voids, partly offset by additional overtime in February to meet the demand following Storm Eowyn.
- The favourable variance in materials and subcontractors is driven by lower gas servicing and cyclical job numbers. We are still meeting our compliance obligations for 100% gas servicing in a 12 month period.
- Overheads are £101k favourable to budget driven by savings across various expenditure lines including lower than budgeted fuel and waste costs.

3) Repairs and Investment – Period to February 2025

Revenue Repairs and Maintenance	YTD			Full Year
	Actual £ks	Budget £ks	Variance £ks	Budget £ks
Reactive	8,802	8,667	(135)	9,468
Gas planned maintenance	744	1,045	301	1,174
Landscaping and cyclical maintenance	676	840	164	900
Compliance	1,332	1,435	103	1,580
TOTAL	11,554	11,987	433	13,122

Core Investment Programme	To 28 Feb 2025			Full Year
	Actual £ks	Budget £ks	Variance £ks	Budget £ks
Investment programme grant income				
Aids and Adaptations	614	917	(303)	1,000
Social Housing Net Zero	2,733	2,733	0	3,364
Total	3,347	3,650	(303)	4,364
Investment programme spend				
Core Programme	4,862	5,231	369	5,414
Capitalised repairs	845	845	0	921
Social Housing Net Zero	2,733	2,733	0	3,364
Capitalised Voids	3,388	3,193	(195)	3,459
Adaptations	614	917	303	1,000
Capitalised Staff	1,029	1,168	139	1,274
Total	13,471	14,087	616	15,432

Net Investment Spend	10,124	10,437	313	11,068
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Repairs

Repairs and maintenance costs are £433k favourable to budget.

- Reactive repairs are £135k above budget driven by a higher average cost per job partly offset by lower job numbers.
- Gas planned maintenance, landscaping and cyclical maintenance and compliance expenditure were all favourable to budget due to the timing of spend against budget and reprofiling the gas servicing and cyclical programme. All compliance work is delivered within the required legislative timeframe.

Investment

Net investment in our existing homes was £10,124k, which is £313k lower than budget.

- Core programme is £369k under budget due to lower spend on kitchens, bathrooms and lowrise, offset partly by higher spend on ASHP and windows. The full year forecast is still expected to be fully spent.
- Voids are £195k adverse to budget driven by higher average cost per void. In recent months, we have seen higher value voids requiring significant investment, with spend closely monitored at an individual property level.
- YTD adaptations spend has been prudent due to the delay in the grant award confirmation. Spend is expected to increase to accommodate the full grant award of £669k for the year.
- Capitalised staff is £139k lower than budget with the reallocation of the Head of Asset Investment post to Group Repairs & Investment in Wheatley Solutions.

4) New Build – Period to February 2025

Development Name	Status	Contractor	YTD P11			Full Year Budget
			Actual	Budget	Variance	
Curries Yard	Completed	CCG	1,976	2,576	600	2,700
Springholm	Completed	Ashleigh	3,051	2,673	(378)	2,673
Glenluce	Feasibility	Ashleigh	7	-	(7)	2
Johnstonebridge	On Site	Ashleigh	2,538	2,083	(456)	2,603
Corsbie Road	Feasibility	McTaggart	18	2,450	2,432	3,320
Ashwood Drive	Feasibility	Ogilvie	47	1,434	1,386	1,482
Thornhill	Feasibility	CCG	288	208	(80)	232
Lochans	Feasibility	TBC	45	-	(45)	151
Troqueer	In Development	TBC	62	521	459	579
Summerhill	In Development	TBC	398	401	3	428
Newington	In Development	TBC	337	409	72	430
Lochside	In Development	TBC	90	207	118	267
College Mains	Approved/ on site	Ashleigh	247	3,724	3,478	4,312
Spring Bank Road	Feasibility	TBC	139	87	(52)	162
Leswalt	Approved/ on site	McTaggart	168	628	460	648
Catherinefield	Feasibility	TBC	680	1,030	350	1,146
Dumfries High Street	Feasibility	TBC	33	1,187	1,153	1,416
Maxwelltown High	Feasibility	TBC	108	-	(108)	-
Completed PY	Completed		15	-	(15)	-
Total Social Rent			10,250	19,620	9,368	22,549
Capitalised Staff			1,064	1,075	11	1,173
Capitalised Interest			-	-	-	484
Total New Build Investment			11,314	20,695	9,381	24,206
Grant Income			2,645	9,828	(7,184)	11,940
Net New Build Cost			8,669	10,866	2,197	12,266
Grant Income Completions (recognised in OPS)			16,418	16,418	-	16,418

On Site/ Due on Site:

- **Currie's Yard (SR/89):** All 89 properties are now handed over. External communal works are being finalised. End of Year Defects have been completed on Phase 1 and 2.
- **Springholm/ Ewart Place (SR/47):** Construction started in May 2023, with full site completion in September 2024. All properties are occupied.
- **Johnstonebridge/ MacLean Drive (SR/33):** Tender approved in March 2024; funding granted in July 2024. Site start October 2024 and works progressing well, due for completion early 2026.

Regeneration:

- **Lochside** – Masterplan for Transformational Regeneration will be submitted to DGC end of April 2025 for approval. Phased approach for delivery of sites agreed by WHS Board in February. Osborne will be first phase and will see circa 82 new homes delivered.
- **Newington:** Demolition works are now completed, with the exception of Fernlea and Springbells. Remaining owner at Fernlea has now moved, following acceptance of our offer. Demolition of these blocks to take place in April 2025, subject to gas/electricity disconnections. Planning applications with DGC for determination, awaiting outcome – anticipated May 2025.
- **Summerhill:** Demolition works are now completed. Planning application has been submitted following on from engagement event held in January 2025. Preferred contractor now appointed.
- **Troqueer:** Demolition completed; community engagement event held in November 2024 and planning application submitted in December 2024 – awaiting determination. Preferred contractor now appointed.

5) Balance Sheet – Period to February 2025

	28 February 25	31 March 24
Fixed Assets		
Social Housing Properties	476,057	465,426
Other Fixed Assets	3,049	1,878
Investment Properties	11,583	11,582
Fixed Assets	490,689	478,886
Current Assets		
Stock	896	897
Trade debtors	158	102
Rent and service charge arrears	3,007	3,014
less: provision for rent arrears	(1,323)	(1,285)
Prepayments and accrued income	2,305	2,138
Other debtors	3,797	3,849
Due from other group companies	349	252
Total debtors	9,189	8,966
Bank and cash	3,140	5,150
Current assets	12,329	14,116
Creditors: within 1 year		
Trade Creditors	(1,614)	(2,354)
Accruals	(3,530)	(2,173)
Deferred income (Grant)	0	(16,417)
Prepayments of Rent and Service Charge	(1,214)	(990)
Other Creditors	(747)	(707)
Amounts due to Group Undertakings	(5,691)	(6,501)
Current liabilities	(12,796)	(29,141)
Net Current Liability	(467)	(15,026)
Long Term Creditors		
Long term loans	(166,714)	(167,214)
Loan interest	(6,160)	(5,171)
Deferred Income	(6,611)	(3,967)
Other provisions	(171)	(171)
Net Assets	310,566	287,337
Capital and Reserves		
Revenue Reserve	153,617	130,389
Revaluation Reserve	156,949	156,948
Shareholders' funds	310,566	287,337

Key Comments:

The balance sheet as at 31 March reflects the audited position.

- **Fixed assets** of £491m – representing new build works less depreciation of existing assets.
- **Stock** relates to the in-house repairs team stock and materials on site relating to the investment program.
- **Prepayments and accrued income** – Accrued income includes new build grant income (Johnstonebridge) and aids & adaptations. Prepayments includes £0.1m prepaid insurance for 2024/25.
- **Other debtors** includes capital asset recharge £3.5m.
- **Creditors: within 1 year:**
 - Accruals includes £0.9m of investment works (CBG), £0.3m materials & sub-contractors costs, £0.9m of THFC interest accrued and £0.1m of compliance works. The increase in accruals is due to timing.
 - The reduction in deferred income relates to the release of grant for the completion of 54 units at Curries Yard and 47 units at Springholm.
- **Long-Term Creditors:**
 - Capital loans of £167m, include WFL1, Allia and THFC loans.
 - The roll up of accrued interest on Allia loans is not payable until the end repayment date of the loan. £6.2m has been accrued since the drawdown of the loans.
 - Grant income received is deferred until the completion of new build properties. The balance relates to Johnstonebridge, Catherinefield and Thornhill which are all expected to complete in 2025/26 onwards.
 - Provision of £171k relates to the remaining balance made for dilapidation liabilities for offices and hubs.



Report

To: **Wheatley Homes South Board**

By: **Anne-Marie Hallett, Head of Governance**

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

Subject: **Governance update**

Date of Meeting: **26 March 2025**

1. Purpose

- 1.1 To update the Board on:
- Updated Board agenda planner;
 - Board member recruitment; and
 - To seek Board approval to remove Company members from the Register of Members and to update the Register of Members.

2. Authorising and strategic context

- 2.1 Our Board is responsible for overseeing and implementing our recruitment, succession plan and professional development programme. This approach ensures that we have Board Members with the skills and experience required to effectively govern our Board and in turn supports us to achieve each of our strategic outcomes and regulatory duties.
- 2.2 The management of our register of members is a matter for the Board in accordance with our Articles of Association and membership policy.

3. Background

- 3.1 In order to ensure the Board has visibility and direct input into its areas of focus, we routinely provide the Board with a forward planner setting out the core items assumed for future meetings.
- 3.2 At the meeting on 19 August 2024, the Board agreed to review our register of members to remove members who were no longer tenants. Prior to the Annual General Meeting in September 2024, we agreed to remove 137 members from the register who were no longer tenants.

4. Discussion

2025 Agenda Planner

- 4.1 Our Board agenda planner is developed to take into account the following:
- Legal and regulatory requirements such as our financial statements and regulatory returns such as the Annual Return on the Charter;
 - The time of year eg Performance targets, budgets and business plans for the year ahead;
 - Agreed strategic project milestones;
 - Scheduled or cyclical reviews eg policy updates; and
 - Specific Board requests.
- 4.2 In addition to this, Board agendas dynamically respond to changes or topical issues in our external operating environment, such as Radio Teleswitch and issues arising at Group level, but relevant to us eg new or revised Group policies and frameworks.
- 4.3 The draft Board agenda planner for the remainder of 2025, to be refreshed at the August Board, is attached for Board feedback and approval at Appendix 1.

Board recruitment

- 4.4 We currently have one vacancy for an Independent Board member.
- 4.5 Two potential candidates have been identified. We are currently in the process of arranging for the candidates to meet the Chair. The Board is asked to delegate authority to the Chair to approve the appointment. This would allow us to progress their appointment and for them to attend the May strategy workshop and Board meeting, otherwise it would delay the appointment until August based on our cycle of meetings.

Company membership

- 4.6 The members of the Company comprise 468 tenants, the Board members and the Parent member.
- 4.7 Articles 9 to 15 of our Articles of Association set out the basis for management of the membership of the Company.
- 4.8 Article 15(5) states that membership will end if a member has failed to tell the Association of a change of address; or for five general meetings have not attended, submitted apologies, exercised a postal vote or appointed a representative to attend and vote on your behalf by proxy.
- 4.9 There are a significant number of tenant members of the Company who are members but have not engaged with us at an Annual General Meeting.

- 4.10 We have reviewed the list of Company members and have identified 418 members who for five general meetings have not attended, submitted apologies, exercised a postal vote or appointed a proxy. Those 418 members are no longer entitled to be members of the Company. The full details of those 418 members can be obtained from the Governance Business Partner upon request.

5. Customer engagement

- 5.1 As internal governance related matters, the content of the report is reserved to the Board.

6. Environmental and sustainability implications

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

7. Digital transformation alignment

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

8. Financial and value for money implications

- 8.1 There are no financial implications associated with this report.

9. Legal, regulatory and charitable implications

- 9.1 Under the SHR's Standards of Governance Financial Management there is a requirement for "*The governing body... to have the skills and knowledge they need to be effective*".
- 9.2 It is important to ensure our records are accurate and up to date to ensure compliance with our requirements to hold an AGM. We are also required to report membership numbers to the SHR on an annual basis.

10. Risk appetite and assessment

- 10.1 There is no single risk appetite covering the matters in this report; however across our related strategic outcomes/risk categories, our risk tolerance for legal/compliance ranges from cautious to averse; reflecting our preference of low inherent risk with limited potential for reward vs avoidance of risk and uncertainty with a priority for tight management controls and oversight.
- 10.2 The proposals set out in the report seek to support us in addressing risk that could impact effective governance or our compliance with the SHR's Standards of Governance and Financial Management.

11. Equalities implications

- 11.1 Our approach to the recruitment of Board members reflects our Equality, Diversity and Inclusion policy, including ensuring that the process itself is inclusive and that we take into account individual circumstances throughout the process.

12. Key issues and conclusions

- 12.3 Our Board planner plays a role in ensuring the Board has continued oversight and the mechanism to drive and direct its focus. It will remain under review to reflect the dynamic of our operating context as well as any Board feedback at future meetings.
- 12.4 The recruitment of our final vacancy will allow us to have the broadest skills and experience informing Board discussions and in its decision making. The delegated authority being sought is on the basis that our May strategy workshop is a particularly important discussion to have a full complement of Board members.
- 12.5 It is important that we update our Register of Members in accordance with our Membership Policy to ensure accurate and up to date records.

13. Recommendations

- 13.1 The Board is asked to:
- 1) Provide feedback on and agree the agenda planner for the remainder of 2025, subject to a further review at the August meeting; and
 - 2) Delegate authority to the Chair to approve the appointment to the existing board member vacancy.
 - 3) Agree to remove 418 members from the register of members who for five general meetings have not attended, submitted apologies, exercised a postal vote or appointed a representative to attend and vote by proxy.

LIST OF APPENDICES:

Appendix 1: 2025/26 Draft Board Agenda Planner.

Date of meeting	Items
21 May 2025	2024/25 year-end performance updates and Annual Return on the Charter 2025/26 Delivery Plan and performance measures Supporting our customers and communities-Wheatley Foundation Annual report 2024/25 Fire prevention and mitigation: year-end report Health and Safety: year-end report Finance report Group Assurance update Governance report Radio Teleswitch Policies for review - Garage and Lock up policy Group Disposal and Acquisitions Policy Framework
20 August 2025	Performance report 2024/25 Financial Statements Annual Internal Audit Report and opinion Finance report Governance update Strategy review Disposals & Acquisitions policy review
17 September 2025	Strategic asset investment plan and strategy update Sustainability update New build development: mid-year review and strategy Equity, Diversity and Inclusion and Human Rights Action /update Governance update Policies for review Advice, Information and Letting policy Membership policy (tbc)
26 November 2025	2025/26 rent setting and service charges Performance report Fire safety update Health and Safety performance update Finance report Risk Register Policies for review: Arrears and Debtors Policy review
February 2026	Rent setting and service charges 2026/27 Financial projections 2026/27 Five-year investment plan Five-year development programme Finance report Performance report Group assurance update
March 2026	Home safety building compliance update 2026/27 Budget Finance report Governance update Scrutiny Panel update (presentation) Gender Pay Gap (presentation) Group Procurement – annual strategy and policy
Unallocated	

Report

To: Wheatley Homes South Board

By: Stephen Devine, Director of Assets and Sustainability

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

Subject: Radio Teleswitch update

Date of Meeting: 26 March 2025

1. Purpose

- 1.1 To update the Board on the implications of the planned switch off of the Radio Teleswitch (“RTS”) systems for our customers.

2. Authorising and strategic context

- 2.1 Under our Terms of Reference, the Board is responsible for considering matters of strategic importance.
- 2.2 The planned switch-off of RTS has potential implications for the heating supply to a significant number of our customers and is therefore considered strategically important. An update on this was provided at the Board’s last meeting, and it was agreed that a further update would be provided at this meeting, and subsequent meetings until the RTS issue is resolved.

3. Background

- 3.1 RTS is a legacy electricity metering system that relies on an obsolete long-wave radio signal to communicate with electricity meters so they can switch from peak to off-peak tariffs. These types of meters have two distinct circuits – one for heating and hot water, and one for the other electrical systems in the home – sockets, lights etc. The RTS issue only affects the heating/hot water circuit as this is the one that requires to switch from peak to off-peak to facilitate charging of storage heating and hot water tanks when tariffs are cheaper; typically at night.
- 3.2 The RTS switch off is scheduled from June 2025, although precise details of this are not yet known and previous ‘switch-offs’ have been postponed albeit with much greater notice than the time between now and June 2025. It is likely that the switch-off will be staggered by ‘Meter Codes’. Meter codes are assigned to different meter types which means that different parts of the UK could lose signals at different times. Current indications are that switch-off for the majority of meters in Scotland will occur from the last week of August to the end of September, although this has not been communicated officially. Given this we believe it remains prudent to plan for the switch-off happening at the end of June 2025.

- 3.3 OFGEM and the energy companies have been working to refine their estimate of the number of meters that are affected and now believe this to be closer to ½ million than the 1 million indicated previously. We understand that this change is due to deprioritising properties with gas rather than any particular progress in the transition from RTS to smart meters. It is also worth noting that in many cases these properties will still have a RTS meter but there will be minimal implications from the switch off because the heating/hot water circuit will no longer be in use.
- 3.4 We have been working closely with Scottish Power, as they are by far the largest RTS meter operator in our stock and are now receiving fortnightly updates on progress in switching meters in our stock. The latest indication from Scottish Power is that they have 724 RTS meters in our homes. This increase in the figures reported previously reflects a more detailed analysis of the information Scottish Power holds.
- 3.5 Scottish Power currently has 568 appointments booked for Wheatley customers – group wide, although it should be noted that Scottish Power's 'no access' rate for these appointments is approximately 50%.

4. Discussion

- 4.1 We have further analysed the data provided by Scottish Power to understand the heating systems in the properties. Our analysis shows that of the 724 RTS meters identified, 395 have an electric heating system and are therefore at greatest risk of losing heating as a result of the RTS switch off. This difference is due to steps we have taken over the years to replace electric heating with other forms including gas, and the customer/Scottish Power not subsequently changing their meter. Our proposed approach is to prioritise engagement with customers that have electric heating, as they will be most affected by the switch-off, while also encouraging all the customers identified as having an RTS meter to switch.
- 4.2 We are also continuing to hold discussions with Utilita to understand its approach to RTS switch-off. Utilita is planning a direct marketing campaign and is working to identify Wheatley customers in its records of those with RTS meters. So far, Utilita has not identified any affected properties although we expect this could change as we estimate Utilita has around 10% market share, compared to Scottish Power, in homes with electric storage heaters. Market share among other energy providers will be minimal because they do not have a tariff structure that is applicable for storage heating.
- 4.3 Since the last update we have continued to engage directly with energy companies, OFGEM and Energy UK. We also hosted a SFHA summit with stakeholders including Government and energy companies on void switching where we took the opportunity to raise the RTS issue. Letters have also been sent to all identified customers encouraging them to contact their energy companies to make an appointment for their new meter and to change to a smart meter tariff. Briefings have also been provided to staff who routinely engage customers, so they are confident raising the need to switch when they meet customers.
- 4.4 Our on-going efforts have coincided with OFGEM and the energy companies raising awareness of the RTS switch-off through press, radio and television.

4.5 Despite these activities, we are still concerned that the pace of switching is insufficient to give us confidence that all RTS meters in our stock will be replaced by switch off. We therefore intend enhancing our customer engagement activities further, while continuing to work with energy companies to help ensure our customers respond positively to their on-going campaigns to encourage switching from RTS meters. Our planned enhanced engagement activities include:

- Developing our systems so our Customer First Centre staff see a notification when a customer with an RTS meter calls with any enquiry, so they can provide encouragement to contact their energy supplier and switch;
- Targeted outbound calling and text messages to our customers encouraging them to contact their energy company to make an appointment to switch;
- Using our social media channels to encourage switching;
- Moving from written and phone-based communications with customers to face-to-face, where we will visit homes that are identified as having an RTS meter and work with the customer to make an appointment to switch;
- Piloting an approach with Scottish Power where we engage directly with customers who have booked but not kept appointments to provide support and encouragement to make and keep subsequent appointments.

4.6 We also intend to begin contingency planning in the event that our customers are left without heating following the RTS switch off to ensure we have adequate supplies of temporary heating and that we can advise customers on how best to access support from energy companies.

5. Customer engagement

5.1 We are working with our customers, as set out elsewhere in this report, to encourage switching.

6. Environmental and sustainability implications

6.1 There are no environmental and sustainability implication for us as the change from RTS meters to smart meters is for the energy companies to make. However, there are potential benefits for customers through the claimed energy efficiency benefits that come with the greater control and visibility of usage that come with Smart Meters

7. Digital transformation alignment

7.1 The move to smart meters is part of a wider agenda towards the use of digital technologies nationally, although there are no direct implications for our digital strategy.

8. Financial and value for money implications

8.1 The cost of replacing RTS meters is for the energy companies.

9. Legal, regulatory and charitable implications

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

10. Risk appetite and assessment

- 10.1 We are committed to delivering an exceptional customer experience. The RTS switch off presents a risk, which is now reflected in our Group strategic risk register, to this because of the adverse implications for customers, and in particular their supply of electric heating. The approaches discussed in this paper are how we are looking to mitigate this risk.

11. Equalities implications

- 11.1 We are working with the energy companies to encourage affected customers to switch from a RTS meter to a smart meter. Doing this will help ensure that all customers, including those with particular vulnerabilities, are protected from the potential harm that could arise from the RTS switch-off.

12. Key issues and conclusions

- 12.1 Energy companies are still planning to switch off the legacy RTS meter system from June 2025. While it is possible an extension to this date may yet be agreed, there is a growing risk that the planned switch-off will have adverse implications for our 724 customers identified as having this type of meter, and especially the 395 of these who are reliant on electric heating. We are continuing to work to address this impact including with OFGEM, energy companies and our customers. Given the progress by energy companies to date, we are keeping this situation under scrutiny and enhancing our engagement activities with customers to ensure the impact of this national issue on our customers is mitigated. The Board will be further updated at its next meeting.

13. Recommendations

- 13.1 The Board is asked to note this update.

LIST OF APPENDICES:

None

Report

To: Wheatley Homes South Board

By: Laurie Carberry, Director of Procurement, Fleet and Utilities

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

Subject: Group Procurement - Annual Strategy and policy updates

Date of Meeting: 26 March 2025

1. Purpose

- 1.1 This report presents the revised Group Procurement policy and an update on the changes made as part of the annual review of our Group Procurement Strategy 2025, Group Sustainable Procurement Statement and Group Community Benefits Statement.
- 1.2 This report will also detail Wheatley Homes South (“**WHS**”) Procurement specific updates and performance information from 2023-2024.

2. Authorising and Strategic Context

- 2.1 The approval of policies being designated as applying Group-wide is reserved to the Group board under the Intra Group Agreement. From time to time the Group board may delegate such authority to a subsidiary Board or a Group Committee.
- 2.2 Under its Terms of Reference, set out in the Group Standing Orders, the Wheatley Solutions Board has delegated authority to approve the Group procurement strategy and policy. Under our Terms of Reference we are required to implement and comply with Group-wide policies.
- 2.3 Our procurement strategy and policy is a lever to support us in achieving strategic objectives within our strategy, such as creating job and training opportunities more widely, and maximising value for money.

3. Background

- 3.1 As a Contracting Authority, we must comply with legislative requirements for procurement and contracting arrangements. In total 97.93% of our expenditure is via formally contracted routes.
- 3.2 Our size and scale continue to be a significant driver for procurement activity within the Group, with Group-wide contracts leveraging it to help deliver better value for the wider Group.

4. Discussion

Procurement approach

- 4.1 This year, the suite of procurement documents has been updated to reflect the upcoming implementation of the Procurement Act 2023, effective February 2025. This legislation primarily affects the UK, excluding Scotland. Procurement is a devolved matter, and therefore, changes under the new legislation that impact Scottish procuring authorities are limited.
- 4.2 Moving forward, the provisions of the new legislation will only impact us when it draws from new national frameworks, such as those provided by Crown Commercial Services. The transition provisions in the legislation suggest that we are unlikely to begin drawing from national frameworks to which the new legislation applies until later in 2025 or even in 2026.
- 4.3 The Procurement Strategy is the wider Group plan for achieving the objectives of all Group members as well as the Scottish Government's commitments to efficient and effective procurement. It also considers legislative changes to ensure alignment with Scottish Government procurement legislation and best practices.
- 4.4 To deliver consistent and effective practices and procedures related to procurement, the Procurement Policy, Sustainability Statement, and Community Benefit Statement were developed as part of the overall Procurement Strategy. The documents must be reviewed annually.

Procurement Strategy

- 4.5 There are minimal alterations to be made to the Procurement Strategy 2025-2027 as we strive to fulfil our commitments. We have made updates to the Procurement Strategy to include references to the Procurement Act 2023, which will take effect from February 2025. Additionally, the pipeline has been updated to reflect the contracts procured over the past 12 months and the upcoming procurements for the next 24 months.
- 4.6 The Procurement Strategy notes the tender thresholds from January 1 2025: £5,372,609 for Works, £214,904 for Goods and Services, and £663,540 for 'Light Touch Regime' Services, excluding VAT. These thresholds remain unchanged from 2024. A copy of the revised Strategy document is available on request.

Procurement Policy

- 4.7 The Procurement Policy 2025, now features an enhanced Equity, Diversity, and Inclusion (“**EDI**”) policy reflecting our ongoing commitment to fostering an inclusive and equitable environment. This includes the commitment to mandate suppliers to adhere to the guidelines set by the Living Wage Foundation, which align with Fair Work First principles and incorporate recent legal changes that include a zero-tolerance approach to sexual harassment. It should also be noted that the Procurement Policy now contains references to the Procurement Act 2023, effective from February 2025.

- 4.8 We have further strengthened the procurement approach by reinforcing our commitment to Ethical, Social, and Environmental Responsibilities. This ensures that our tendering process is designed to deliver optimal results for our communities, promoting sustainability and social value from procurement activities. The policy now references our newly developed Contract Supplier Management (“**CSM**”) guidance, which sits alongside the Group Contract Risk Matrix, providing robust frameworks for managing contracts and assessing risks. A track changed copy is attached at Appendix 1.

Group Sustainable Procurement Statement

- 4.9 The Group Sustainable Procurement Statement 2025, outlines updates to our long-term sustainability targets. These include working towards becoming carbon neutral across our corporate estate, eliminating fuel poverty and reducing carbon emissions from our homes. Procurement will actively support these ambitions by sustainably sourcing goods, services and materials, whilst ensuring that our supply chains also work towards these targets.
- 4.10 Over the past year, we have begun surveying our supply chain through the Contract Management System (“**CMS**”) to determine which of our suppliers have a Sustainability/Net Zero strategy or are in the process of developing one. This monitoring and surveying will continue throughout 2025, enabling us to gain a more comprehensive understanding of our supply chain's sustainability achievements and goals, with a particular focus on Scope 3 emissions.

Community Benefits Statement

- 4.11 The Community Benefits Statement 2025 considers Scottish Government Guidance, legislation and proportionality, in line with Scottish Procurement Laws. The Community Benefits Statement has undergone significant changes from the previous year's document. It has been streamlined to enhance efficiency by the use of CMS for data gathering with a reduction of paperwork processing. However, what we are delivering remains materially unchanged, and we continue to provide similar outputs as before.
- 4.12 Our approach for community benefits through the CMS is used for conversations, campaigns, and data-gathering exercises. For example, the CMS enabled us to effectively engage with our supply chain on behalf of our ‘Better Christmas’ appeal. Moreover, the CMS has proved a vital resource in recording information, providing a means to collate community benefit returns from suppliers in line with Scottish Government requirements.
- 4.13 Furthermore, the statement has been updated to underscore the contract owner’s responsibility more clearly in collecting community benefits, as per the CSM Guidance, ensuring that all contractual obligations regarding community benefits are effectively managed and delivered.

Contract Management System

- 4.14 We have implemented the CMS to digitise our contracts and assist Contract Owners with their contract management responsibilities. A contract management training course has been rolled out for all contract owners. All supplier changes (bank details, addresses) and additions are now undertaken via the CMS and are subject to the two-part authentication.

- 4.15 Wider business intelligence is being collated on the CMS regarding route to market, providing insight to direct awards vs. market engagement. Additionally, we gather further insight from our supply chain by sending Requests for Information (“**RFIs**”) regarding their compliance on matters such as Health and Safety, Community Benefits, EDI and adherence to Group policies such as No PO, No Pay. Further RFIs will be issued on Sustainability and Cyber Security in the coming months.

5. Customer Engagement

- 5.1 All procurement exercises will consider customer engagement. Customer consultation will be conducted when applicable. Community benefit delivery outcomes will also include our key customer engagement activities.

6. Environmental and sustainability implications

- 6.1 Sustainability outcomes will be measured against Group targets. Procurement will actively be supporting these goals through sustainable sourcing of goods, services, materials and supply chains.

7. Digital transformation alignment

- 7.1 Helping to support digital transformation, the CMS enables the digitisation of contracts, providing a platform for real-time conversations and data gathering.

8. Financial and value for money implications

- 8.1 We continue to leverage our own and the wider Group’s size and scale to ensure we deliver greater value for money for our customers. Effective procurement plays a role in meeting our sustainability and cost efficiency objectives.

9. Legal, regulatory and charitable implications

- 9.1 By publishing the Group Procurement Strategy by March 2025, we are meeting our legal obligation and adhering to government requirements. All documentation now references the changes to legislation that come into force in February 2025.

10. Risk Appetite and Assessment

- 10.1 Our agreed risk appetite relating to laws and regulations is “**Averse**”. This level of risk tolerance is defined, as “Avoidance of risk and uncertainty is a key organisational objective.”
- 10.2 The key procurement strategic risk is Non-Compliance with current Scottish Procurement Legislation/Regulation relating to procurement and award of contracts. To mitigate any risks, the following measures are embedded:
- Annually reviewed Group procurement policy;
 - Visibility of our Contract Register;
 - Mandatory training for all staff authorised to procure ‘Passport to Procure’ eLearning tool;
 - Procurement plans for above-threshold procurements; and
 - Dedicated Procurement team with specialist knowledge/training, and support from legal advice as required.

- 10.3 The Procurement Policy 2025, the updated Procurement Strategy 2025, Sustainable Procurement Statement 2025 and Community Benefits Statement 2025 help us mitigate the risks of non-compliance with regulation and legislation.

11. Equalities Implications

- 11.1 We promote EDI across all areas of procurement business through its approach, relationships with suppliers, and awareness of equalities legislation. Updates to our Procurement Policy and Community Benefits approach support our EDI aims as a Group.
- 11.2 Our procurement strategy ensures an inclusive process through Equal Treatment, Non-Discrimination, Transparency and Proportionality, Prevention of Modern Slavery, Fair and Ethical trading, the Living Wage, and support for SMEs and social enterprises.

12. Key issues and conclusions

- 12.1 We must comply with legislative requirements for procurement and contracting arrangements due to the classification of Contracting Authority. Our procurement strategy, policy and associated processes and procedures allow us to meet our compliance requirements.
- 12.2 Within the context of meeting our compliance obligations, we still seek to use our procurement as a mechanism to deliver benefits for our community, support our organisational objectives such as sustainability and fair pay and conditions in our supply chain.

13. Recommendations

- 13.1 The Board is asked to note the revised Group Procurement policy.

LIST OF APPENDICES:

Appendix 1 - Group Procurement Policy 2025 (*tracked for review*)

Wheatley Group Group Procurement Policy 2025

We will provide this policy on request at no cost, translated, in large print, in Braille, on tape or in another non-written format.

We can produce information on request at no cost in large print, in Braille, on tape or in another non-written format. We can also translate this into other languages. If you need information in any of these formats please call us on 0800 479 7979 or email info@wheatley-group.com

Możemy, na życzenie, bezpłatnie przygotować informacje dużą czcionką, w alfabecie Braille'a, na taśmie lub w innym niepisanym formacie. Możemy je również przetłumaczyć na inne języki. Jeśli potrzebujesz informacji w którymkolwiek z tych formatów, zadzwoń do nas pod numer 0800 479 7979 lub wyślij e-mail na adres info@wheatley-group.com

Podemos produzir informações mediante solicitação e sem custos, em impressão grande, Braille, cassete ou noutro formato não descrito. Também podemos traduzi-las em outros idiomas. Se precisar de informações em qualquer um destes formatos, contacte-nos através do número 0800 479 7979 ou envie um e-mail para: info@wheatley-group.com

يمكننا إنتاج معلومات عند الطلب مجاناً مطبوعة بأحرف كبيرة أو بطريقة برايل أو على شريط أو بتنسيق آخر غير مكتوب. يمكننا أيضاً ترجمة هذا إلى لغات أخرى. إذا كنت بحاجة إلى معلومات بأي من هذه التنسيقات، فيرجى الاتصال بنا على 0800 479 7979 أو إرسال بريد إلكتروني إلى info@wheatley-group.com

در صورت درخواست، می‌توانیم اطلاعات را در چاپ بزرگ، خط بریل، روی نوار یا در فرمت غیرنوشتاری دیگری ارائه دهیم. همچنین می‌توانیم اطلاعات را به سایر زبان‌ها ترجمه کنیم. در صورت نیاز به اطلاعات بیشتر در هریک از این فرمت‌ها، لطفاً از طریق شماره 0800 479 7979 با ما تماس بگیرید یا ایمیلی به info@wheatley-group.com ارسال کنید.

ہم درخواست پر معلومات کو بڑے حروف، بریل، ٹیپ پر یا کسی اور غیر تحریری صورت میں بغیر کسی لاگت کے مہیا کر سکتے ہیں۔ ہم اس کا دوسری زبانوں میں ترجمہ بھی کروا سکتے ہیں۔ اگر آپ کو ان میں سے کسی صورت میں یہ معلومات درکار ہوں تو

برائے کرم ہمیں 0800 479 7979 پر کال کریں یا info@wheatley-group.com پر ای میل کریں۔

Approval body	Wheatley Solutions Board
Date of approval	February 2025
Review Year	January 2026
Customer engagement required	No
Trade union engagement required	No
Equality Impact Assessment	No

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Schedule of Definitions

Procurement Terminology	Definition
Board Member	A member of the governing body of an organisation, responsible for making key decisions and overseeing the management and operations of the organisation.
Collaborative Contracts	When two or more groups of people or organisations engage in procurement work together for mutual benefit.
Commodity	A raw material or primary product that is bought and sold e.g. copper, coffee.
Contract	An agreement between two or more parties that is legally binding.
Contract Award Notice	A publication which confirms the details of a contract which has been awarded to a supplier.
Contract Notice	A publication which advertises a procurement requirement.
Contract and Supplier Management	The process of monitoring supplier performance on a contract.
Contract Register	A published list of contracts put in place by a public sector organisation. This is a legislative requirement.
Contract Value	This is an estimate of the value of a contract over the whole period of the contract e.g. if the contract is for £50k per year for 3 years the contract value is £150k. The contract value should include any extension periods.
Freedom of Information (Scotland) Act (FOISA)	This legislation gives individuals access to information held by public authorities.
Frameworks or Framework Agreements	An agreement or other arrangement between one or more contracting authorities and one or more economic operators which establishes the terms (in particular the terms as to price and, where appropriate, quantity) under which the economic operator will enter into one or more contracts with a contracting authority in the period during which the framework agreement applies.
Key Suppliers	Those suppliers identified as business critical in terms of risk/value and business continuity.
KPIs	Key Performance Indicators. Measures put in place as part of the contract to evaluate how effective the contract is.
Life Cycle of Goods/Assets	How much money will be spent on an asset over the cost of its life.
Local Authority	A term used for councils in Scotland.

Lots	Grouping similar requirements within a procurement e.g. by geographical location.
Negotiated Procurement Without Prior Publication	A procurement procedure which can be used, in limited circumstances, by public sector buyers to procure goods or services without advertisement.
Procurement Capability Improvement Programme (PCIP)	The Procurement Capability Improvement Programme (PCIP) drives procurement performance by assessing public sector organisations and identifying areas for continuous improvement.
Prior Information Notice (PIN)	A method of giving advanced notice of future planned procurement exercises.
Procurement Process	A procurement procedure can be run in a number of ways (procurement processes) e.g. a Framework Agreement.
Procurement Category Specialist	The name given to the role/person who is a buyer. They are an individual who spends the majority of their time working in a role that adds value to the quality, cost and effectiveness of the procurement or acquisition of goods and services.
Procurement Law	Comprises of the Procurement Reform (Scotland) Act 2014, the Procurement (Scotland) Regulations 2016 and the Public Contracts (Scotland) Regulations 2015 which apply to Wheatley and the Public Contracts Regulations 2015 and Procurement Act 2023 (coming into force at the end of February 2025) which are only relevant where Wheatley uses framework arrangements or dynamic markets put in place by contracting authorities outwith Scotland.
Procurement Strategy	It is mandatory document for a Scottish public sector organisation, which estimates it will spend greater than or equal to £5,000,000 on regulated procurements to publish a Procurement Strategy which is proportionate and relevant to its organisation.
Public Sector Body	All organisations which are subject to public procurement laws. This includes government, councils, universities and colleges, the NHS and registered social landlords.
Public Contracts Scotland (PCS) Portal	The national portal used by the Scottish public sector to advertise all regulated procurement opportunities and awards.
Quick Quote	A process used by public sector buyers in Public Contracts Scotland for low value/low risk procurement requirements (normally under £50k in value).
Regulated Procurement	A procurement whose value is greater than £50,000 excluding VAT for goods and/or services for the full life of the contract. Or greater than £2m for Works contracts.

Risk Management	Activities undertaken to minimise negative impact.
Single Point of Enquiry (SPoE)	An impartial point of contact where suppliers can seek advice or raise concerns if they are dissatisfied with specific public procurement practices in Scotland.
Small Medium Enterprise (SME)	A small or medium-sized enterprise with fewer than 250 employees and a turnover of less than £36 million. They are further categorised as: <ul style="list-style-type: none"> ▪ Micro – 1–9 employees; ▪ Small – 10–49 employees; ▪ Medium – 50–250 employees;
Stakeholder	Any person or group who has a vested interest in the success of the procurement activity, i.e. either provides services to it, or receives services from it.
Supply Chain	All activities, resources, products etc. involved in creating and moving a product or service from the supplier to the procurer.
Supported Business	An organisation whose main aim is the social and professional integration of disabled and disadvantaged workers and where at least 30% of their workforce are classed as disabled or disadvantaged.
Tender	The term used to describe the procurement process of advertising, requesting and awarding a contract.
Threshold	Values that apply to public procurement exercises.
UK GDPR	General Data Protection Regulation legislates how personal data is handled and stored.
Value for Money (VfM)	An economic assessment by the public sector as to whether a project represents value for money; the optimum combination of cost and quality to provide the required service.
Waiver	The process which allows procurements to be achieved without following the full tendering procedures. This is typically used when a purchase is time-critical, there are no other suppliers available, or continuity is required.

Within the above list of definitions, those relevant to procurement processes pick up the terminology under Procurement Law in Scotland. In 2005, new terminology will begin to be used for, for example, "contract notices" under the Procurement Act 2023 once in force. The Procurement Act 2023 will, however, only be relevant to Wheatley Group's call-off arrangements under collaborative procurement arrangements.

1. Introduction

Wheatley Housing Group ('The Group') is Scotland's leading housing, care and property management group. We are an organisation which currently comprises of four Registered Social Landlords, a Care Partner, a Charitable Foundation a Repairs Division and commercial subsidiaries.

The Group currently spans 19 Local Authority areas across Scotland.

Our Group partners are:

- Wheatley Homes Glasgow
- Wheatley Homes South
- Wheatley Homes East
- Loretto Housing Association
- Lowther Homes
- Wheatley Care
- Wheatley Solutions
- Wheatley Foundation
- *City Building (Glasgow)

We refer to the 50/50 Joint Venture with Glasgow City Council, City Building (Glasgow), as a Partner Organisation, although City Building (Glasgow) have their own governance procedures and undertake their own procurement processes for the supply of all goods and services.

This Procurement Policy applies to all employees in the Group and its subsidiaries in any situation where they are involved in a purchasing process. 'Purchasing' includes all procurement activities including leasing and hiring and may where appropriate include other activities accompanying the life cycle of goods (or service contracts) and the end-of-life disposal of goods which have been procured (whether or not they remain in our ownership). Adherence to the Procurement Policy is both an individual and a corporate responsibility; failure to comply may result in disciplinary action.

The purpose of the Procurement Policy is to set out the general operating principles covering the activities and objectives of Procurement within the Group. The document explains the principles under which Procurement throughout the Group will be undertaken and proactively managed such that the stakeholders' requirements for supplies, works and services are efficiently and effectively sourced at the lowest sustainable 'total' cost whilst delivering best value for money.

The Procurement Team is responsible for managing procurement on behalf of the Group ethically and in compliance with legislation. It is responsible for providing guidance and support across the Group and to support staff who procure on behalf of their subsidiary. Should you require any assistance or guidance with any procurement matter please contact procurement@wheatley-group.com.

Wheatley Housing Group / City Building (Glasgow) Joint Working Principles

In April 2017 the Group entered into a joint venture with Glasgow City Council. The Group became the 50/50 joint owner of City Building (Glasgow) (CBG) which delivers

investment, repairs and general maintenance work within the Group's Registered Social Landlords in the west of Scotland (including Wheatley Homes Glasgow, Wheatley Homes South and Loretto), the Group's commercial housing subsidiary Lowther Homes and its property management function.

We operate a collaborative approach to managing procurement across the Group with CBG. This will continue to be developed and agreed in line with the Group's compliance and legislation principles, reflecting best value and sustainability through the supply chain, determining the most effective route to market, jointly supporting SMEs, effectively benefiting the customer through the efficient management of Community Benefits and ultimately promoting excellence in procurement.

2. Principles, Aims and Objectives

Procurement activities must comply with all applicable UK laws and regulations. In particular all procurement must comply with, as relevant, the Public Contracts (Scotland) Regulations 2015, The Procurement (Scotland) Regulations 2016, Procurement Reform (Scotland) Act 2014, Concession Contract (Scotland) Regulations 2016 and the Housing (Scotland) Act 2001.¹

All procurement activity aims to achieve Best Value for the Group. Best Value includes not only the initial purchase price, but also continuing costs throughout the life cycle of equipment, materials works and services, such as financing and depreciation, maintenance requirements and energy usage. Best value also includes the quality and reliability of the supplies, works or services and the punctuality and reliability of their execution.

The Group will work collaboratively with suppliers wherever possible to create relationships within which the Procurement Team can learn how to make it easier for suppliers to meet stakeholder requirements and to further encourage suppliers to improve their products, prices, quality and service level delivery.

The Group will work with Government bodies and other public sector organisations to utilise collaborative procurement arrangements where they offer value for money. In addition, the Group will consider including collaborative arrangements within its contracts to enable other public sector bodies to benefit from its rates, learn methods and scope of work.

All procurement for supplies, works and services that the Group undertakes and the methods it uses to procure them must not infringe upon laws applicable at the time of the procurement, and must conform to applicable ethical, social and environmental standards.

¹ Going forward, pursuant to the coming into force of the Procurement Act 2023 on 24th and 25th February 2025, which applied predominantly outwith Scotland, where the Group undertakes call-offs from collaborative procurement approaches put in place under the Procurement Act 2023 the Group will require also to ensure compliance. With transition arrangements, this is not likely to impact materially in 2025.

3. Equity, diversity and inclusion (EDI)

We are dedicated to ensuring fair treatment for all our stakeholders and conducting business in a manner that actively promotes equality of opportunity while championing diversity and inclusion. The Group requires to comply with the Equality Act 2010 and moreover is committed to ensuring that no one is excluded or discriminated against based on religion or belief, race, age, sex, gender reassignment, sexual orientation, marriage or civil partnership, family circumstances, pregnancy and maternity, or disability in line. The Group has a zero-tolerance approach to bullying, harassment and victimisation and works to ensure that employees are safe within the workplace from such treatment including sexual harassment.

We also prioritise the highest standards of worker protection, focusing on the safety, well-being, and fair treatment of all our employees in line with the Worker's Protection Act 2023. This Act enhances the Equality Act 2010 by further strengthening provisions aimed at ensuring fair treatment and non-discrimination in the workplace. While the Equality Act 2010 consolidates and updates previous anti-discrimination laws to protect individuals from unfair treatment, the Worker's Protection Act builds on this foundation by introducing additional measures to safeguard workers' rights.

Real Living Wage

The Group are an accredited Real Living Wage employer who are dedicated to ensuring that our employees receive fair compensation for their hard work. We pay and are committed to paying the real Living Wage, as a minimum, to all our employees. In addition to our internal commitment, we actively encourage our suppliers to adopt the same standard. We believe that fair wages are essential for fostering a motivated and productive workforce, and we expect our suppliers to share this ethos. By promoting the real living wage throughout our supply chain, we aim to create a positive impact on the broader community and support the well-being of workers at all levels.

Fair Work First

Fair Work First is the Scottish Government's flagship policy for driving high quality and fair work across the labour market in Scotland by applying fair work criteria to grants, other funding and contracts being awarded by and across the public sector, where it is relevant to do so. Through this approach, the Scottish Government is asking employers to adopt fair working practices, specifically:

- Payment of at least the real Living Wage.
- Providing appropriate channels for effective workers' voice, such as trade union recognition.
- Investment in workforce development.
- No inappropriate use of zero hours contracts.
- Action to tackle the gender pay gap and create a more diverse and inclusive workplace.

- Offer flexible and family friendly working practices for all workers from day one of employment
- Opposing the use of fire and rehire practices

The Group values the culture of partnership working that has been established with Trade Union Colleagues and will continue to work together to develop transparent mechanisms for employee voice and engagement founded on trust and respect.

The Groups values and the priorities are aligned to the Fair Work First principles.

Although not directly applicable to us, we are also considerate of the Fairer Scotland Duty, as set out in part one of the Equality Act 2010. This places a legal responsibility on public bodies in Scotland to actively consider and ‘pay due regard to how they can reduce inequalities of outcome caused by socio-economic disadvantage, when making strategic decisions’²

Social mobility is a key theme threaded through our EDI actions. The Group recognises the role it plays in our local economies and is focused on targeting underlying weaknesses which include underemployment, above average levels of youth unemployment and low levels of qualifications. As a result, it shall support its stakeholders by seeking to provide education/employment opportunities via Group business activity and its supply chain. This includes the social value created by contracting with Supported Businesses.

Our focus goes beyond our legislative duties; to signal our commitment to EDI, when procuring we generally seek that our suppliers and contractors demonstrate the existence of their own EDI policy. Where our suppliers / contractors do not have an EDI policy, we encourage them to consider how EDI can inform their working practices and be considered within their own organisations.

Through our Contract Management System, we survey our suppliers to find out more about their commitment to EDI, their policies, and encourage our suppliers to detail how they reflect our EDI aspirations within their working practices.

You can access the Group’s EDI and Human Rights policy [here](#).

² [About the Duty - Fairer Scotland Duty: guidance for public bodies - gov.scot \(www.gov.scot\)](#)

4. Data Protection

The Group holds a wide range of sensitive information, both of a personal and a commercial nature. We have a duty to protect this information and ensure it is not seen or accessed by people (whether internal or external to the Group) without the legal authority to do so.

The Group's policy position in respect of data protection is reflected in the Group's Data Protection Policy.

The Group must comply with all applicable data protection and privacy legislation in force from time to time in the UK including the UK GDPR, the Data Protection Act 2018 (and regulations made thereunder) and the Privacy and Electronic Communications Regulations 2003 (SI 2003 No. 2426) as amended, and the guidance and codes of practice issued by the Information Commissioner.

The Group will continue to carry out Data Privacy Impact Assessments (DPIA) when required to do so by law or good practice, on all activities which involve personal data or the exchange of personal data to help us identify the most effective way to comply with our data protection obligations and meet individuals' expectations of privacy. The UK GDPR requires us to undertake DPIAs in circumstances where we: -

- use systematic and extensive profiling with significant effects;
- process special category or criminal offence data on a large scale; or
- systematically monitor publicly accessible places on a large scale.

The Information Commissioner requires data controllers to undertake a DPIA if they plan to:

- use systematic and extensive profiling or automated decision-making to make significant decisions about people;
- process special-category data or criminal-offence data on a large scale;
- systematically monitor a publicly accessible place on a large scale;
- use innovative technology in combination with any of the criteria in the European guidelines;
- use profiling, automated decision-making or special category data to help make decisions on someone's access to a service, opportunity or benefit;
- carry out profiling on a large scale;
- process biometric or genetic data in combination with any of the criteria in the European guidelines;
- combine, compare or match data from multiple sources;
- process personal data without providing a privacy notice directly to the individual in combination with any of the criteria in the European guidelines;
- process personal data in a way that involves tracking individuals' online or offline location or behaviour, in combination with any of the criteria in the European guidelines; and

- process children's personal data for profiling or automated decision-making or for marketing purposes, or offer online services directly to them.

DPIAs help the Group to identify and reduce the privacy risks of a project and document any mitigations we are required to put in place. The purpose of a DPIA is to ensure that privacy risks are minimised while allowing the aims of the project to be met wherever possible. The Group also has a duty to be accountable under the UK GDPR and requires DPIAs to be retained and updated by the contract owner where appropriate for audit and compliance purposes.

It is a standard condition of all our contracts that our suppliers and sub-contractors will comply with all data protection legislation and applicable regulations, including the UK GDPR, the Data Protection Act 2018, and all guidance and/or Codes of Practice published by the Information Commissioner's Office.

The requirement for DPIA will be considered within all relevant future procurement activities.

5. Ethical, Social and Environmental Responsibility

Fair and Equal Treatment of Suppliers

All procurement will be conducted such that all suppliers with the necessary abilities have a fair and equal opportunity to secure Group business including seeking to enable market access opportunities for Small & Medium Sized Enterprises (SMEs).

This includes, within the constraints of the regulated environment in which we operate and carrying out tendering in line with Procurement Law and relevant Scottish Government Statutory Guidance, conducting our procurements in a transparent manner, utilising public dynamic purchasing systems, frameworks and procurement processes that promote supplier diversity.

In practice, this enables a diverse range of suppliers to bid for contracts with us. Tender evaluations are conducted in line with Procurement Law. The Group is also committed to improving access to our contracts and empowering staff, in accordance with Procurement Law, to promote sustainability, for example through seeking to buy locally for low risk, low value purchases thus contributing to our local communities.

We shall appropriately review and evaluate all above-threshold and regulated contracts, considering the geographical location and the option of splitting them into smaller Lots, which may encourage SME participation. This will not be appropriate in every circumstance, and we retain our discretion not to Lot or retain larger value contracts as one Lot, determined by the best interests of the Group.

In particular, the Group will seek, where possible to promote local economic development and regeneration by actively encouraging fair and open competition across a varied supply base thus making it easier for all suppliers regardless of size to bid for contracts.

Prior to commencing a procurement exercise, we may seek to carry out market testing. To be open and transparent in our dealings we will only do this by going out to the market using the appropriate Prior Information Notice (PIN) on the Public Contract Scotland procurement portal, as applicable to regulated spend thresholds. Any improper approaches, whether in the form of inducements or threats from suppliers, must be reported to line managers, even if they are sufficiently ambiguous to allow for an innocent interpretation.

To ensure transparency and fair treatment of all suppliers during the tendering process and in compliance with the formal procurement process, all communication with suppliers will be carried out through the Public Contract Scotland portal and in accordance with arrangements set out in the Procurement Guidance section on the staff intranet, W.E. Connect, which staff must follow.

Ethical Standards of Staff

The Group insists on suppliers adhering to strict ethical standards and behaviour, in return the Group will also demonstrate the highest level of ethical standards. The Group will be fair, honest and transparent in all dealings with suppliers and avoid any conduct which may be adversely interpreted.

Persons engaged in any aspect of procurement on behalf of the Group will not use their authority for personal gain. Adhering to this policy will also help ensure that we comply with the requirements of The Bribery Act 2010, which makes it an offence to:

- Bribe another person (e.g. offer, promise, or give financial or other advantage to induce or reward improper performance of a function);
- Receive bribes from another person (e.g. agreeing to receive or accept a financial or other advantage for improper performance of a function);
- Bribe foreign officials; and
- Fail to prevent bribery.

Further details are available in the Group Fraud, Corruption and Bribery Policy.

Social and Environmental Responsibility

Effective procurement will complement our goals for maintaining awareness of sustainability issues amongst staff and customers. We expect our suppliers to meet our standards for sustainability as set out in the Group Sustainable Procurement Strategy.

The Group is committed to compliance with the Health and Safety at Work etc. Act 1974, and all related provisions and we expect all of our suppliers to comply with the legislation and promote good working practices throughout the supply chain.

Gifts and Hospitality

All staff involved in procurement must comply with the Group's policy on Gifts, Hospitality, Payments and Benefits which sets out guiding principles for employees and Board Members to follow to ensure that we meet legal and regulatory requirements. This serves to protect our integrity and avoid the potential for any perception that our procurement processes can be unduly influenced.

All staff have a duty to act with honesty and integrity and must never accept a gift, favorable treatment or incentive in exchange for acting in a certain way.

Conflicts of Interest

The Group contributes to the economies of the areas we work in and has commercial and business relationships with many different companies, contractors, suppliers and service providers. In order to comply with Regulation 25 of the Public Contracts (Scotland) Regulations 2015 we are required to take appropriate measures to prevent, identify and remedy conflicts of interest arising in the conduct of procurement procedures so as to avoid any distortion of competition and to ensure equal treatment of all economic operators and equivalent provisions apply under other areas of Procurement Law.

All staff must report connections as outlined in the Group's Gifts, Hospitality, Payments and Benefits Policy to their direct Line Manager and complete the relevant Declaration

of Interest form, forwarding this to the Governance Team for entry into the Group's staff register of interests. Board Members must follow the Group Non-Executive Conflicts of Interest policy. For the avoidance of doubt this includes any situation where an employee or Board Member has directly or indirectly a financial, economic or other personal interest which might be perceived to compromise their impartiality and independence in the context of the procurement procedure.

Any Employee or Board Member involved in a decision-making process in respect of any matter covered by this policy shall be required to ensure that, to the best of their knowledge, there has been no conflict of interest and the decision making process has been open and transparent. Alternatively, they shall be required to declare a conflict of interest immediately upon becoming aware of such an interest and where there is a conflict will be removed from the decision-making process.

In order to protect our reputation and demonstrate that we conduct our affairs with openness, honesty and integrity we maintain a staff Register of Interests. As a matter of good practice, all Board Members and Senior Leaders are required to complete a Registration of Interests form annually. All other Employees are required to exercise their discretion and complete such a form if they consider themselves to have a registrable interest. All forms should be passed on to the Governance Team who has the responsibility for maintaining and auditing the register. The Governance Team may contact you regarding the interest you are declaring.

Connections/ Interests will not necessarily prevent the Group trading with the supplier concerned but in the interest of ensuring the decision-making process is open and transparent, declarations of interest must be made and retained by the Procurement Category Specialists.

Group employees should avoid, as far as possible, dealings with Group suppliers in their private affairs, particularly if this is likely to put them under some obligation to the supplier. Where such arrangements are unavoidable, it is essential that they are not offered any deal, which could be construed as a reward for actions taken in the course of their employment.

It is the responsibility of Employees and Board Members to manage conflicts of interest that arise between their own personal or business interests and their duties to us, in accordance with the employee and governing body Codes of Conduct. Employees and Board Members give a written undertaking to act in accordance at all times with the Employee terms and conditions of contract and the Board Member Code of Conduct, which exemplify good governance and reflect relevant legal and regulatory requirements.

Further information can be found in our Group Gifts, Hospitality, Payment and Benefits and Group Non-Executive Director Conflicts of Interest policies.

Criminal Convictions and Serious and Organised Crime

We view criminal conduct of our suppliers very seriously and work closely with Police Scotland with whom we have an Information Sharing Protocol. All suppliers are required, as a standard term of contract to complete a Declaration of Non-Involvement in Serious and Organised Crime.

In compliance with the Procurement Reform (Scotland) Act 2014 and Public Contracts (Scotland) Regulations 2015 we are required to exclude a business from bidding if it, or someone who holds a senior position within it, has been convicted of specific offences as detailed in the 2015 Regulations, the Procurement (Scotland) Regulations 2016 and relevant to future collaborative procurement approaches, the Procurement Act 2023) unless there are exceptional circumstances.

We are also entitled to exclude bidders should they attempt to distort competition. All staff involved in the procurement of goods, works or services should be aware of the potential for bidders to be acting together in order to fix market prices – this is highlighted within our Passport 2 Procure training which staff involved in procurement are required to complete. Any such arrangement is illegal. Staff may also become aware of potentially fraudulent activity throughout the life of any procurement. Any such suspicions must be reported in writing (together with any supporting evidence) to the Director of Assurance who will investigate and pass to the appropriate department for further investigation if necessary. All reporting of anti-competitive behaviour and fraud will be dealt with in accordance with the Group Fraud, Corruption and Bribery Policy and Group Anti Money-laundering and Counter Terrorism Financing Policy.

Slavery & Human Trafficking

We are committed to the highest ethical standards of business and ensuring there is no slavery or human trafficking in any part of our Business or Supply Chain.

We are committed to developing the economies of the areas we work in and building strong relationships with local Suppliers. We operate solely within Scotland and do not have a large global Supply Chain.

The Group is committed to compliance of the Modern Slavery Act 2015 and related legislation such as the Proceeds of Crime Act 2002 as reflected in the Group Anti Money-laundering and Counter Terrorism Financing Policy. We expect all our Suppliers to comply with the legislation and promote good working practices throughout the Supply Chain.

We review and present our Group Modern Slavery Statement annually to our Group Board for approval. We publish our statement on our website and are also required to enter this into the UK Government's modern slavery statement registry.

6. Business Continuity and Disaster Recovery

As part of the Group business continuity management arrangements, the Group has identified essential activities and levels of service to be prioritised. These activities and levels of service have been identified through a business impact assessment against the following criteria:

- whether it is a life and limb service;
- the financial impact should the service be disrupted;
- whether it is a legislative requirement; and
- the reputational damage should the service be disrupted.

The loss of a Supplier is identified by the Group as a key risk as the ability to maintain these essential activities and levels of service may depend on the continuation of suppliers, services and products. Further identified risks for our Supply Chain include pandemic, loss of premises, loss of ICT, fuel shortage, severe weather, loss of key staff and disruption to critical infrastructure.

If a supplier is unable to provide its contracted service or product to the Group, this may have an impact on the Group's delivery of its own services. Therefore, ensuring that these Suppliers have their own effective business continuity arrangements (details of which must be included within their Service Level Agreement) in place is an important step in helping to ensure that they have considered incidents which could impact their service provision and have put contingencies in place to mitigate any potential disruption. Relevant Suppliers should also confirm their plan, exercise, or programme that demonstrates their plans have been tested and provide the results of those tests. The Group may invite key suppliers to take part in the testing of the Group's own plans, and we may also request to take part in the supplier's exercise of their plans. In addition, suppliers may be asked to confirm what help they may be able to offer the Group in the event of disruption to the Group's business as it relates to the supplier.

7. Route to Market

All Group procurements should be carried out in line with the authority as detailed in the table below. Procurements deemed to be of high business risk political or reputational nature must be reported to the Executive Team (ET) as a minimum.

Financial Value	Process	No. of Suppliers	Responsibility	Authorisation
Below £25,000	Guidance on W.E. Connect that must be followed to achieve best value. Quick Quote process via PCS (quality/price) may be followed if the contract is deemed to be of medium risk or higher.	N/A unless Quick Quote is used. if so, 3 – 5 suppliers must be invited to quote.	Business with advice from Procurement	Budget Holder
£25,000-£50,000	Quick Quote process via PCS (quality / price)	3 - 5	Business with advice from Procurement	Budget Holder
£50,000 (Goods and Services) £2m (Works) and above up to PCSR Thresholds	Tender process via PCS – quality / price in accordance with the requirements of the Procurement Reform (Scotland) Act 2014 and the Procurement (Scotland) Regulations 2016	As per specific procurement route. Seek advice.	Procurement	Budget Holder/ Business Leader/ Executive Team
Above PCSR Thresholds	Tender process in accordance with the requirements of the PCSR	As per specific procurement route in the PCSR. Seek advice.	Procurement	Budget Holder/ Business Leader/ Executive Team May also require Group Board approval.
Beneath £50,000 (Goods and Services) and £2m (Works) where a competitive tender process is not possible	Waiver Approval Form	Single Supplier	Procurement	Budget Holder/ Business Leader/ Executive Team May also require Group Board approval.
Above £50,000 (Goods and Services and £2m (Works) where a competitive tender process is not possible	Negotiated Procurement without prior publication of a Contract Notice	Single Supplier	Procurement	Budget Holder/ Business Leader/ Executive Tea May also require Group Board approval.

Separate to the above, it may be that the procurement route involves use of a collaborative procurement approach in the form of a framework agreement or dynamic purchasing system, in which case the relevant process will be dictated by the detail of the relevant collaborative procurement approach.

Contracts with a value of less than £50,000 are not subject to Procurement Law and do not require to be publicly advertised. Below this threshold staff will be offered training and support including an introduction to the Group's 'Passport to Procurement' program to use the 'Quick Quote' process via Public Contracts Scotland as good practice to achieve value for money.

The Quick Quote process is operated through the Public Contract Scotland Quick Quote facility and requires a minimum of 3 quotes from suppliers, who are independently invited to quote. Staff should be mindful when completing the Quick Quote process that they should not simply revert to previous suppliers. Furthermore, staff must ensure that the chosen supplier is appropriate, and that due diligence has been carried out in terms of financial standing and references and the procurement is carried out in line with Group Standing Orders and guidance relating to spend under £50,000.

The rules of aggregation on contracts apply. This means that the contract value must be calculated over the duration of the contract. This can be reached by:

- The Group having requirements with several suppliers for goods or services, with similar characteristics, which in total exceed the Regulated threshold or;
- The Group having requirements with the same supplier over a period of time which exceed the threshold.

Contracts with a value in excess of £50,000 or where it is considered that advertising would be advantageous in terms of obtaining value for money, all contracts shall be advertised on the Public Contracts Scotland Portal.

Regulated: £50k and over (Goods and Services) £2m and over (Works)

The procurement regime for works contracts over £2m and supply/service contracts over £50,000 and the relevant thresholds under the Public Contracts (Scotland) Regulations 2015 (see next section) is governed by the Procurement Reform (Scotland) Act 2014 and the Procurement (Scotland) Regulations 2016. Contracts of this value and nature must be advertised on Public Contracts Scotland using a contract notice or PIN in order to comply with S.23 of the Act.

(Scotland) Act 2014 will continue to be procured as Regulated Contracts. The current thresholds for the PCSR 2015 and the Procurement Reform Scotland Act in relation to Wheatley are set out below:

Public Contracts (Scotland) Regulations 2015 Thresholds

PCSR 2015	From 1 January 2025 (inclusive of VAT)
Works	£5,372,609
Concessions – Works and Services	£5,372,609
Services and Supplies (non Schedule 1 Entities)	£214,904
Light Touch Regime	£663,540
Small Lots (works)	£884,720
Small Lots (supplies and services)	£70,778

Procurements for beneath the regulated thresholds can be undertaken by the Waiver process, these types of procurements are for goods, services & works where a contract is awarded to a single supplier which is deemed to be in the 'Best interests of the Group' and the Waiver Approval Form sets out the full background and justification to support the approval process, including any associated risks.

Procurements above the regulated thresholds, where the supplies or services can only be provided by a particular supplier shall be subject to a Negotiated Procedure without Prior Publication. This can be in the following circumstances:

- The Procurement's aim is the creation or purchase of a unique work of art or artistic performance;
- Competition is absent for technical reasons such that only one supplier can deliver;
- The availability of competition is absent on account of exclusive rights; or
- There is urgency, not of the contracting authority's making.

Payment Approval

Payments to suppliers will be made in accordance with the terms of the particular contract. Our standard payment terms are within 30 days of receipt of a completed and valid invoice. Staff should note that payment terms will vary depending on the commodity being procured and, in particular, construction contracts must follow the payment provision approaches as set out in the Scottish Procurement Construction Policy Note (CPN) 1/2019. In order to ensure payments throughout the supply chain are made in accordance with the 2015 Regulations, contractual obligations contained within the terms and conditions of engagement will be monitored and reported via KPIs.

Statutory Reporting

In order to comply with S.18 Procurement Reform (Scotland) Act 2014, the Group will publish an annual report concerning the Group's regulated Procurement activities of the previous financial year. The Group shall notify the Scottish Ministers of the completion of the report and said report shall be published on the Group's website. The Procurement Team shall be responsible for completing the required annual report.

Contract Register

In order to comply with S.35 Procurement Reform (Scotland) Act 2014, the Group will publish our Contracts Register on our website. The Register is a live document and is updated on a regular basis.

Delegated Authority to Procure

All procurement will be undertaken in accordance with the procedures set out within this Procurement Policy and read in conjunction with Group Standing Orders.

Staff may undertake the Group's 'Quick Quote' for procurement below £50,000 once they have completed the Group's 'Passport to Procurement' program. Where staff wish to procure goods, services or works above £50,000, they must refer to the Procurement Team for tendering purposes. With the exception of the Waiver process, the Procurement Team shall be responsible for managing all procurement above £50,000. Staff should refer to the table above outlining appropriate delegation of responsibility.

Contract Approval

Approval to award contracts for goods, services and works will be in accordance with the Scheme of Financial Delegation and the Procurement Policy.

Collaborative Procurement

The Group shall seek out opportunities to use collaborative contracts established by other organisations where it offers us better value for money than conducting our own procurement and meets our business needs.

As a result of the Group's size and scale we will use our leverage in the market to procure on behalf of other organisations in the housing sectors where value for money can be offered through collaborative procurements. We will use our strength to assist in the development of the Group by identifying opportunities to consolidate suppliers to gain economies of scale and to support transition for new procurement on contract expiry. We will seek to establish and develop Group wide frameworks, in accordance with the Scottish Procurement Construction Policy Note (CPN) 3/2017 guidance on frameworks, where appropriate.

As an associate member of Scotland Excel, the Group has access to a wide range of corporate and capital frameworks. This access to framework contracts has delivered

efficiencies and financial benefit to the Group. The Group is also a participant on the West Territory Hub through Scottish Futures Trust. Other framework providers being used by the Group include the Scottish Procurement Alliance (SPA), Northern Housing Consortium (NHC), Health Trust Europe, Places for People, Crown Commercial Service, ESPO, Scottish Government and Procurement for Housing (PfH). The Group's procurement programme has been aligned with framework and dynamic purchasing systems availability to ensure contracting for optimal solutions with the best placed suppliers is realised. The overarching requirement to achieve Value for Money remains our key focus.

Plans for PCIP and Internal Audit

The Group Assurance function provides an internal appraisal service that reviews internal control systems in place across the Group's operations (e.g. Procurement). Internal Audit activity is aligned to the risk profile of the Group and provides assurance over the design and operating effectiveness of the controls put in place by management to manage known risks. A Procurement Risk Register is in place and is monitored regularly by Procurement management to ensure it continues to reflect the current procurement risk profile.

Procurement is a Group-wide function which is subject to periodic internal audit activity.

External accreditation is sought on a regular basis via Scotland Excel Procurement & Commercial Improvement Programme (PCIP) external audit.

8. Contract and Supplier Management

A Contract and Supplier Management (CSM) approach will be used by Contract Owners across the Wheatley Group. The aim of this approach is to provide a consistent and robust focus to the Group's contracting activities.

This approach will enhance the value derived from both new and existing contracts by boosting supplier performance, fostering continuous improvement, achieving mutual efficiencies, and improving supplier engagement. It will facilitate the development of strategic partnerships with key suppliers, leading to tangible contract savings.

Consequently, a CSM Guidance document is included with this policy for use across the Group.³ The document provides comprehensive instructions on managing contracts and suppliers effectively to ensure the delivery of outcomes, value for money, and additional community benefits. This guidance aims to ensure that contracts deliver the best value outcomes for customers and service users by focusing on continuous improvement, compliance, risk management, and sustainable service delivery. Key points include:

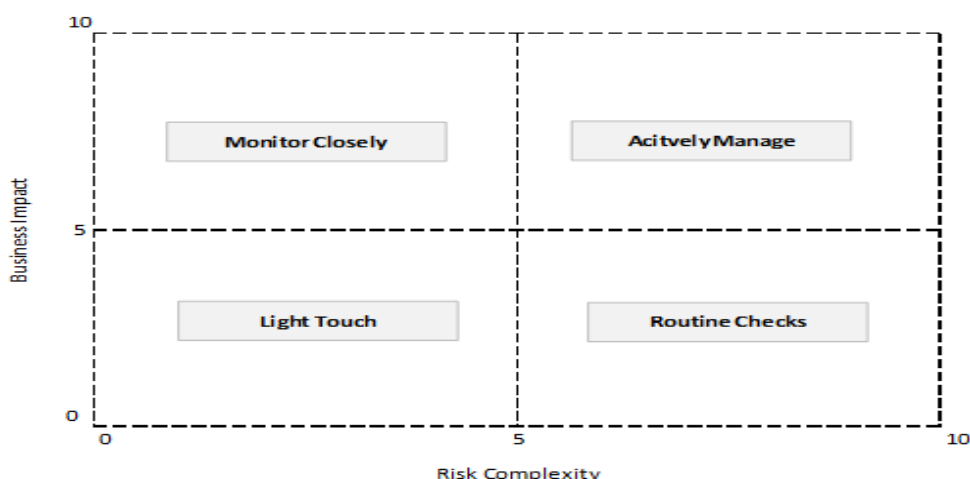
- **Contract Ownership:** Contract Owners, typically directors or managers, are responsible for managing contracts and suppliers in accordance with the guidance.
- **Procurement Planning:** The Procurement Team assists in identifying the appropriate route to market and developing procurement strategies.
- **Risk and Resilience:** High-risk contracts require a Risk Assessment and consideration of disaster recovery and business continuity processes.
- **Supply Chain Security:** Ensuring suppliers meet technical and security requirements is crucial for contracts involving technology services.
- **Cyber Security:** The contract owner should be aware of the security measures and protocols for contracts involving technology services and the processing of corporate and personal data. The primary goal is to ensure that suppliers meet the minimum technical and security requirements, adhere to key cybersecurity KPIs, and manage specific cyber risks that could impact the Group's network, systems, or data throughout the contract by regular engagement and service review meetings.
- **Stakeholder Involvement:** Relevant stakeholders should be identified and involved in the procurement process to prepare specifications, technical questions, and pricing schedules.
- **Contract Administration:** This involves maintaining the mechanics of the relationship between the Contract Owner and supplier, including contract maintenance, change control, and risk mitigation.
- **Supplier Development:** Working with suppliers to optimise service delivery and maximise mutual benefits is encouraged.

The Procurement Team will assist Contract Managers in effectively utilising this guidance to manage their contracts. All staff with Contract Management responsibilities will receive training on relevant CMS procedures and software.

³ <https://wheatley.interactgo.com/Interact/Pages/Content/Document.aspx?id=55048>

Supply Chain Risk

A Group Contracts Risk Matrix has recently been established and is available on W.E. Connect.⁴ The Risk Matrix is a crucial tool for managing contracts within the organisation. It helps identify and assess potential risks associated with contracts, ensuring that we can mitigate and manage these risks effectively. The matrix categorises risks into various types, such as: financial, compliance, environmental, geopolitical, technological, logistical, and operational. It also scores these risks based on their impact and complexity, placing contracts into one of the four quadrants below:



Category	Characteristics	Minimum requirements
Light Touch	Commodities that are found in abundance and/or in low-risk supply markets (e.g. office stationery / PPE wear).	Annual review
Routine Checks	Commodities/Services that are important but sourced from low-risk markets (e.g. Legal Services / Technical Consultancy) with solid supply but would have an impact on service if supply were disrupted.	Contracts must include supplier risk for discussion as a minimum annual contract review.
Monitor Closely	Service and Goods with a high business impact in economic terms, and where supply continuity is at risk (e.g. new build contractors/insurance providers)	Contract supplier discussions as a minimum every six months (contract review, you may also need VSA and H&S checks) Finance checks, Equifax report will be run centrally.
Actively Manage	Services and Works contracts that are important both in terms of economic impact and for supply conditions from complex and/or risky markets (e.g. Servitor)	Contract supplier discussions as a minimum every quarter (contract review, you may also need VSA and H&S checks) Finance checks, Equifax report will be run centrally

⁴ <https://wheatley.interactgo.com/Interact/Pages/Content/Document.aspx?id=55066>

This scoring system guides our approach to supplier management and contract oversight.

All contract owners for actively managed contracts will be invited to quarterly meetings led by the Procurement Team. These meetings aim to ensure that all documentation, such as DPIAs, H&S, VSAs, and insurance documents, are up to date. Additionally, the meetings will address any challenges or issues and provide an open forum for discussion and technical support.

Contract Management System (CMS)

Procurement have implemented a Contract Management System (CMS) to digitise our contracts which are now held on an electronic contract register and assist Contract Owners with their contract management responsibilities.

All Contract Owners will receive log in details to the CMS and will have access to administer, monitor and manage their suppliers/contracts. The CMS has two modules:

- Sourcing – Used to add new suppliers, amend supplier details and routinely check supplier information (insurances, bank details etc). For sole use of Procurement currently. This module is also used to issue Requests for Information (RFI) to suppliers. Examples are Health and Safety and Equality, Diversity and Inclusion (EDI) compliance checks.
- Contract Management – this module is where contracts are set up and documentation is uploaded to ensure that all information relevant to the contract can be viewed in one place. To be used by both Procurement and Contract Owners (predominantly Procurement)

Procurement shall work with Contract Owners to set up their contracts in the first instance and maximise the CMS' functionality. Contract Owner shall be responsible for contract/supplier interactions thereafter. The CMS will alert the Contract Owner when an action is due and will repeat the alert until action is taken.

9. Policy Review

This policy shall be reviewed annually and presented for approval to the relevant governing Board. However regular reviews will be considered where, for example, there is a need to respond to new legislation/policy guidance. Reviews will consider legislative, performance standard and good practice changes.

We will publish this policy on our website at www.wheatley-group.com and it is also available on request. Customers may also request a translated copy of the policy or in alternative formats.

10. Customer Service

Confidentiality

Confidentiality is not only a basis of trust in business relationships but also impacts on the protection of the Group's own interests in terms of retaining competitive advantage. It is the responsibility of any member of staff conducting procurement on behalf of the Group to ensure that third party information, which is of a commercially sensitive and confidential nature, is properly safeguarded. This may require that the supplier or agent of the Group signs a confidentiality agreement.

All personal information given by customers and suppliers in relation to this policy will be treated in accordance with data protection legislation.

The Group complies with the Environmental Information (Scotland) Regulations 2004 and is subject to the Freedom of Information (Scotland) Act 2002 (Designation of Persons as Scottish Public Authorities) Order 2019 which extends the Freedom of Information (Scotland) Act 2002 to cover Registered Social Landlords (RSLs) and their subsidiaries in respect of certain functions. This means that we respond to any request for information in accordance with the requirements of these regulations and this legislation. It is a standard condition of all our contracts that suppliers will assist the Group in complying with its obligations in terms of Freedom of Information (Scotland) Act 2002 and the Environmental Information (Scotland) Regulations 2004.

Complaints Policy

Our aim is to get it right first time. However, if you are dissatisfied with this policy, its operation or otherwise wish to raise a complaint the Group has a Complaints Policy. A copy of the complaints policy can be found on our websites and the staff intranet, or a copy can be requested by contacting the Wheatley Group on 0800 479 79 79. As with all our policies, a copy can be made available on tape, in Braille, in large print or in translation.

Where a complaint relates to the conduct of procurement under The Public Contracts (Scotland) Regulations 2015 the procedures outlined in the Regulations will be followed. The complaint will also be logged in accordance with the Group's Complaints Policy.

A Single Point of Enquiry (SPoE) has been established at the Scottish Government Procurement Directorate to which suppliers can address concerns about public funded procurement practices. Further information can be found at: <http://www.gov.scot/Topics/Government/Procurement/Selling/supplier-enquiries>

As set out on the website the supplier is expected to liaise with the contracting authority in the first instance to seek resolution or clarification

11. Relationship to Other Policies

This policy should be read in conjunction with the following documents which can be found on the staff intranet:

- Procurement Guidance Page on WE Connect
- Group Procurement Strategy
- Group Sustainable Procurement Policy
- Scheme of Financial Delegation
- Group Standing Orders
- Gifts, Hospitality, Payments and Benefits Policy
- Non-Executive Director Conflicts of Interest Policy
- Group EDI and Human Rights Policy
- Group Sustainability Framework
- Group Whistleblowing Policy
- Code of Conduct
- Group Fraud Corruption and Bribery Policy
- Group Anti Money-Laundering and Counter Terrorism Financing Policy
- Group Data Protection Policy
- Group Freedom of Information Policy

Would you like more information?

Freephone 0800 479 7979

Visit: <http://www.wheatley-group.com/>

Email: procurement@wheatley-group.com

Wheatley Housing Group Limited is a company limited by guarantee and registered in Scotland under the Companies Acts, having its registered office at Wheatley House, 25 Cochrane Street, Glasgow, G1 1HL. It is registered with The Scottish Housing Regulator as a registered social landlord. Company registration no. SC426094 Social Landlord no. 363

Group Procurement Policy

January 2024

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1. Preamble

We can produce information on request in large print, Braille, tape and on disk. It is also available in other languages. If you need information in any of these formats please contact us on Freephone 0800 479 7979.

如果你向我們提出要求，我們可以為你提供本資訊的其他語言的版本，或者是盲文或磁帶。如果你需要本資訊的任何一種這些版式的版本，請聯繫我們，電話號碼是 0800 479 7979.

Si vous nous le demandez, nous pouvons vous remettre ces informations en d'autres langues, en braille ou sur cassette. Si vous souhaitez que ces informations vous soient fournies sous l'un de ces formats, contactez-nous en composant le 0800 479 7979.

چنانچه مایل باشید می‌توانید این مطالب را به فارسی یا زبان‌های دیگر و همچنین بریل و یا بر روی نوار کاست دریافت دارید. در صورت نیاز خواهشمندیم با شماره تلفن 0800 479 7979 با ما تماس بگیرید.

ਜੇ ਤੁਸੀਂ ਸਾਨੂੰ ਬੇਨਤੀ ਕਰੋ ਤਾਂ ਅਸੀਂ ਤੁਹਾਨੂੰ ਇਹ ਜਾਣਕਾਰੀ ਹੋਰ ਭਾਸ਼ਾਵਾਂ, ਬ੍ਰੇਲ (ਨੋਤੁਹੀਣਾਂ ਲਈ ਭਾਸ਼ਾ) ਵਿੱਚ, ਜਾਂ ਟੇਪ ਉੱਪਰ ਦੇ ਸਕਦੇ ਹਾਂ। ਜੇ ਤੁਹਾਨੂੰ ਇਨ੍ਹਾਂ ਵਿੱਚੋਂ ਕਿਸੇ ਰੂਪ ਵਿੱਚ ਚਾਹੀਦੀ ਹੋਵੇ, ਤਾਂ ਕਿਰਪਾ ਕਰਕੇ ਸਾਡੇ ਨਾਲ 0800 479 7979 ਨੰਬਰ ਤੇ ਸੰਪਰਕ ਕਰੋ।

Na Pana/Pani życzenie możemy zapewnić te informacje w innych językach, alfabetem Braille'a lub na kasecie. Jeśli chciał(a)by Pan(i) uzyskać te informacje w którejś z tych form, prosimy skontaktować się z nami pod numerem telefonu 0800 479 7979.

Haddii aad na weydiisato waxaanu warbixintan kugu siin karaa iyadoo ku qoran luuqad kale, farta ay dadka indhaha la' akhriyaan ama cajalad ku duuban. Haddii aad jeclaan lahayd in warbixintan lagugu siiyo mid ka mid ah qaababkaas, fadlan nagala soo xidhiidh telefoonka 0800 479 7979.

По вашей просьбе данная информация может быть предоставлена на других языках, шрифтом Брайля или в аудиозаписи. Если вам требуется информация в одном из этих форматов, позвоните нам по номеру 0800 479 7979.

Wheatley Group Group Procurement Policy 2025

We will provide this policy on request at no cost, translated, in large print, in Braille, on tape or in another non-written format.

We can produce information on request at no cost in large print, in Braille, on tape or in another non-written format. We can also translate this into other languages. If you need information in any of these formats please call us on 0800 479 7979 or email info@wheatley-group.com

Możemy, na życzenie, bezpłatnie przygotować informacje dużą czcionką, w alfabecie Braille'a, na taśmie lub w innym niepisanym formacie. Możemy je również przetłumaczyć na inne języki. Jeśli potrzebujesz informacji w którymkolwiek z tych formatów, zadzwoń do nas pod numer 0800 479 7979 lub wyślij e-mail na adres info@wheatley-group.com

Podemos produzir informações mediante solicitação e sem custos, em impressão grande, Braille, cassete ou noutro formato não descrito. Também podemos traduzi-las em outros idiomas. Se precisar de informações em qualquer um destes formatos, contacte-nos através do número 0800 479 7979 ou envie um e-mail para: info@wheatley-group.com

يمكننا إنتاج معلومات عند الطلب مجاناً مطبوعة بأحرف كبيرة أو بطريقة برايل أو على شريط أو بتنسيق آخر غير مكتوب. يمكننا أيضاً ترجمة هذا إلى لغات أخرى. إذا كنت بحاجة إلى معلومات بأي من هذه التنسيقات، فيرجى الاتصال بنا على 0800 479 7979 أو إرسال بريد إلكتروني إلى info@wheatley-group.com

در صورت درخواست، می توانیم اطلاعات را در چاپ بزرگ، خط بریل، روی نوار یا در فرمت غیر نوشتاری دیگری ارائه دهیم. همچنین می توانیم اطلاعات را به سایر زبان ها ترجمه کنیم. در صورت نیاز به اطلاعات بیشتر در هر یک از این فرمت ها، لطفاً از طریق شماره 0800 479 7979 با ما تماس بگیرید یا ایمیلی به info@wheatley-group.com ارسال کنید.

ہم درخواست پر معلومات کو بڑے حروف، بریل، ٹیپ پر یا کسی اور غیر تحریری صورت میں بغیر کسی لاگت کے مہیا کر سکتے ہیں۔ ہم اس کا دوسری زبانوں میں ترجمہ بھی کروا سکتے ہیں۔ اگر آپ کو ان میں سے کسی صورت میں یہ معلومات درکار ہوں تو

برائے کرم ہمیں 0800 479 7979 پر کال کریں یا info@wheatley-group.com پر ای میل کریں۔

Approval body	<i>Wheatley Solutions Board</i>
Date of approval	<i>February 2024⁵</i>
Review Year	<i>January 2025⁶</i>
Customer engagement required	<i>No</i>
Trade union engagement required	<i>No</i>
Equality Impact Assessment	<i>No</i>

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Schedule of Definitions

Procurement Terminology	Definition
<u>Board Member</u>	<u>A member of the governing body of an organisation, responsible for making key decisions and overseeing the management and operations of the organisation.</u>
Collaborative Contracts	When two or more groups of people or organisations engage in procurement work together for mutual benefit.
Commodity	A raw material or primary product that is bought and sold e.g. copper, coffee.
Contract	An agreement between two or more parties that is legally binding.
Contract Award Notice	A publication which confirms the details of a contract which has been awarded to a supplier.
Contract Notice	A publication which advertises a procurement requirement.
Contract and Supplier Management	The process of monitoring supplier performance on a contract.
Contract Register	A published list of contracts put in place by a public sector organisation. -This is a legislative requirement.
Contract Value	This is an estimate of the value of a contract over the whole period of the contract e.g. if the contract is for £50k per year for 3 years the contract value is £150k. The contract value should include any extension periods.
Freedom of Information (Scotland) Act (FOISA)	This legislation gives individuals access to information held by public authorities.
Frameworks or Framework Agreements	An agreement or other arrangement between one or more contracting authorities and one or more economic operators which establishes the terms (in particular the terms as to price and, where appropriate, quantity) under which the economic operator will enter into one or more contracts with a contracting authority in the period during which the framework agreement applies.
Key Suppliers	Those suppliers identified as business critical in terms of risk/value and business continuity.
KPIs	Key Performance Indicators. Measures put in place as part of the contract to evaluate how effective the contract is.
Life Cycle of Goods/Assets	How much money will be spent on an asset over the cost of its life.
Local Authority	A term used for councils in Scotland.

Lots	Grouping similar requirements within a procurement e.g. by geographical location.
Negotiated Procurement Without Prior Publication	A procurement procedure which can be used, <u>in limited circumstances</u> , by public sector buyers to procure goods or services <u>without advertisement</u> .
Procurement Capability Improvement Programme (PCIP)	<u>The</u> Procurement Capability Improvement Programme (PCIP) drives procurement performance by assessing public sector organisations and identifying areas for continuous improvement.
Prior Information Notice (PIN)	A method of giving advanced notice of future planned procurement exercises.
Procurement Process	A procurement procedure can be run in a number of ways (procurement processes) e.g. a Framework Agreement.
Procurement <u>Advisor</u> <u>Category</u> <u>Specialist</u>	The name given to the role/person who is a buyer. They are an individual who spends the majority of their time working in a role that adds value to the quality, cost and effectiveness of the procurement or acquisition of goods and services.
<u>Procurement Law</u>	<u>Comprises of the Procurement Reform (Scotland) Act 2014, the Procurement (Scotland) Regulations 2016 and the Public Contracts (Scotland) Regulations 2015 which apply to Wheatley and the Public Contracts Regulations 2015 and Procurement Act 2023 (coming into force at the end of February 2025) which are only relevant where Wheatley uses framework arrangements or dynamic markets put in place by contracting authorities outwith Scotland.</u>
Procurement Strategy	It is mandatory document for a <u>Scottish</u> public sector organisation, which estimates it will spend greater than or equal to £5,000,000 on regulated procurements to publish a Procurement Strategy which is proportionate and relevant to its organisation.
Public Sector Body	All organisations which are subject to public procurement laws. This includes government, councils, universities and colleges, the NHS and registered social landlords.
Public Contracts Scotland (PCS) Portal	The national portal used by the Scottish public sector to advertise all regulated procurement opportunities and awards.
Quick Quote	A process used by public sector buyers in Public Contracts Scotland <u>to advertise for</u> low value/low risk procurement requirements (normally under £50k in value).
Regulated Procurement	A procurement whose value is greater than £50,000 excluding VAT for goods and/or services for the full life of the contract. Or greater than £2m for Works contracts.

Risk Management	Activities undertaken to minimise negative impact.
Single Point of Enquiry (SPoE)	An impartial point of contact where suppliers can seek advice or raise concerns if they are dissatisfied with specific public procurement practices: <u>in Scotland.</u>
Small Medium Enterprise (SME)	The category of micro, A small and/or medium-sized enterprises (SMEs) is made up of enterprises which employ enterprise with fewer than 250 personsemployees and which have an annual turnover not exceeding 50of less than £36 million-euro and/or an annual balance sheet total not exceeding 43 million-euro-. They are further categorised as: <ul style="list-style-type: none"> ▪ <u>Micro – 1–9 employees;</u> ▪ <u>Small – 10–49 employees;</u> ▪ <u>Medium – 50–250 employees;</u>
Stakeholder	Any person or group who has a vested interest in the success of the procurement activity, i.e. either provides services to it, or receives services from it.
Supply Chain	All activities, resources, products etc. involved in creating and moving a product or service from the supplier to the procurer.
Supported Business	An organisation whose main aim is the social and professional integration of disabled and disadvantaged workers and where at least 30% of their workforce are classed as disabled or disadvantaged.
Tender	The term used to describe the procurement process of advertising, requesting and awarding a contract.
Threshold	Values that apply to public procurement exercises.
UK GDPR	General Data Protection Regulation legislates how personal data is handled and stored.
Value for Money (VfM)	An economic assessment by the public sector as to whether a project represents value for money; the optimum combination of cost and quality to provide the required service.

<u>Waiver</u>	<u>The process which allows procurements to be achieved without following the full tendering procedures. This is typically used when a purchase is time-critical, there are no other suppliers available, or continuity is required.</u>
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Within the above list of definitions, those relevant to procurement processes pick up the terminology under Procurement Law in Scotland. In 2005, new terminology will begin to be used for, for example, "contract notices" under the Procurement Act 2023 once in force. The Procurement Act 2023 will, however, only be relevant to Wheatley Group's call-off arrangements under collaborative procurement arrangements.

2.1. Introduction

Wheatley Housing Group ('The Group') is Scotland's leading housing, care and property management group. We are ~~a dynamic and growing~~an organisation which currently comprises ~~six of four~~ Registered Social Landlords, a Care Partner, a Charitable Foundation a Repairs Division and commercial subsidiaryies.

The Group currently spans 19 Local Authority areas across Scotland.

Our Group partners are:

- Wheatley Homes Glasgow
- Wheatley Homes South
- Wheatley Homes East
- Loretto Housing Association
- Lowther Homes
- Wheatley Care
- Wheatley Solutions
- Wheatley Foundation
- *City Building (Glasgow)

We refer to the 50/50 Joint Venture with Glasgow City Council, City Building (Glasgow), as a Partner Organisation, although City Building (Glasgow) have their own governance procedures and undertake their own procurement processes for the supply of all goods and services.

This Procurement Policy applies to all employees in the Group and its subsidiaries in any situation where they are involved in a purchasing process. 'Purchasing' includes all procurement activities including leasing and hiring and may where appropriate include other activities accompanying the life cycle of goods (or service contracts) and the end-of-life disposal of goods which have been procured (whether or not they remain in our ownership). Adherence to the Procurement Policy is both an individual and a corporate responsibility; failure to comply may result in disciplinary action.

The purpose of the Procurement Policy is to set out the general operating principles covering the activities and objectives of Procurement within the Group. The document explains the principles under which Procurement throughout the Group will be undertaken and proactively managed such that the stakeholders' requirements for supplies, works and services are efficiently and effectively sourced at the lowest sustainable 'total' cost whilst delivering best value for money.

The Procurement Team is responsible for managing procurement on behalf of the Group ethically and in compliance with legislation. It is responsible for providing guidance and support across the Group and to support staff who procure on behalf of their subsidiary. Should you require any assistance or guidance with any procurement matter please contact procurement@wheatley-group.com.

Wheatley Housing Group / City Building (Glasgow) Joint Working Principles

In April 2017 the Group entered into a joint venture with Glasgow City Council. The Group became the 50/50 joint owner of City Building (Glasgow) (CBG) which delivers investment, repairs and general maintenance work within the Group's Registered Social Landlords in the west of Scotland (including Wheatley Homes Glasgow, Wheatley Homes South and Loretto), the Group's commercial housing subsidiary Lowther Homes and its property management function.

We operate a collaborative approach to managing procurement across the Group with CBG. This will continue to be developed and agreed in line with the Group's compliance and legislation principles, reflecting best value and sustainability through the supply chain, determining the most effective route to market, jointly supporting SMEs, effectively benefiting the customer through the efficient management of Community Benefits and ~~the Wheatley Pledge and~~ ultimately promoting excellence in procurement.

3.2. Principles, Aims and Objectives

Procurement activities must comply with all applicable UK laws and regulations. In particular all procurement must comply with, as relevant, the Public Contracts (Scotland) Regulations 2015, The Procurement (Scotland) Regulations 2016, Procurement Reform (Scotland) Act 2014, Concession Contract (Scotland) Regulations 2016 and the Housing (Scotland) Act 2001.¹

All procurement activity aims to achieve Best Value for the Group. Best Value includes not only the initial purchase price, but also continuing costs throughout the life cycle of equipment, materials works and services, such as financing and depreciation, maintenance requirements and energy usage. Best value also includes the quality and reliability of the supplies, works or services and the punctuality and reliability of their execution.

The Group will work collaboratively with suppliers wherever possible to create relationships within which the Procurement Team can learn how to make it easier for suppliers to meet stakeholder requirements and to further encourage suppliers to improve their products, prices, quality and service level delivery.

The Group will work with Government bodies and other public sector organisations to utilise collaborative procurement arrangements where they offer value for money. In addition, the Group will consider including collaborative arrangements within its contracts to enable other public sector bodies to benefit from its rates, learn methods and scope of work.

All procurement for supplies, works and services that the Group undertakes and the methods it uses to procure them must not infringe upon laws applicable at the time of the procurement, and must conform to applicable ethical, social and environmental standards.

¹ Going forward, pursuant to the coming into force of the Procurement Act 2023 on 24th and 25th February 2025, which applied predominantly outwith Scotland, where the Group undertakes call-offs from collaborative procurement approaches put in place under the Procurement Act 2023 the Group will require also to ensure compliance. With transition arrangements, this is not likely to impact materially in 2025.

4.3. Equity, diversity and inclusion (EDI)

We are ~~committed~~dedicated to ~~providing~~ensuring fair treatment for all ~~of our~~ stakeholders and ~~in the way we conduct~~conducting business ~~by positively promoting in~~a manner that actively promotes equality of opportunity ~~and while~~ championing diversity and inclusion. The Group ~~is committed~~requires to comply with the with the Equality Act 2010 and moreover is committed to ensuring that no ~~one~~ is excluded or discriminated against ~~based on the grounds of~~ religion or belief, race, age, sex, gender reassignment, sexual orientation, marriage or civil partnership, family circumstances, pregnancy and maternity, ~~and disability~~or disability in line. The Group has a zero-tolerance approach to bullying, harassment and victimisation and works to ensure that employees are safe within the workplace from such treatment including sexual harassment.

We also prioritise the highest standards of worker protection, focusing on the safety, well-being, and fair treatment of all our employees in line with the Worker's Protection Act 2023. This Act enhances the Equality Act 2010 by further strengthening provisions aimed at ensuring fair treatment and non-discrimination in the workplace. While the Equality Act 2010 consolidates and updates previous anti-discrimination laws to protect individuals from unfair treatment, the Worker's Protection Act builds on this foundation by introducing additional measures to safeguard workers' rights.

Real Living Wage

The Group are an accredited Real Living Wage employer who are dedicated to ensuring that our employees receive fair compensation for their hard work. We pay and are committed to paying the real Living Wage, as a minimum, to all our employees. In addition to our internal commitment, we actively encourage our suppliers to adopt the same standard. We believe that fair wages are essential for fostering a motivated and productive workforce, and we expect our suppliers to share this ethos. By promoting the real living wage throughout our supply chain, we aim to create a positive impact on the broader community and support the well-being of workers at all levels.

Fair Work First

Fair Work First is the Scottish Government's flagship policy for driving high quality and fair work across the labour market in Scotland by applying fair work criteria to grants, other funding and contracts being awarded by and across the public sector, where it is relevant to do so. Through this approach, the Scottish Government is asking employers to adopt fair working practices, specifically:

- Payment of at least the real Living Wage.
- Providing appropriate channels for effective workers' voice, such as trade union recognition.
- Investment in workforce development.
- No inappropriate use of zero hours contracts.
- Action to tackle the gender pay gap and create a more diverse and inclusive workplace.
- Offer flexible and family friendly working practices for all workers from day one of employment
- Opposing the use of fire and rehire practices

The Group values the culture of partnership working that has been established with Trade Union Colleagues and will continue to work together to develop transparent mechanisms for employee voice and engagement founded on trust and respect.

The Groups values and the priorities are aligned to the Fair Work First principles.

Although not directly applicable to us, we are also considerate of the Fairer Scotland Duty, as set out in part one of the Equality Act 2010. This places a legal responsibility on public bodies in Scotland to actively consider and 'pay due regard to how they can reduce inequalities of outcome caused by socio-economic disadvantage, when making strategic decisions'²

Social mobility is a key theme threaded through our EDI actions. The Group recognises the role it plays in our local economies and is focused on targeting underlying weaknesses which include underemployment, above average levels of youth unemployment and low levels of qualifications. As a result, it shall support its stakeholders by seeking to provide education/employment opportunities via Group business activity and its supply chain. This includes the social value created by contracting with Supported Businesses.

Our focus goes beyond our legislative duties; to signal our commitment to EDI, when procuring ~~it is desirable~~we generally seek that our suppliers and contractors demonstrate the existence of their own EDI policy ~~as well as sign up to our Wheatley Pledge~~. Where our suppliers / contractors do not have an EDI policy, we encourage them to consider how EDI can inform their working practices and be considered within their own organisations.

² [About the Duty - Fairer Scotland Duty: guidance for public bodies - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/about-the-duty-fairer-scotland-duty/guidance-for-public-bodies/pages/1.aspx)

~~We may, through~~Through our Contract Management System, ~~we~~ survey our suppliers to find out more about their commitment to EDI, their policies, and encourage our suppliers to detail how they reflect our EDI aspirations within their working practices.

You can access the Group's EDI and Human Rights policy ~~here and read more about Wheatley's commitment to EDI~~ here.

5.4. Data Protection

The Group holds a wide range of sensitive information, both of a personal and a commercial nature. We have a duty to protect this information and ensure it is not seen or accessed by people (whether internal or external to the Group) without the legal authority to do so.

The Group's policy position in respect of data protection is reflected in the Group's Data Protection Policy.

~~In light of Brexit, the requirements of~~The Group must comply with all applicable data protection and privacy legislation in force from time to time in the UK including the General Data Protection Regulation (UK GDPR) and, the Data Protection Act 2018 are now enshrined in "The Data Protection, (and regulations made thereunder) and the Privacy and Electronic Communications (Amendments etc.) (EU Exit) Regulations 2019 (known as SI 2019 No. 2426) as the UK GDPR amended, and stay largely the same as prior to Brexit. guidance and codes of practice issued by the Information Commissioner.

The Group will continue to carry out ~~a~~Data Privacy Impact Assessments (DPIA) when required to do so by law or good practice, on all activities which involve personal data or the exchange of personal data to help us identify the most effective way to comply with our data protection obligations and meet individuals' expectations of privacy.

The UK GDPR requires us to undertake DPIAs in circumstances where we: -

- use systematic and extensive profiling with significant effects;
- process special category or criminal offence data on a large scale; or
- systematically monitor publicly accessible places on a large scale.

The Information Commissioner requires data controllers to undertake a DPIA if they plan to:

- use systematic and extensive profiling or automated decision-making to make significant decisions about people;
- process special-category data or criminal-offence data on a large scale;
- systematically monitor a publicly accessible place on a large scale;
- use innovative technology in combination with any of the criteria in the European guidelines;
- use profiling, automated decision-making or special category data to help make decisions on someone's access to a service, opportunity or benefit;
- carry out profiling on a large scale;
- process biometric or genetic data in combination with any of the criteria in the European guidelines;
- combine, compare or match data from multiple sources;
- process personal data without providing a privacy notice directly to the individual in combination with any of the criteria in the European guidelines;
- process personal data in a way that involves tracking individuals' online or offline location or behaviour, in combination with any of the criteria in the European guidelines; and
- process children's personal data for profiling or automated decision-making or for marketing purposes, or offer online services directly to them;

DPIAs help the Group to identify and reduce the privacy risks of a project and document any mitigations we are required to put in place. The purpose of a DPIA is to ensure that privacy risks are minimised while allowing the aims of the project to be met wherever possible. The Group also has a duty to be accountable under the UK GDPR and requires DPIAs to be retained and updated by the contract owner where appropriate for audit and compliance purposes.

It is a standard condition of all our contracts that our suppliers and sub-contractors will comply with all data protection legislation and applicable regulations, including the UK GDPR, the Data Protection Act 2018, and all guidance and/or Codes of Practice published by the Information Commissioner's Office.

The requirement for DPIA will be considered within all relevant future procurement activities.

6.5. Ethical, Social and Environmental Responsibility

Fair and Equal Treatment of Suppliers

All procurement will be conducted such that all suppliers with the necessary abilities have a fair and equal opportunity to secure Group business including ~~maximising support~~seeking to enable market access opportunities for Small & Medium Sized Enterprises (SMEs).

This includes, within the constraints of the regulated environment in which we operate and carrying out tendering in line with Procurement Law and relevant Scottish Government Regulations. Conducting Statutory Guidance, conducting our procurements in a transparent manner, utilising public dynamic purchasing systems, frameworks and procurement processes that promote supplier diversity.

In practice, this ~~allows~~enables a diverse range of suppliers to bid for contracts with us. Tender evaluations are conducted in line with ~~regulations.~~Procurement Law. The Group is also committed to improving access to our contracts and empowering staff, in accordance with Procurement Law, to promote sustainability, for example through seeking to buy locally for low risk, low value purchases thus contributing to our local communities.

We shall appropriately review and evaluate all above-threshold and regulated contracts, considering the geographical location and the option of splitting them into smaller Lots, which may encourage SME participation. This will not be appropriate in every circumstance, and we retain our discretion not to Lot or retain larger value contracts as one Lot, determined by the best interests of the Group.

In particular, the Group will seek, where possible to promote local economic development and regeneration by actively encouraging fair and open competition across a varied supply base thus making it easier for all suppliers regardless of size to bid for contracts.

Prior to commencing a procurement exercise, we may seek to carry out market testing. To be open and transparent in our dealings we will only do this by going out to the market using the appropriate Prior Information Notice (PIN) on the Public Contract Scotland procurement portal, as applicable to regulated spend thresholds. Any improper approaches, whether in the form of inducements or threats from suppliers, must be reported to line managers, even if they are sufficiently ambiguous to allow for an innocent interpretation.

To ensure transparency and fair treatment of all suppliers during the tendering process and in compliance with the formal procurement process, all communication with suppliers will be carried out through the Public Contract Scotland portal and in accordance with arrangements set out in the Procurement Guidance section on the staff intranet, W.E. Connect, which staff must follow.

Ethical Standards of Staff

The Group insists on suppliers adhering to strict ethical standards and behaviour, in return the Group will also demonstrate the highest level of ethical standards. The Group will be fair, honest and transparent in all dealings with suppliers and avoid any conduct which may be adversely interpreted.

Persons engaged in any aspect of procurement on behalf of the Group will not use their authority for personal gain. Adhering to this policy will also help ensure that we comply with the requirements of The Bribery Act 2010, which makes it an offence to:

- Bribe another person (e.g. offer, promise, or give financial or other advantage to induce or reward improper performance of a function);
- Receive bribes from another person (e.g. agreeing to receive or accept a financial or other advantage for improper performance of a function);
- Bribe foreign officials; and
- Fail to prevent bribery.

Further ~~detail is~~details are available in the Group Fraud, Corruption and Bribery Policy.

Social and Environmental Responsibility

Effective procurement will complement our goals for maintaining awareness of sustainability issues amongst staff and customers. We expect our suppliers to meet our standards for sustainability as set out in the Group Sustainable Procurement Strategy.

The Group is committed to compliance with the Health and Safety at Work etc. Act 1974, and all related provisions and we expect all of our suppliers to comply with the legislation and promote good working practices throughout the supply chain.

Gifts and Hospitality

All staff involved in procurement must comply with the Group's policy on Gifts, Hospitality, Payments and Benefits which sets out guiding principles for employees and Board Members to follow to ensure that we meet legal and regulatory requirements. This serves to protect our integrity and avoid the potential for any perception that our procurement processes can be unduly influenced.

All staff have a duty to act with honesty and integrity and must never accept a gift, favorable treatment or incentive in exchange for acting in a certain way.

Conflicts of Interest

The Group contributes to the economies of the areas we work in and has commercial and business relationships with many different companies, contractors, suppliers and service providers. —In order to comply with Regulation 25 of the Public Contracts (Scotland) Regulations 2015 we are required to take appropriate measures to prevent, identify and remedy conflicts of interest arising in the conduct of procurement procedures so as to avoid any distortion of competition and to ensure equal treatment of all economic operators.— and equivalent provisions apply under other areas of Procurement Law.

All staff must report connections as outlined in the Group's Gifts, Hospitality, Payments and Benefits Policy to their direct Line Manager and complete the relevant Declaration of Interest form, forwarding this to the Governance Team for entry into the Group's staff register of interests. —Board ~~m~~Members must follow the Group Non-Executive Conflicts of Interest policy. For the avoidance of doubt this includes any situation where an employee or Board Member has directly or indirectly a financial, economic or other personal interest which might be perceived to compromise their impartiality and independence in the context of the procurement procedure.

Any Employee or Board Member involved in a decision-making process in respect of any matter covered by this policy shall be required to ensure that, to the best of their knowledge, there has been no conflict of interest and the decision making process has been open and transparent. Alternatively, they shall be required to declare a conflict of interest immediately upon becoming aware of such an interest and where there is a conflict will be removed from the decision-making process.

In order to protect our reputation and demonstrate that we conduct our affairs with openness, honesty and integrity we maintain a staff Register of Interests. As a matter of good practice, all Board Members and Senior Leaders are required to complete a Registration of Interests form annually. All other Employees are required to exercise their discretion and complete such a form if they consider themselves to have a

registrable interest. All forms should be passed on to the Governance Team who has the responsibility for maintaining and auditing the register. ~~They can be emailed to the #Board and committee's mailbox.~~ The Governance Team may contact you regarding the interest you are declaring.

~~Such connections~~Connections/ Interests will not necessarily prevent the Group trading with the supplier concerned but in the interests of ensuring the decision-making process is open and transparent, ~~such~~ declarations of interest must be made and retained by the ~~Lead~~Procurement ~~Advisor~~Category Specialists.

Group employees should avoid, as far as possible, dealings with Group suppliers in their private affairs, particularly if this is likely to put them under some obligation to the supplier. Where such arrangements are unavoidable, it is essential that they are not offered any deal, which could be construed as a reward for actions taken in the course of their employment.

It is the responsibility of Employees and Board Members to manage conflicts of interest that arise between their own personal or business interests and their duties to us, in accordance with the employee and governing body Codes of Conduct. Employees and Board Members give a written undertaking to act in accordance at all times with the Employee terms and conditions of contract and the Board Member Code of Conduct, which exemplify good governance and reflect relevant legal and regulatory requirements.

Further information can be found in our Group Gifts, Hospitality, Payment and Benefits and Group Non-Executive Director Conflicts of Interest policies.

Criminal Convictions and Serious and Organised Crime

We view criminal conduct of our suppliers very seriously and work closely with Police Scotland with whom we have an Information Sharing Protocol. All suppliers are required, as a standard term of contract to complete a Declaration of Non-Involvement in Serious and Organised Crime.

In compliance with the Procurement Reform (Scotland) Act 2014 and Public Contracts (Scotland) Regulations 2015 we are required to exclude a business from bidding if it, or someone who holds a senior position within it, has been convicted of specific offences as detailed in the 2015 Regulations, the Procurement (Scotland) Regulations 2016 and relevant to future collaborative procurement approaches, the Procurement Act 2023) unless there are exceptional circumstances.

We are also entitled to exclude bidders should they attempt to distort competition. All staff involved in the procurement of goods, works or services should be aware of the potential for bidders to be acting together in order to fix market prices – this is highlighted within our Passport 2 Procure training which staff involved in procurement are required to complete. Any such arrangement is illegal. Staff may also become

aware of potentially fraudulent activity throughout the life of any procurement. Any such suspicions must be reported in writing (together with any supporting evidence) to the Director of Assurance who will investigate and pass to the appropriate department for further investigation if necessary. All reporting of anti-competitive behaviour and fraud will be dealt with in accordance with the Group Fraud, Corruption and Bribery Policy and Group Anti Money-laundering and Counter Terrorism Financing Policy.

Slavery & Human Trafficking

We are committed to the highest ethical standards of business and ensuring there is no slavery or human trafficking in any part of our Business or Supply Chain.

We are committed to developing the economies of the areas we work in and building strong relationships with local Suppliers. We operate solely within Scotland and do not have a large global Supply Chain.

The Group is committed to compliance of the Modern Slavery Act 2015 and related legislation such as the Proceeds of Crime Act 2002 as reflected in the Group Anti Money-laundering and Counter Terrorism Financing Policy. We expect all our Suppliers to comply with the legislation and promote good working practices throughout the Supply Chain.

We review and present our Group Modern Slavery Statement annually to our Group Board for approval. We publish our statement on our website and are also required to enter this into the UK Government's modern slavery statement registry.

7.6. Business Continuity and Disaster Recovery

As part of the Group business continuity management arrangements, the Group has identified essential activities and levels of service to be prioritised. These activities and levels of service have been identified through a business impact assessment against the following criteria:

- whether it is a life and limb service;
- the financial impact should the service be disrupted;
- whether it is a legislative requirement; and
- the reputational damage should the service be disrupted.

The loss of a Supplier is identified by the Group as a key risk as the ability to maintain these essential activities and levels of service may depend on the continuation of suppliers, services and products. Further identified risks for our Supply Chain include pandemic, loss of premises, loss of ICT, fuel shortage, severe weather, loss of key staff and disruption to critical infrastructure.

If a supplier is unable to provide its contracted service or product to the Group, this may have an impact on the Group's delivery of its own services. Therefore, ensuring that these Suppliers have their own effective business continuity arrangements (details of which must be included within their Service Level Agreement) in place is an important step in helping to ensure that they have considered incidents which could impact their service provision and have put contingencies in place to mitigate any potential disruption. Relevant Suppliers should also confirm their plan, exercise, or programme that demonstrates ~~that~~ their plans have been tested and ~~what~~provide the results of those tests ~~are~~. The Group may invite key suppliers to take part in the testing of the Group's own plans, and we may also request to take part in the supplier's exercise of their plans. In addition, suppliers may be asked to confirm what help they may be able to offer the Group in the event of disruption to the Group's business as it relates to the supplier.

8.7. Route to Market

All Group procurements should be carried out in line with the authority as detailed in the table below. Procurements deemed to be of high business risk political or reputational nature must be reported to the Executive Team (ET) as a minimum.

Financial Value	Process	No. of Suppliers	Responsibility	Authorisation
Below £25,000	Guidance on <u>WEW.E.</u> Connect that must be followed to achieve best value. Quick Quote process via PCS (quality/price) may be followed if the contract is deemed to be of medium risk or higher.	N/A unless Quick Quote is used. if so, 3 – 5 suppliers must be invited to quote.	Business with advice from Procurement	Budget Holder

£25,000-£50,000	Quick Quote process via PCS (quality / price)	3 - 5	Business with advice from Procurement	Budget Holder
£50,000 (Goods and Services) £2m (Works) and above up to PCSR Thresholds	Tender process via PCS – quality / price in accordance with the requirements of the Procurement Reform (Scotland) Act 2014 and the Procurement (Scotland) Regulations 2016	As per specific procurement route. Seek advice.	Procurement	Budget Holder/ Business Leader/ Executive Team
Above PCSR Thresholds	Tender process in accordance with the requirements of the PCSR	As per specific procurement route in the PCSR. Seek advice.	Procurement	Budget Holder/ Business Leader/ Executive Team May also require Group Board approval.
Beneath £50,000 (Goods and Services) and £2m (Works) where a competitive tender process is not possible	Waiver Approval Form	Single Supplier	Procurement	Budget Holder/ Business Leader/ Executive Team May also require Group Board approval.
Above £50,000 (Goods and Services and £2m (Works) where a competitive tender process is not possible	Negotiated Procurement without prior publication of a Contract Notice	Single Supplier	Procurement	Budget Holder/ Business Leader/ Executive Tea May also require Group Board approval.

Separate to the above, it may be that the procurement route involves use of a collaborative procurement approach in the form of a framework agreement or dynamic purchasing system, in which case the relevant process will be dictated by the detail of the relevant collaborative procurement approach.

Contracts with a value of less than £50,000 are not subject to Procurement Law and ~~are of a low complexity, in line with Scottish Government Guidance~~, do not require to be publicly advertised. Below this threshold staff will be offered training and support including an introduction to the Group's 'Passport to Procurement' program to use the 'Quick Quote' process via Public Contracts Scotland as good practice to achieve value for money.

The Quick Quote process is operated through the Public Contract Scotland Quick Quote facility and requires a minimum of 3 quotes from suppliers, who are independently invited to quote. Staff should be mindful when completing the Quick Quote process that they should not simply revert to previous suppliers. Furthermore,

staff must ensure that the chosen supplier is appropriate, and that due diligence has been carried out in terms of financial standing and references and the procurement is carried out in line with Group Standing Orders and guidance relating to spend under £50,000.

The rules of aggregation on contracts apply. This means that the contract value must be calculated over the duration of the contract. This can be reached by:

- The Group having requirements with several suppliers for goods or services, with similar characteristics, which in total exceed the Regulated threshold or;
- The Group having requirements with the same supplier over a period of time which exceed the threshold.

Contracts with a value in excess of £50,000 or where it is considered that advertising would be advantageous in terms of obtaining value for money, all contracts shall be advertised on the Public Contracts Scotland Portal.

~~Slice (Regulated):~~ £50k and over (Goods and Services) £2m and over (Works)

~~Slice is the~~ The procurement regime for Regulated works contracts over £2m and supply/service contracts over £50,000 and the relevant thresholds under the Public Contracts ~~for Works as legislated under the (Scotland) Regulations 2015 (see next section) is governed by the~~ Procurement Reform (Scotland) Act 2014 and ~~contracts~~ the Procurement (Scotland) Regulations 2016. Contracts of this value and nature must be advertised on Public Contracts Scotland using a contract notice or PIN in order to comply with S.23 of the Act.

~~Following the United Kingdom's withdrawal from the European Union (Brexit) on 31st January 2020 and the expiry of the transition period on 31 December 2020, the Public Contracts (Scotland) Regulations 2015 (PCSR 2015) have been amended to address the UK's exit from the European Union and the accession of the United Kingdom into the World Trade Organisation's Agreement on Government Procurement. Much of the processes and procedures to be followed in the PCSR 2015 remain unchanged. From Wheatley's perspective, one of the key differences is that we are no longer required to publish Contract Notices and Contract Award Notices via the Official Journal of the European Union and must instead publish them on Public Contracts Scotland. In addition, contracts which are below the thresholds in the PCSR 2015, but which are in excess of the thresholds for the application of the Procurement Reform (Scotland) Act 2014 will continue to be procured as Regulated Contracts. The current thresholds for the PCSR 2015 and the Procurement Reform Scotland Act in relation to Wheatley are set out below:~~

Public Contracts (Scotland) Regulations 2015 Thresholds

PCSR 2015	From 1 January 2023 ⁵ (inclusive of VAT)
Works	£5,372,609
Concessions – Works and Services	£5,372,609
Services and Supplies (non Schedule 1 Entities)	£214,904
Light Touch Regime	£663,540
Small Lots (works)	£884,720
Small Lots (supplies and services)	£70,778

Procurements for beneath the regulated ~~(slice)~~ thresholds can be undertaken by the Waiver process, these types of procurements are for goods, services & works where a contract is awarded to a single supplier which is deemed to be in the 'Best interests of the Group' and the Waiver Approval Form sets out the full background and justification to support the approval process, including any associated risks.

Procurements above the regulated ~~(slice)~~ thresholds, where the supplies or services can only be provided by a particular supplier shall be subject to a Negotiated Procedure without Prior Publication. This ~~is subject to~~ can be in the following circumstances:

- The Procurement's aim is the creation or purchase of a unique work of art or artistic performance;
- Competition is absent for technical reasons. This applies such that only if one supplier can deliver;
- The availability of competition has been reduced artificially and no reasonable alternative or substitute exists; and is absent on account of exclusive rights; or The protection of exclusive rights, including intellectual property rights. This applies only if competition has been reduced artificially and no reasonable alternative or substitute exists.
- There is urgency, not of the contracting authority's making.

Payment Approval

Payments to suppliers will be made in accordance with the terms of the particular contract. Our standard payment terms are within 30 days of receipt of a completed and valid invoice. Staff should note that payment terms will vary depending on the commodity being procured and, in particular, construction contracts must **include** for follow the new legislation payment provision approaches as set out in the Scottish Procurement Construction Policy Note (CPN) 1/2019. In order to ensure payments throughout the supply chain are made in accordance with the 2015 Regulations,

contractual obligations contained within the terms and conditions of engagement will be monitored and reported via KPIs.

Statutory Reporting

In order to comply with S.18 Procurement Reform (Scotland) Act 2014, the Group will publish an annual report concerning the Group's regulated Procurement activities of the previous financial year. The Group shall notify the Scottish Ministers of the completion of the report and said report shall be published on the Group's website. The Procurement Team shall be responsible for completing the required annual report.

Contract Register

In order to comply with S.35 Procurement Reform (Scotland) Act 2014, the Group will publish our Contracts Register on our website. The Register is a live document and is updated on a regular basis.

Delegated Authority to Procure

All procurement will be undertaken in accordance with the procedures set out within this Procurement Policy and read in conjunction with Group Standing Orders.

Staff may undertake the Group's 'Quick Quote' for procurement below £50,000 once they have completed the Group's 'Passport to Procurement' program. Where staff wish to procure goods, services or works above £50,000, they must refer to the Procurement Team for tendering purposes. With the exception of the Waiver process, the Procurement Team shall be responsible for managing all procurement above £50,000. Staff should refer to the table above outlining appropriate delegation of responsibility.

Contract Approval

Approval to award contracts for goods, services and works will be in accordance with the Scheme of Financial Delegation and the Procurement Policy.

Collaborative Procurement

The Group shall seek out opportunities to use collaborative contracts established by other organisations where it offers us better value for money than conducting our own procurement and meets our business needs.

As a result of the Group's size and scale we will use our leverage in the market to procure on behalf of other organisations in the housing sectors where value for money can be offered through collaborative procurements. We will use our strength to assist in the development of the Group by identifying opportunities to consolidate suppliers to gain economies of scale and to support transition for new procurement on contract expiry. We will seek to establish and develop Group wide frameworks, in accordance with the Scottish Procurement Construction Policy Note (CPN) 3/2017 guidance on frameworks, where appropriate.

As an associate member of Scotland Excel, the Group has access to a wide range of corporate and capital frameworks. This access to framework contracts has delivered efficiencies and financial benefit to the Group. The Group is also a participant on the West Territory Hub through Scottish Futures Trust. Other framework providers being used by the Group include the Scottish Procurement Alliance (SPA), Northern Housing Consortium (NHC), Health Trust Europe, Places for People, Crown Commercial Service, ESPO, Scottish Government and Procurement for Housing (PfH). The Group's procurement programme has been aligned with framework and dynamic purchasing systems availability to ensure contracting for optimal solutions with the best placed suppliers is realised. The overarching requirement to achieve Value for Money remains our key focus.

Plans for PCIP and Internal Audit

The Group Assurance function provides an internal appraisal service that reviews internal control systems in place across the Group's operations (e.g. Procurement). Internal Audit activity is aligned to the risk profile of the Group and provides assurance over the design and operating effectiveness of the controls put in place by management to manage known risks. A Procurement Risk Register is in place and is monitored regularly by Procurement management to ensure it continues to reflect the current procurement risk profile.

Procurement is a Group-wide function which is subject to periodic internal audit activity.

External accreditation is sought on a regular basis via Scotland Excel Procurement & Commercial Improvement Programme (PCIP) external audit.

9.8. Contract and Supplier Management

A Contract and Supplier Management (CSM) approach will be used by Contract Owners across the Wheatley Group. The aim of this approach is to provide a consistent and robust focus to the Group's contracting activities.

This approach will ~~drive~~enhance the value derived from both new and existing contracts ~~through increased~~by boosting supplier performance, fostering continuous improvement ~~cycles,~~ achieving mutual efficiencies, and ~~improved~~improving supplier engagement ~~with our suppliers. This enables.~~ It will facilitate the development of strategic partnerships ~~to develop~~ with key suppliers ~~and can deliver,~~ leading to tangible contract savings. As

Consequently, a ~~result,~~ CSM Guidance ~~Noted~~document is ~~appended to~~included with this policy for use across the Group ~~and the.~~³The document provides comprehensive instructions on managing contracts and suppliers effectively to ensure the delivery of outcomes, value for money, and additional community benefits. This guidance aims to ensure that contracts deliver the best value outcomes for customers and service users by focusing on continuous improvement, compliance, risk management, and sustainable service delivery. Key points include:

- Contract Ownership: Contract Owners, typically directors or managers, are responsible for managing contracts and suppliers in accordance with the guidance.
- Procurement Planning: The Procurement Team assists in identifying the appropriate route to market and developing procurement strategies.
- Risk and Resilience: High-risk contracts require a Risk Assessment and consideration of disaster recovery and business continuity processes.
- Supply Chain Security: Ensuring suppliers meet technical and security requirements is crucial for contracts involving technology services.
- Cyber Security: The contract owner should be aware of the security measures and protocols for contracts involving technology services and the processing of corporate and personal data. The primary goal is to ensure that suppliers meet the minimum technical and security requirements, adhere to key cybersecurity KPIs, and manage specific cyber risks that could impact the Group's network, systems, or data throughout the contract by regular engagement and service review meetings.

³ <https://wheatley.interactgo.com/Interact/Pages/Content/Document.aspx?id=55048>

- Stakeholder Involvement: Relevant stakeholders should be identified and involved in the procurement process to prepare specifications, technical questions, and pricing schedules.
- Contract Administration: This involves maintaining the mechanics of the relationship between the Contract Owner and supplier, including contract maintenance, change control, and risk mitigation.
- Supplier Development: Working with suppliers to optimise service delivery and maximise mutual benefits is encouraged.

The Procurement Team will supportassist Contract Managers in usingeffectively utilising this guidance to manage their contracts~~effectively~~. All staff with Contract Management responsibilities will receive training ~~in respect of~~ on relevant CMS procedures and software.

Supply Chain Risk

A Group Contracts Risk Matrix has recently been established and is available on W.E. Connect.⁴ The Risk Matrix is a crucial tool for managing contracts within the organisation. It helps identify and assess potential risks associated with contracts, ensuring that we can mitigate and manage these risks effectively. The matrix categorises risks into various types, such as: financial, compliance, environmental, geopolitical, technological, logistical, and operational. It also scores these risks based on their impact and complexity, placing contracts into one of the four quadrants below:



Category	Characteristics	Minimum requirements
Light Touch	Commodities that are found in abundance and/or in low-risk supply markets (e.g. office stationery / PPE wear).	Annual review
Routine Checks	Commodities/Services that are important but sourced from low-risk markets (e.g. Legal Services / Technical Consultancy) with solid supply but would have an impact on service if supply were disrupted.	Contracts must include supplier risk for discussion as a minimum annual contract review.

⁴ <https://wheatley.interactgo.com/Interact/Pages/Content/Document.aspx?id=55066>

<u>Monitor Closely</u>	<u>Service and Goods with a high business impact in economic terms, and where supply continuity is at risk (e.g. new build contractors/insurance providers)</u>	<u>Contract supplier discussions as a minimum every six months (contract review, you may also need VSA and H&S checks) Finance checks, Equifax report will be run centrally.</u>
<u>Actively Manage</u>	<u>Services and Works contracts that are important both in terms of economic impact and for supply conditions from complex and/or risky markets (e.g. Servitor)</u>	<u>Contract supplier discussions as a minimum every quarter (contract review, you may also need VSA and H&S checks)</u> <u>Finance checks, Equifax report will be run centrally</u>

This scoring system guides our approach to supplier management and contract oversight.

All contract owners for actively managed contracts will be invited to quarterly meetings led by the Procurement Team. These meetings aim to ensure that all documentation, such as DPIAs, H&S, VSAs, and insurance documents, are up to date. Additionally, the meetings will address any challenges or issues and provide an open forum for discussion and technical support.

Contract Management System (CMS)

Procurement have implemented a Contract Management System (CMS) to digitise our contracts which are now held on an electronic contract register and assist Contract Owners with their contract management responsibilities.

All Contract Owners will receive log in details to the CMS and will have access to administer, monitor and manage their suppliers/contracts. The CMS has threetwo modules:

- Sourcing – Used to add new suppliers, amend supplier details and routinely check supplier information (insurances, bank details etc). For sole use of Procurement currently. This module is also used to issue Requests for Information (RFI) to suppliers. Examples are Health and Safety and Equality, Diversity and Inclusion (EDI) compliance checks.
- Contract Management – this module is where contracts are set up and documentation is uploaded to ensure that all information relevant to the contract can be viewed in one place. To be used by both Procurement and Contract Owners (predominantly Procurement)
- ~~▪ Supplier Relationship Management (SRM) — this module is used to collate supplier performance via scheduled supplier requests aimed at understanding performance against pre-determined Key Performance Indicators (KPIs) or~~

~~other performance targets. To be used by both Procurement and Contract Owners (predominantly Contract Owners).~~

Procurement shall work with Contract Owners to set up their contracts in the first instance and maximise the CMS' functionality. Contract Owner shall be responsible for contract/supplier interactions thereafter. The CMS will alert the Contract Owner when an action is due and will repeat the alert until action is taken.

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10.9. Policy Review

This policy shall be reviewed annually and presented for approval to the relevant governing Board. However regular reviews will be considered where, for example, there is a need to respond to new legislation/policy guidance. Reviews will consider legislative, performance standard and good practice changes.

We will publish this policy on our website at www.wheatley-group.com and it is also available on request. Customers may also request a translated copy of the policy or in alternative formats.

11.10. Customer Service

Confidentiality

Confidentiality is not only a basis of trust in business relationships but also impacts on the protection of the Group's own interests in terms of retaining competitive advantage. It is the responsibility of any member of staff conducting procurement on behalf of the Group to ensure that third party information, which is of a commercially sensitive and confidential nature, is properly safeguarded. This may require that the supplier or agent of the Group signs a confidentiality agreement.

All personal information given by customers and suppliers in relation to this policy will be treated in accordance with data protection legislation.

The Group complies with the Environmental Information (Scotland) Regulations 2004 and is subject to the Freedom of Information (Scotland) Act 2002 (Designation of Persons as Scottish Public Authorities) Order 2019 which extends the Freedom of Information (Scotland) Act 2002 to cover Registered Social Landlords (RSLs) and their subsidiaries in respect of certain functions. This means that we respond to any request for information in accordance with the requirements of these regulations and this legislation. It is a standard condition of all our contracts that suppliers will assist the Group in complying with its obligations in terms of Freedom of Information (Scotland) Act 2002 and the Environmental Information (Scotland) Regulations 2004.

Complaints Policy

Our aim is to get it right first time. However, if you are dissatisfied with this policy, its operation or otherwise wish to raise a complaint the Group has a Complaints Policy. A copy of the complaints policy can be found on our websites and the staff intranet, or a copy can be requested by contacting the Wheatley Group on 0800 479 79 79. As with all our policies, a copy can be made available on tape, in Braille, in large print or in translation.

Where a complaint relates to the conduct of procurement under The Public Contracts (Scotland) Regulations 2015 the procedures outlined in the Regulations will be followed. The complaint will also be logged in accordance with the Group's Complaints Policy.

A Single Point of Enquiry (SPoE) has been established at the Scottish Government Procurement Directorate to which suppliers can address concerns about public funded procurement practices. Further information can be found at: <http://www.gov.scot/Topics/Government/Procurement/Selling/supplier-enquiries>

As set out on the website the supplier is expected to liaise with the contracting authority in the first instance to seek resolution or clarification

12.11. Relationship to Other Policies

This policy should be read in conjunction with the following documents which can be found on the staff intranet:

- Procurement Guidance Page on WE Connect
- Group Procurement Strategy
- Group Sustainable Procurement Policy
- Scheme of Financial Delegation
- Group Standing Orders
- Gifts, Hospitality, Payments and Benefits Policy
- Non-Executive Director Conflicts of Interest Policy
- Group EDI and Human Rights Policy
- Group Sustainability Framework
- Group Whistleblowing Policy
- Code of Conduct
- Group Fraud Corruption and Bribery Policy
- Group Anti Money-Laundering and Counter Terrorism Financing Policy
- Group Data Protection Policy
- Group Freedom of Information Policy

Would you like more information?

Freephone 0800 479 7979

Visit: <http://www.wheatley-group.com/>

Email: procurement@wheatley-group.com

Wheatley Housing Group Limited is a company limited by guarantee and registered in Scotland under the Companies Acts, having its registered office at Wheatley House, 25 Cochrane Street, Glasgow, G1 1HL. It is registered with The Scottish Housing Regulator as a registered social landlord. Company registration no. SC426094 Social Landlord no. 363
