



**DUMFRIES & GALLOWAY HOUSING PARTNERSHIP
BOARD MEETING
Wednesday 17 February 2021**

AGENDA

1. Apologies for Absence
2. Declarations of Interest
3. Minute of meeting on 18 November 2020 and matters arising

Main Business Items

4. Service mobilisation update
5. Transformation Programme update (Presentation)
6. Operating model update: approach to service delivery
7. DGHP NETS service (Presentation)
8. Stronger Voices, Stronger Communities – our new engagement framework
9. Group Homelessness Policy
10. Five Year Development Programme
11. Rent and other charges 2021/22
12. Five Year Financial Projections
13. Wheatley Solutions Services Agreement

Other Business Items

14. Finance Report
15. Scottish Child Payment
16. Delivery Plan 2020/21: Quarter 3
17. Transforming our payment methods
18. Governance update
19. Gender Pay Gap (presentation)
20. AOCB



Report

To: DGHP Board

By: Matt Foreman, Managing Director, DGHP

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

Subject: Service Mobilisation Update

Date of Meeting: 17 February 2021

1. Purpose

- 1.1 This report provides an update on our response to the impact of the pandemic on our services, customers and communities.

2. Authorising context

- 2.1 The activities addressed in this report are principally of an operational nature and are therefore delegated to the Group CEO under the Group Standing Orders. The Board has been kept regularly apprised of our progress through updates and regular board reports for DGHP.

3. Risk appetite and assessment

- 3.1 The unprecedented nature of the current situation raises risks in a number of key areas. These include:
- i. *Customers* - risks that our customers may suffer hardship and distress, not just through the risk of catching or through having the virus itself, but through the current government measures causing other effects such as hunger, isolation and mental and physical health problems
 - ii. *Staff* - risks that staff are exposed to the virus, especially those engaged in customer-facing activity; that we have a reduced workforce due to illness and/or self-isolating, and that those working from home may not be able to function effectively
 - iii. *Financial viability* - risks to our financial position, such as increasing rent arrears and reduced cash flow
- 3.2 These areas and the steps we continue to take to mitigate the risks are addressed below.

4. Background

- 4.1 This report provides a further update to Board members on our contingency operations to support both essential business and the new issues faced by DGHP and tenants. It outlines our current remobilisation status across key customer facing areas.
- 4.2 Remobilising in the face of a pandemic continues to be challenging. As restrictions change regularly we have to be extremely agile in amending and delivering our ongoing services, restarting those which have stopped, slowing down or stopping some services that were back to full service delivery and creating new delivery models at pace. As we change our approach we are ensuring robust communication with our staff and customers who need to understand what we are doing, why and to be reassured that our processes keep them safe. Despite these challenges we have continued to deliver our remobilisation plans.
- 4.3 On 26 December mainland Scotland was placed in Tier 4. This was followed by further announcements on 5 January which implemented a lockdown with guidance to stay at home except for essential purposes. Dumfries and Galloway has experienced a significant spike in cases since Christmas. Although this is reducing at present, the increase highlighted the importance of remaining vigilant to the spread of the virus and ensuring we keep DGHP customers and our team safe. As a result of the Government guidance, and further clarifications with the Scottish Government around house moves, repairs and construction activity, we have been very agile to implement further significant changes to our service delivery model.

5. Discussion

- 5.1 Throughout the pandemic we have continued to provide essential services to our customers. Over the summer we steadily scaled up the provision of services as restrictions allowed. As a result of the latest guidance our remobilisation plans have adapted to respond to new changes as and when they happen.
- 5.2 This report covers a number of key services including letting, rental income, homelessness, care, repairs services, new build, investment and environmental services. The tone of measures introduced by the Scottish Government clearly reflects the 'stay at home' guidance.
- 5.3 For DGHP the 'stay at home' guidance has resulted in changes to our housing management service. we have now appointed all 51 of our Housing Team as part of our transformation programme. The team have completed their induction and have been split into a 'home working team' dealing with customer enquiries and proactive support calls to customers. In order to reduce the number of team members in contact with customers we have a small visiting team of 15 officers that carry out accompanied viewings, gas service enforcement and any essential welfare visits of significant concern. The team have adapted extremely well to the changes, at pace.

Lettings

- 5.4 It is now a legal requirement to stay at home in level 4 areas except for essential purposes. Given the higher transmissibility of this new strain of the virus, it is of even greater importance than before that home moves, activities related in connection with home moves and essential housing services are delivered in a manner that minimises the risk of transmission and looks to keep everyone safe.
- 5.5 All home moves are permitted, provided they can be carried out safely. This continues to be the case following the introduction of the restrictions on the 5 January. Our Operating Safety Manuals (“OSM”) were already in place to cover this and staff dealing with voids and sign-ups continue to be issued with Personal Protective Equipment (“PPE”) and safe methods of working. Tackling homelessness and helping customers continues to be a priority for DGHP. As part of our remobilisation we have:
- Reduced the number of vacant homes from 164 vacant homes as at 6 July 2020 to 66 by the end of December.
 - ‘Flipped’ 24 temporary furnished flats in DGHP to permanent tenancies
 - Let 564 homes in the year to date, the vast majority since the start of phase 2 of our letting in August.
 - Let 325 homes to households that were homeless.
 - Reduced the Section 5 homeless waiting list from 142 active Section 5s at 1st June 2020, to 45 active Section 5s at 1st February 2021.
- 5.6 The rapid progress in reducing the number of empty homes has been the result of a highly integrated approach between allocations staff, housing teams and our repairs team. This has involved prioritising repairs to maximise efficiency, ensuring safe working patterns for staff.

Rental income

- 5.7 Maintaining our rental income so that we can continue to provide services, alongside supporting our customers to be able to pay their rent have been key priorities through the pandemic. Housing Officers continue to successfully operate our virtual model of support through telephone and digital contact. They have quickly integrated this with our home visit teams to maximise the impact of these visits. The work of the home visit team for rent calls has ceased since the 5th of January in line with the more severe restrictions.
- 5.8 This contact has enabled us to provide support and advice to customers at the point they need it most. It has been backed up by easy digital methods to pay which avoid unnecessary contact, with housing officers again providing support to help customers through the process. This contact has enabled us to provide support and advice to customers at the point they need it most.

- 5.9 Our total arrears consisting of the total current and total former tenant arrears is 4.41% as of 3 January. Group rent arrears are currently at 4.71% and the Scottish Housing Regulator monthly update results for November shows DGHP still compares favourably to our comparator group in terms of rental performance.

RSL	SHR November Result	Peer RSL Dec/Period 10 Result	Difference
DGHP	8.45%	4.41%	-4.04%

- 5.10 Phase 2 of our remobilisation plans commenced at the beginning of October. Following the Government's acceptance of the Homeless and Rough Sleeping Action Group's recommendations we now know that the 6-month notice period for Notice of Proceedings and evictions has been extended to 31 March 2021. We have therefore developed a revised escalation process with a new set of escalation letters. This includes the potential to escalate to Notice of Proceedings where we are satisfied that the household 'won't pay' rather than 'can't pay'. This will only be done following a review of each individual case, including an assessment of any COVID19 impacts and any potential vulnerabilities.
- 5.11 We had a small number of 'won't pay' cases that were issued a Notice of Proceedings in March last year. However, as the Scottish Government have extended their ban on evictions these notices have now lapsed and will be reviewed by our Housing Officers. We will also review our cases currently sisted at Court and for 'won't pay' cases that have significant and increasing arrears. In these cases, we will consider recalling the case to seek Decree as soon as the guidance allows. The use of bank and wage arrestment is a new part of our approach as outlined to the Board previously and this process is now underway. No cases have proceeded to this stage as of 31 January.
- 5.12 Over Christmas we provided 3,481 vouchers worth £104,430 to 1,755 families to enable them to better face the financial pressures over the Christmas period. We also carried out our Christmas Talk-to-us rent campaign. The benefit of both campaigns mean that we remain on target to maintain our high income collection rates and achieve our projected year end performance target.
- 5.13 Our Welfare Benefits Team continue to focus on supporting customers including assistance with claiming UC and other Welfare Benefits. We have supported a total of 158 households on furlough since the scheme was introduced to ensure they are aware of the support we can give them in the event that they face redundancy or difficulties with rent payments.
- 5.14 Our Welfare Benefits team have also supported 755 customers from 1 January to 31 December 2020, providing advice and support to maximise benefit entitlements. The team have generated £1.49 million pounds over the last 12 months, a tremendous achievement and a great example of how we have successfully adapted our service to ensure we continue to support customers to pay their rent.

Homelessness

- 5.15 We continue to prioritise lets to homeless households as part of our letting remobilisation. In the year to date more than 53% of our allocations have been directly matched to homeless households. We have continued our focus of supporting the Council and rehousing those in priority need. Since the start of COVID restrictions in March we have let 325 homes to homeless households. We have also supported homeless customers and have converted homes 24 from temporary to permanent accommodation.
- 5.16 We are currently working very closely with the Council to review the homelessness process of referrals. As the number of homeless households rehoused by DGHP increases we have a challenge to ensure the tenancies are sustainable and that appropriate wrap around support from DGHP and other appropriate specialist agencies is provided at the very outset. Our current tenancy sustainment rate for households rehousing as homeless is 79%. This is an area DGHP are focussing on for improvement. Working with the Council and learning from the homelessness information sharing in used in Glasgow, we are implementing new processes that will improve the customer journey and aims to ensure appropriate multi-agency support is in place from the outset.
- 5.17 We are also working with the Council to develop a 2-year Housing First pilot for Dumfries and Galloway. This is a requirement of the Councils Rapid Rehousing Plans and DGHP have agreed in principle to provide up to 20 homes to deliver the pilot. This is an important strategic housing project that further strengthens the growing relationship with the Council.

Customer Service Centre

- 5.18 Our Customer Service Centre continues to operate virtually from home. As part of our wider migration, the DGHP customer service team has linked with the wider Group team to provide an out of hours service for our customers. This ensures that our customers also have access to the 24/7 services that other Group partners benefit from. Since its introduction in late November 2020, the out of hours service has had over 1,394 calls presented with 189 calls in one day presented in early January due to poor weather conditions. This is an increase in the number of calls received out of hours as DGHP customers start to access a broader range of services out of hours.
- 5.19 The DGHP customer service team has also welcomed five new members of staff to the team in recent weeks. All staff were recruited locally and joined the team in early January 2021. The recruitment arose as a number of the existing Customer Service Team successfully obtained roles within the Housing Management Team as part of the recent recruitment in that area. This most recent recruitment demonstrates the commitment to provide jobs locally across the Dumfries and Galloway area.

Customer support

- 5.20 In addition to our core services, we continue to provide support to our customers through our wraparound services and through our specific provision during COVID. Since lockdown, we have undertaken 61,972 outbound contacts via a combination of Housing Officers, Supported Housing Officers and the Customer Service Centre Advisors.

- 5.21 A total of 35,477 of those were welfare checks. Though the current restrictions have meant that our home visiting has had to be curtailed, we continue to safely deploy Housing Officers to sign customers up in new tenancies and accompany Saltire on gas appointments to gain access. Operating Safety Manuals are being adhered to and PPE is being issued as standard.
- 5.22 As part of the DGHP Strategy Development Days Board will recall that we outlined the benefits of working closely with Wheatley Care as part of our transformation. As of January the DGHP Care and Support teams are now reporting into Wheatley Care. We also have agreed to put in place a dedicated Service Development Lead for DGHP that will support us to review and grow our Care and Support Services. DGHP have already started to benefit from the depth of expertise in Wheatley Care, with specialist advice around our COVID response and support to DGHP support staff.
- 5.23 The EatWell project in Dumfries and Galloway has been a huge success with over 3415 parcels delivered to the most vulnerable tenants in our communities. As anticipated, since the lockdown restrictions have eased, the reliance on this service has reduced. To replace the EatWell food deliveries we have moved to offering supermarket vouchers in emergency situations. Over £19.3k in vouchers had already been provided to a total of 442 tenants and their families in Dumfries and Galloway by 31 December 2020 using the new system.
- 5.24 The emergency fund continues to help customers in crisis situations. As with EatWell, numbers accessing the scheme have reduced but the help we are able to give is often crucial to the receiving households. Over 1790 customers have now benefitted from the Emergency funds available to support energy top ups, digital access and one-off emergency expenditure items. Housing Officers are also often crucial in picking up where households are struggling and in guiding customers to the right services to support them.
- 5.25 Since the 5th of January we have temporarily suspended our close cleaning services in-line with the most recent restrictions. We aim to reinstate this when it is safe and permissible to do so. Bulk uplift of rubbish continues due to the associated fire risks of bulk rubbish.

Anti-Social Behaviour

- 5.26 We are continuing to see normal levels of ASB reports for the time of year and continue to find there are complex cases which require a multi-agency response. We are working closely with the group Community Improvement Partnership and we are now able to utilise the group's existing relationships with Scottish Fire and Rescue, Police Scotland and the Scottish Ambulance Service.
- 5.27 Since October we have dealt with 241 incidents which have resulted in 31 written warnings and 6 final written warnings. In addition, we have sent 6 drug warning letters as well as a Pre-ASBO/streamlined eviction warning letter and 3 Pre-ASBO warning letters. Due to the lockdown restrictions, we are dealing with any new reports of ASB with members of our team investigating incidents working from home. We will only carry out ASB home visits if there are exceptional circumstances.

Repairs, Investment and Compliance

- 5.28 In March 2020 we suspended all non-essential works including appointment, programmed and cyclical repairs, investment programmes and works to empty homes. During this time our repairs team delivered essential and compliance work services only comprising emergency repairs, and essential works to empty properties for temporary accommodation and homelessness.
- 5.29 From 22 June 2020 the scope of works was widened to include work under our Safety First approach, for example shower repairs, CCTV surveys, controlled entry repairs, persistent leaks etc. A “Business as Usual Except” repairs service started on 2 November 2020, in which we provided a full repairs service except in a small number of cases where it was not possible to carry out jobs safely.
- 5.30 This was an important step towards full mobilisation of the in-house repairs service since its launch in April. The service operated with our fully-automated dynamic resource scheduling and Customer Service Centre Advisors’ making appointments with customers for all non-emergency repairs during November and December. As of 31 December 2020, the in-house repairs service had delivered a total of 15,777 reactive repairs since the beginning of April 2020. Emergency repairs have been delivered on average in 1.78 hours, delivering an exceptional service given our challenging geography.
- 5.31 As a result of the latest COVID announcements we have restricted the repairs service to essential repairs only in accordance with Scottish Government guidance, although where customers report non-essential repairs, we now record these repairs and will schedule them when we can do them safely.
- 5.32 Having addressed the backlog of voids built up as a result of the pandemic, this aspect of the service is now operating as usual with social distancing restrictions and PPE to ensure we work safely as we repair vacant homes.
- 5.33 Gas Servicing has successfully been running at full capacity and some investment compliance works (Smoke and Heat Detector Programme, Emergency Lighting and Periodic Electrical Inspections) have been in place since the end of September. We have remained 100% compliant with no expired gas certificates. Our smoke and heat detector programme has seen access levels reduce in January as customers have become concerned about providing access to their home to carry out these works. We are continuing to attempt to gain access for Smoke and Heat Detector installations and recording where access has been denied. We are working across the group to review our customer communications in this area and we anticipate the access rates to increase again once the current spike in COVID cases reduces in Dumfries and Galloway.
- 5.34 External investment programmes resumed in October 2020 and are progressing well. The internal investment program remobilised in November 2020 and surveying commenced for the installation of windows, kitchens, bathrooms and heating replacements. Due to the restrictions of the current lockdown at the beginning of January the internal workstreams have been suspended to ensure the safety of our customers, contractors and staff.

- 5.35 The investment programme has been reprofiled based on the assumption that the internal workstreams will be suspended until April 2021. The forecasted spend based on these assumptions is £6.3M which is £4.9M less than the revised programme that was previously approved by Board.
- 5.36 Despite the suspension to internal investment works we have remained focussed on delivery of external works, in particular any external works that will help us increase compliance with Scottish Housing Quality Standard ("SHQS"). As a result, we remain on target to achieve 92% compliance with SHQS by March 2021.
- 5.37 As a result of internal works including loft insulation, heating replacements and window replacements being suspended, the target of 88% compliance in Energy Efficiency Standard for Social Housing ("ESSH") by March 2021 will not be achieved. The anticipated compliance in ESSH is 86.1%.
- 5.38 We are striving to achieve full compliance with SHQS and the ESSH, however the safety of our staff and customers remains of paramount importance and the remobilisation of suspended internal investment works will need to be managed very carefully and will be subject to further Government guidance over the coming months. If internal works can be recommenced from April 2021 we anticipate full compliance with SHQS by the end of July 2021 and full compliance with ESSH by the end of August 2021. Both of these targets will be subject to regular review in line with COVID restrictions.
- 5.39 Surveying of all outstanding Aids and Adaptions has now been undertaken by City Building's architectural design team and work has now commenced in a COVID secure manner for customers who are happy to allow us to carry out these essential works in their homes. Works have been prioritised based on both need and risk. There is detailed engagement with customers to ensure that they understand the process for the adaptation installation and the procedures we will follow to keep them safe. This will include the options they may have to help with safety, for example staying or visiting somewhere else while the work is carried out if that is suitable.

New build

- 5.40 From 15 July, the construction industry moved into Phase 4 of its remobilisation. This means that there can be a steady state of operation with social distancing measures and/or COVID PPE in place. Construction work on new build sites continues as at 1st February.
- 5.41 An addendum was made to the Government Guidance in January 2021 which required additional safety measures such as more structured tool box talks, increased ventilation, no car sharing and increased use for masks. Both Ashleigh and City Building have confirmed that their operating procedures have been updated to reflect these changes and they remain compliant with COVID guidance and legislation.
- 5.42 Guidance was issued by Scottish Government to allow COVID related costs to be funded through the Affordable Housing Investment Programme, however a condition of this funding is that there must be a mechanism under the contract to allow payment. DGHP contracts allow for extensions of time but not payment for relevant matters. Given this, it is unlikely that funding will be available. This is consistent across the Group. Ashleigh are aware of this position.

- 5.43 The Monreith Project which is being delivered with City Build, commenced on site on the 10 August and works are progressing with social distancing and/or PPE in place. The project is expected to complete in March 2021.
- 5.44 Planning approval has been received for the Nursery Avenue Project. A site start is expected with McTaggart's Construction in February/March 2021 subject to technical approval being received from Scottish Water. The contractors Health and Safety plan including COVID related operating procedures will be provided and reviewed ahead of the site start.
- 5.45 Work continues to make progress in relation to the legacy sites. Planning approval has also been received for Eastriggs (18 units) where we are working with Ashleigh (Scotland) Ltd to allow a tender to be brought forward this financial year should funds become available from the Scottish Government.
- 5.46 Currie's European have now issued their notice to quit for the lease at Currie's Yard, Dumfries. The lease will end on the 28 February 2021. The site will be inspected prior to the end of the lease, made secure and services disconnected.

Staffing

- 5.47 We are reporting low levels of sickness absence. In the year to date DGHP has lost an average of 1.53% of working time due to staff absence compared to the target of 3%. Overall, the absence figures relate mainly to long-term sickness and HR are working closely with the line managers and Occupational Health to support employees back to work.
- 5.48 We currently have 38 staff on furlough, 8 of these are on flexible furlough which allows for a partial return to work. The increase in numbers from what we had anticipated at this time is due to the impact of the current lockdown.

6. Value for money implications

- 6.1 We continue to provide value for money to our customers; prioritising their needs within the constraints of the limitations on staff movement imposed on DGHP.

7. Impact on financial projections

- 7.1 The impact on income collection has been set out within the report. This will continue to be updated as the situation persists over the coming weeks.

8. Legal, regulatory and charitable implications

- 8.1 As part of the group we have maintained regular dialogue with the Scottish Housing Regulator over recent weeks, and they have appreciated our role, for example, in the housing sector National Resilience Group along with Scottish Government and local authority representatives, and our offer of support to smaller RSLs who may be unable to effectively deliver services in the current conditions.

9. Partnership implications

- 9.1 We continue to utilise our strong relationships with Scottish Government, local authorities and national agencies to support delivery during the crisis but also to influence planning to the benefit of our customers and services. We have held discussions with The Chief Executive and Leader and Deputy Leader of Dumfries and Galloway Council to further build on our positive working relationships.

10. Implementation and deployment

- 10.1 Co-ordination of all Group activity continues to be led by the Group CEO and Executive Leadership Team.

11. Equalities impact

- 11.1 None noted.

12. Recommendation

- 12.1 The Board is asked to note this update.



Report

To: DGHP Board

By: Matt Foreman, Managing Director, DGHP

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

Subject: DGHP Operating Model Update: approach to service delivery

Date of Meeting: 17 February 2021

1. Purpose

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

2. Authorising Context

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

3. Risk Appetite and Assessment

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

4. Background

- 4.1. Our commitment to exceptional customer experience is a key theme in our new strategy. Discussions with Boards across the group as part of updating our strategy highlighted that *'Digital service delivery will be the norm, but we will ensure no-one is left behind. We will prioritise the introduction of new service models in the first year of the strategy based on our experience of working during the pandemic, blending digital and face to face service whilst maintaining a strongly personalised approach.'*
- 4.2. This recognition of the importance of digital is not new and has been a clear direction of travel and priority for DGHP and customers. However, also as noted in feedback on the strategy, *'the Covid pandemic has provided an accelerant, which we should embrace, to the objectives and plans already set out in the draft strategy in two respects;*

- *increasing the use of digital methods for engaging with our customers and delivering services which are convenient, reliable and give the customer greater control;*
 - *while around 70% staff across the group are not office-based, our staff operating model should transition to a more hybrid home/office working approach now for staff who were previously office-based, accompanied by wider support for our people to work and lead in a more digital context. ‘*
- 4.3. At its meetings in September and November the DGHP Board considered and agreed two key elements of our operating model that sit alongside our approach to service delivery. These were our new ways of working and our new corporate hub model. Agreed plans for our ways of working will see us adapt from a “traditional” office-based set-up, with the vast majority of staff working in 9-5 or fixed shift patterns, to a much more flexible approach. This will include a hybrid model, where staff would have the choice of how to achieve the best of both worlds – social contact with colleagues every week, but flexibility to work from home, with reduced travel time and cost.
- 4.4. Our agreed corporate hubs in Dumfries and Stranraer makes clear that our future physical spaces will be places for collaboration, learning and inspiration. This fits with our local operational model and experience over the years. Customer footfall in our offices has steadily declined to a point where they have effectively become a staff base from which mobile working takes place to serve customers in communities, rather than frontline service delivery assets.
- 4.5. The approach to service delivery discussed here is the final step in defining how we will apply the accelerant from how we have responded this year to realise key aspects of our already agreed strategy more quickly than would have been otherwise possible.

5. Discussion

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

- **Enabling our Ambitions** - Our approach to service delivery embraces digital platforms to support our activities
- 5.2. We expect all of our approaches to service delivery, albeit some to a greater extent than others, to develop through the accelerant provided by the COVID-19 pandemic. Notable opportunities that will contribute to this include the ability to serve the customer more flexibly, move to hybrid working for staff and have non-customer facing hubs where staff can cluster and develop our digital and online approaches more rapidly than would otherwise have been possible.
- 5.3. Services including support and care, repairs and dealing with antisocial behaviour will, as now, continue to be built on skilled staff, providing high quality services to customers in their homes and communities. Service models in these areas will be enhanced including through greater use of online, digital, video and developing automatic confirmation of appointments and progress/service delivery updates and the ability to anticipate customer actions and respond proactively. An essential aspect of these new service models will be providing customers with easy routes to let us know when we have not lived up to our commitments. In practice, this will be achieved through having mechanisms, as part of every service, that are focused exclusively on providing a customer with the ability to let us know quickly when they are not satisfied, and that are geared towards us taking immediate action to resolve the situation. Examples of this include:
- As part of every repair, sending a text to the customer asking for them to rate the service, monitoring this in real time, calling every customer who does not rate the service highly and arranging immediately for necessary action to resolve the situation
 - Housing officers leaving cards as part of every customer interaction, with a dedicated helpline number for the customer to call if the experience or service had not met their expectation or resolved the issue
 - Introducing technology into our Customer Service Centre (“CSC”) where a customer is asked to remain on the line at the end of a call to rate the service. Again, any negative feedback would trigger an immediate call to the customer to identify and resolve the issue
- 5.4. The examples above are intended for illustration. In developing this approach multiple mechanisms will be deployed to ensure customers have choices in how they tell us their expectations of how we would meet our commitments. This will ensure we do not require a customer to use an approach they are uncomfortable with (e.g. some might want to avoid providing negative feedback on the phone or face to face.) or that is not available to them, (e.g. not all customers will have access to a mobile phone) when they are taking the time and effort to feedback on our services.
- 5.5. In-depth change will also happen in our housing service for staff as they work flexibly to meet the needs of customers at times that suit them in a hybrid environment spanning communities, our new hubs and their homes, and make even greater use of digital methods to keep in contact with customers. The greater strategic focus on knowing quickly where we have not met our commitments and acting on them will also mean that staff are required to be even more dynamic in their approach so they can get involved and fix the cause of any dissatisfaction, quickly. Consultation with DGHP frontline teams on the blended model took place in January 2021.

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

Our platforms

- 5.9. Key to these and other changes we will be clear on the platforms that we will build our approach to service delivery on and their purpose. These platforms will be:
- **Web self-service** for simple transactions (such as making a payment) that the customer wants to complete quickly with minimal effort.
 - **Web chat** for transactions where the customer needs a little advice or guidance, such as querying a bill, and that can be completed in a few interactions.
 - **Phone** for more complex interactions, such as a wellbeing check or raising/responding to an issue, where we or the customer want to understand the situation.
 - **Face-to-face** for more complex situations where we need to investigate or the customer is vulnerable, and for high value interaction for the customer and DGHP, such as moving into a new home.
- 5.10. At present our **web self-service** offer is immature. We currently have over 2800 registered customers in DGHP but the numbers transacting with us online since October is 1,205. The main uses of this platform currently by customers is for payments, to make service requests, or to request a call back from their housing officer. The ability to raise a repair is not offered currently while we are fully remobilising our service.

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

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

5.12. **Web-chat** is available with the DGHP CSC team, however the take up of this service is relatively low and has been paused for a short period as we induct new members of the contact centre team into their roles. Last year we had 81 customers using service. However, this is an area that we can further develop and improve by;

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

5.13. Our **phone** based service through our customer service centre and customers being able to contact housing officers is well established and mature. Last year, there were over 800,000 calls across group hubs in Glasgow and Dumfries, including in excess of 250,000 for repairs. Other key areas of demand include general enquiries and making a payment. In addition, housing officers across the group have made over 200,000 calls to customers including to support payment of rent this year. While this is a mature platform, significant change will be made as part of our new approach to service delivery including:

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

- providing a helpline where customers can detail when a service did not meet their expectations and that has the authority to take the action needed to make this right
 - promoting and reinforcing our 24/7/365 service so customers know they can get full service at any time which will help smooth demand throughout the week and fit with more agile working among many of our customers.
 - introducing automated text confirmation of appointments and the ability to see where the operative is when on route to the customer home.
 - updating the IVR and adding virtual queuing so customer can request a call rather than waiting on hold when demand is high).
- 5.14 As part of our transformation programme, and the introduction of an enhanced 24/7 CSC for DGHP we have now implemented out of hours call handling via the group contact centre. We have also consulted with the DGHP team and seconded the DGHP CSC team to become part of one virtual contact centre. Bringing our Glasgow and Dumfries centres together as one, making the most of staff not being tied to geography and unlocking the flexibility and increased business resilience that comes with working remotely at times that suit staff and customer demand whilst benefiting from the economies of scale and depth of expertise we can now access via the group team.
- 5.15 As now, **face-to-face** will be our most important platform going forward. This platform is mature and widely recognised as the main value component for customers, staff and our business across a wide range of activities in communities. These activities range from providing visible presence and routine service delivery every day through our repairs service to supporting our most vulnerable customers in complex situations including through our Community Improvement Partnership and the day in, day out actions of Housing Officers and our Support and Care staff. At DGHP we have recently implemented the 1:200 housing patch model which, once pandemic restrictions allow, will see a significant increase in face-to-face contact with customers in the future. Going forward, this platform will develop as part of our approach to service delivery through:
- maintaining our focus in communities, never forgetting that most of our staff will work in this way, delivering services and resolving 20% or so of our most complex or high value customer interactions.
 - scheduled welfare checks – building on the value this brought during lockdown - with customers to make sure they are ‘doing ok’ with the ability to act when not.
 - continuing to use new technology (phone, video, WhatsApp etc.) where appropriate to interact with customers.
 - exploiting flexibility from our new ways of working to serve customers at times, and in locations, that suit them.
 - exploring the value of predictive analytics to anticipate requirements, guide actions and augment staff judgement. This, along with GoMobile and other planned developments in digital will maximise our ability to take action when with customers in their home to meet service needs there and then.

- 5.16 In developing our approach to service delivery we also need to recognise the different demographics and segments we serve, and that particular experiences and skills will impact which platform customers are most comfortable using. To support this, we will look to market different options to different demographics. Examples of this might include recognising that some:
- older customers may prefer to use phone and face to face rather than web self-service or web chat, even for what we might regard as a simple transaction. This can also be supported with the successful introduction of the Alertacall Service for some of our customers.
 - younger customers may tend to adopt non-voice platforms because it is their preference even when we think phone or face-to-face are more appropriate for the particular request
- 5.17 Our planned virtual patches through which our resources will be tailored to, and build in-depth expertise in, the needs of particular customer segments such as older people is also part of how our approach to service delivery will become even more finely tuned and we will make sure no customer or group is left behind.
- 5.18 We expect our approach to service delivery through these platforms and the planned development activities to bring many benefits for our customers and our business including:
- even greater flexibility to serve customers when it suits them.
 - staff no longer working 9-5 or fixed shifts, or from an office based environment.
 - far quicker and simpler resolution for the vast majority of customer service requests, at the first point of contact through web self-service, web chat and by phone.
 - complex, emotional customer interactions dealt with by skilled staff in local communities or by other means that suit the customer.
 - much less dependency on geography - staff working remotely can serve the customer wherever they are.
 - a more connected group with staff clustering in any location and leaders working across our geography.
 - simpler paths to rapid rectification, as we increasingly anticipate when things have not gone to plan.

Leadership

- 5.19 As highlighted in our strategy and reinforced through earlier Board consideration of the people and physical aspects that will shape our operating model, adaptive leadership in a more digital context will be key to our future service delivery. As now, we will look to our leaders to collaborate in bringing the approach to service delivery to life. The role our leaders play in developing staff and ensuring the quality of our services will, as now, be critical in our new approach. Achieving this will involve regular in person one-to-one sessions with staff, creating conditions for empowerment and providing clear authorising frameworks, albeit often in less formal settings than the office locations of our past.

- 5.20 Our new models will also require adaptive leadership that is comfortable in two contexts that come with our new operating model, namely:
- Leading when staff cluster in hubs, reflecting how important these physical spaces will be and
 - Leading when many staff are working more remotely including at home at times through our hybrid model for people. The current restrictions have provided us with some experience of this from which we can continue to build and develop our approach.
- 5.21 Our expectation is that leaders will lead by example, operating in a hybrid way spending their time across our various hubs, working from home and engaging stakeholders.
- 5.22 When leaders cluster in hubs with each other and/or their teams they will be expected to:
- champion the service model so it becomes established and we make the most of the opportunities it brings.
 - advocate for the customer to ensure our approach to service delivery meets need.
 - motivate teams and each other including nurturing and sustaining individual wellbeing.
 - innovate and bring new ways of working that benefit the customer, quickly.
- 5.23 Providing the leadership staff need as part of our approach to service delivery when they are working at home or spending time in communities with customers will also be essential. Here we will expect our leadership to:
- enhance performance in an environment where face to face contact is reduced.
 - communicate in virtual environments where this will be less natural and there are fewer visual indicators to go on.
 - be digitally literate, as Zoom, WhatsApp, social media, AI etc. become an ever increasing part of everyday life.
 - adapt to new challenges and ways of working that best meet customer needs.
 - be available when staff need them, especially when working at weekends and evenings is part of our more flexible approach.

Behaviours

- 5.24 As now, behaviours will be key to the success of our approach to service delivery. Our new approach will, amongst other things, require our people to be:
- committed to co-creation with customers and equipping customers to do the right thing for themselves and become self-reliant.
 - comfortable in an environment where 75% of staff do not routinely work 9-5 or fixed shifts.
 - able to balance working in communities and from home.
 - willing to take power to make the right decision and act quickly to resolve customer requests and to seek out and deal with any situation where the customer is not satisfied.
 - proactive in identifying customer/service issues and intervening to correct them.

- collaborative in working across group and beyond.
 - accountable for their performance and career progress.
- 5.25 Currently staff bring many of these behaviours as demonstrated by their contribution in already providing an excellent service including during the pandemic. Staff commitment to their own development will be particularly important especially given the hybrid nature of work for many and reduced face to face contact. Key to this in our new model will be our peoples' ability to:
- tap into peer-to-peer networks for ideas, support and sharing.
 - identify and own their development needs and be active in making sure these are met.
 - explore flexible career models and be open to opportunities as they develop.
 - be confident and assertive in dealing with a range of stakeholders.
 - look after their own wellbeing.
- 5.26 As mentioned above, staff wellbeing will, as it is currently, be a major consideration in ensuring the success of our approach to service delivery. Key aspects of this will include:
- continuing, as we have throughout the pandemic to have COVID secure workplaces and to implement learning in terms of workplace hygiene and infection control.
 - tackling staff isolation including through nurturing collaborative working, introducing tools to support this and retaining a strong focus on the team.
 - making training and coaching sessions interactive with small numbers to encourage participation and establish relationships.
 - developing specific induction and training programmes to help younger and new members of our team adapt to our approach to service delivery.
 - investing in the right technology so that staff are confident of delivering the new service model.
 - ensuring staff have the right home working environment where applicable.
 - Encouraging physical activity.
 - Promoting positive mental health including through giving staff control and the ability to make a difference through a service delivery model with staff empowerment and clear authorisation frameworks at its core.
 - Developing wellbeing packages that support flexible working.
 - Using our new hubs where staff cluster to make connections.

Wheatley Solutions

- 5.27 The focus in this report so far has mainly been on our new approach to service delivery for customers. However, the platforms and approaches to service delivery discussed here will be equally applicable to Wheatley Solutions and how it supports colleagues across the group. In particular, staff in Wheatley Solutions will need to work in an agile way to support a Group that is serving customers when it suits them. The platforms discussed (WSS, web chat, phone and face to face) will be applicable to meeting the needs of internal colleagues and used in similar ways as for customers, with self-service and chat options developed for more straightforward transactions, and phone and face to face for complex matters.

- 5.28 Opportunities created through our new approach such as staff being able to work in a hybrid way and not being bounded by geography will be key as Wheatley Solutions develops its approach to service delivery as part of our new operating model. This will include a performance framework for Wheatley Solutions that allows group partners to be clear on the contribution made to their business objectives will be a priority.
- 5.29 The new approach to service delivery discussed here is expected to have a major impact in realising the ambition and strategic outcomes in our 2021-2026 strategy including to make digital service delivery the norm, while never losing the personal touch. Our new approach is also expected to deliver particular service outcomes including that:
- 85% of service requests will be fully resolved at first point of contact.
 - 25% of customers will choose to transact with us at times that are convenient for them outside 9-5 weekday hours.
 - 75% of our staff are working more flexibly.
 - 90% of our complex, emotional customer interactions will be dealt with initially by skilled staff in the field or by means that suit the customer.
 - Over 50% of customers will actively use their online account to transact with us.

6 Key Issues and Conclusions

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

7 Value for Money Implications

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

8 Impact on financial projections

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

9 Legal, Regulatory and Charitable Implications

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

10 Implementation and deployment

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

11 Partnership Implications

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

12 Equalities Impact

- 12.1 There are no equalities implications associated directly with this report. Appropriate arrangements will be developed for vulnerable customers, those with particular needs, and different demographics to ensure no one is left behind as part of implementing the new approach to services delivery. Appropriate support and arrangements will also be considered on an individual basis to ensure we support any members of our team with exceptional circumstances as part of the transition to our new operating model.

13 Recommendations

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



Report

To: DGHP Board

By: Matt Foreman, Managing Director DGHP

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

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

Date of Meeting: 17 February 2021

1. Purpose

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

2. Authorising context

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

3. Risk appetite and assessment

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

4. Background

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

- 4.2. A new Group engagement framework – **Stronger Voices, Stronger Communities** – has been developed to help support the delivery of this ambition. Through the deployment of this framework, we will seek to ensure that our customers and communities will feel more in control of their personal and collective wellbeing, inspired to raise their aspiration and able to realise their potential.
- 4.3. The Group framework (attached at Appendix 1) is designed to be accessible and flexible, enabling customers to engage with us at a time and in a way which suits them. Through this framework we aim to improve the opportunities for engagement which are available to our customers and widen the diversity of customers who are actively involved in shaping services. The table below sets out some key differences under the new framework.

Table 1

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

- 4.4. Our previous approach to engagement was very positive. In 2016 DGHP were awarded the Gold Accreditation by Tenant Participation Advisory Service (Scotland) and in 2017 DGHP picked up the Young Tenant Involvement Champions Award from TPAS. The high levels of engagement from the Tenant Ballot in 2019 to form a partnership with the Wheatley Group is also another strong example of good customer engagement in DGHP. However, our services and the lives of our customers have evolved and it is important that we build on that positive foundation and broaden the opportunities customers have to increase the power of the customer voice in the future.

- 4.5. With the roll out of our Think Yes culture any staff member engaging with a customer listens and responds to what the customer is saying to find a positive solution. Community groups/meetings are another way in which customers can raise issues which matter to them, as are our locality events where investment priorities are discussed, and pop-up sessions in local areas. Our customers can become involved in estate and other inspections and are able to provide feedback and agree actions for improving neighbourhoods and services.
- 4.6. DGHP has a small number of Tenant and Resident Groups, (TARAs), and the Dumfries and Galloway Federation of Tenants and Residents. In September 2019, the Board also agreed to establish a Tenants Voice to engage with customers and get views about the services we deliver across the region. These groups remain important to our engagement plans and we will remain engaged with them as part of our new engagement framework. We will need to work with customers to review the terms of reference for the Tenants Voice to ensure it complements our new governance and engagement framework.
- 4.7. As a result of the pandemic the ways in which we engage with customers in formal groups will evolve as we embrace new technology platforms. There is also an increased opportunity for DGHP customers to work as part of a group wide network, sharing learning and expertise with all tenants across the group. As an example of this DGHP customers are now represented on the Wheatley Scrutiny Group, comprising tenants from across Wheatley Group, who meet regularly with senior officers to look at performance and service improvements.
- 4.8. The pandemic has accelerated our digital strategy and both staff and customers have developed their digital skills. Engagement with customers has been taking place in a digital space both on a 1-2-1 basis with individual customers and with groups of customers. Through the emergency response fund we have been able to provide some customers with tablets which have increased their ability to connect and communicate with us, with other providers and with their friends and families.
- 4.9. We have also recruited three new engagement officers as part of our transformation, bringing a fresh approach and skillset to our engagement activity. An early part of their remit will be to work with customers across the region to ascertain how we can assist their engagement. We will be looking at digital solutions such as apps but also to see if they would prefer more open days and pop up events alongside more formal meetings.
- 4.10. In developing the customer engagement framework we have sought to take advantage of the opportunities that a more digital environment can bring to our engagement approach in terms of accessibility and flexibility, whilst ensuring that face-to-face engagement remains an important part of our engagement and our service provision.

5. Discussion

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

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

Figure 1 – The Stronger Voices framework



- 5.4. The supporting processes; job roles; and outcomes which are sought for each pillar are set out within the framework document at Appendix 1. These cover the range of options which customers will have available to them, such as
- providing a single comment or piece of feedback;
 - suggesting an idea for improvement;
 - being involved in a focus group discussion;
 - scrutinising our performance;
 - assessing the standard of our estates;
 - redesigning a customer service journey;
 - testing a new product;
 - making decisions on a budget or policy priority
 - accessing learning or accreditation opportunities; or
 - joining an apprenticeship programme
- 5.5. The **We Listen** pillar is a very open form of engagement which we would expect all customers can and will access at some point in their relationship with us. It enables customers to put forward ideas which are not driven by our agenda. Customer conversations carried out by Housing Officers are an example of this – where the customer can bring up anything which is important to them, and the Housing Officer listens to understand what our role might be and how we can help.

- 5.6. Often this will be about opening service options for customers, but it might also be about supplying information, or developing insight which will help for example to create a community project or influence a service change. The main outcomes from this pillar are increased customer satisfaction; faster complaints resolution; lower levels of waste demand, better customer relationships.
- 5.7. The main purpose of the **We Consult and Co-create** pillar of engagement is to test and consult on proposals; identify what doesn't work in current processes or policies; co-design new services or products; and challenge our collective thinking in order to improve. The outcomes are increased customer satisfaction; fewer complaints; lower levels of waste demand; and better value for money as resources are deployed in accordance with customer priorities.
- 5.8. The **We give power...** pillar focuses on ways in which we can safely empower our customers to make decisions on their own homes and environments, and to make decisions on priorities and resources. Our development of on-line, self-service tools help to promote this for the individual customer - for example, they can decide and track when and where they want a repair carried out; use a budget calculator to make a decision about whether they can afford their own tenancy; or use a Wheatley MyCommunity app to seek consensus with neighbours to improve a shared garden area or other neighbourhood improvement ideas. Increasing the proportion of our budgets that customer have a direct say over is an important outcome from this pillar.
- 5.9. The main purpose of the **We Support** pillar of engagement is to support people to develop their potential and build capacity and resilience in our communities. We have experience of using approaches which support this already, especially within Wheatley Care and other support services provided throughout the Group. Encouraging volunteering in our communities; encouraging individual expression through music and art; and supporting youth development projects are all ways in which we can support people to develop their potential. Working closely with our Wheatley Foundation colleagues will maximise the opportunities for using grant funding to support these activities and integrate them with our engagement approach.
- 5.10. The Group framework sets out the commitment to create a programme of engagement activity which is linked to the Group strategic delivery plan and to recruit 100 customers across our partner organisations in Group to become *Customer* or *Community Voices*. This will be attractive to customers who would like the opportunity to be more involved in discussion and co-design with us, and will be supported by a learning and development programme. The programme will ensure customer involvement at an early stage within all appropriate strategic delivery projects, with business leads having the responsibility for leading this engagement as part of project development. The performance target for this will be that 50% of Group strategic delivery projects will have customer engagement as an early milestone.

- 5.11. In DGHP we will use this approach to re-energise our customer involvement activity with some of our currently engaged customers. Increasing the diversity of actively engaged customers is something the Board, and officers are very keen to take forward, and the Community Voice programme provides an ideal opportunity and support to do this. This will enable our customers to engage not only around local community issues but also to be involved in co-creating and improving Group-wide services such as repairs, environmental services, 24-hour customer service etc.
- 5.12. As we change the engagement environment to strengthen the customer voice and shift more power to our customers the approach of our staff will need to change to support this. Table 2 below uses some examples to illustrate this for different job roles, showing how over time the customer role becomes more proactive and the staff role becomes more enabling.

Table 2 – changing the engagement environment for staff

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

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

Table 3 – transforming the customer engagement environment for Boards

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

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

6. Key issues and conclusions

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

7. Value for money implications

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

8. Impact on financial projections

- 8.1. There is no impact on financial projections arising from the proposed engagement framework.

9. Legal, regulatory and charitable implications

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

10. Implementation and deployment

- 10.1. The deployment of this framework in DGHP will be supported by our three Community Engagement Officers who will oversee our annual engagement programme which supports the customer voice. A draft programme is included at Appendix 2 to illustrate the programme of activities which will take place for DGHP customers in 2021/22. This will be subject to any new emerging projects that are also identified as part of the 2021/22 delivery plan.
- 10.2. The 2021/22 Group strategic delivery plan will include customer engagement as an early milestone in at least 50% of the projects.

11. Partnership implications

- 11.1 All partner organisations will adopt the framework set out in Appendix 1, tailored to their own customer profiles and contexts.

12. Equalities impact

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

13. Recommendations

The Board is asked to

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

Stronger Voices, Stronger Communities

Customer Engagement Framework

December 2020

Stronger Voices, Stronger Communities

Vision

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

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

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

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

I feel in control and have choices

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

I shape the services I receive

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

I have access to the information I need

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

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

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

The Framework

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

Figure 1 – The Stronger Voices framework



1. We Listen **You are heard**

Processes

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

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

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

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

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

Key Roles

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

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

Outcomes

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

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

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

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

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

Processes

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

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

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

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

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

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

Key roles

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

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

Outcomes

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

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

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

Processes

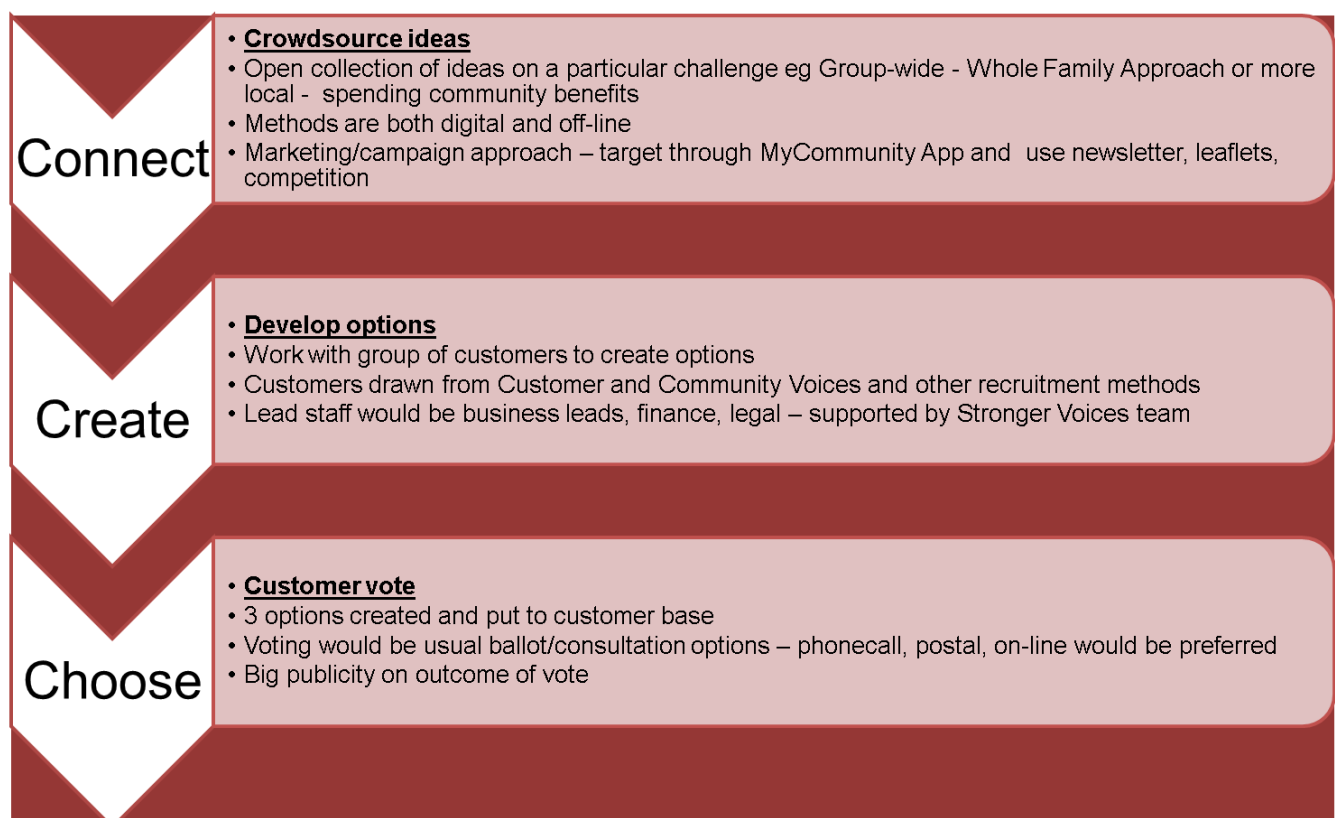
The processes for this pillar focus on ways in which we can safely empower our customers to make decisions on their own homes and environments, and to make decisions on priorities and resources. Our development of on-line, self-service tools help to promote this for the individual customer - for example,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

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

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

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

Figure 2 – You Choose Challenge



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

Key roles

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

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

Outcomes

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

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

4. *We support* ***Your voice is stronger and people listen to you***

Processes

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

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

Key Roles

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

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

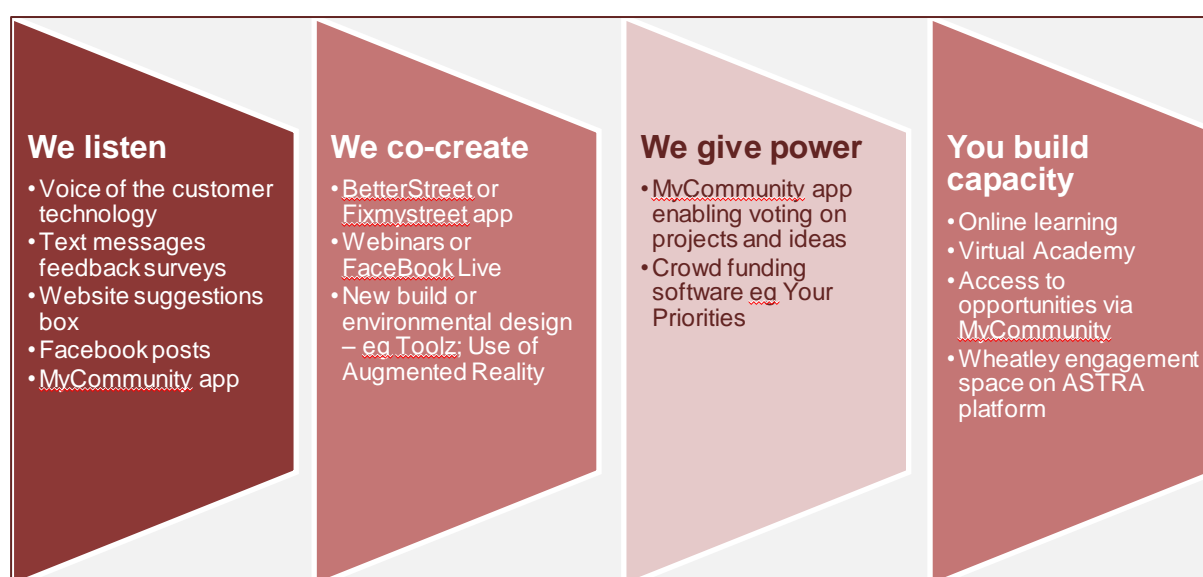
Outcomes

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

Digital Engagement

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

Figure 3 – Digital tools to support engagement



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

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

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

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

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

Staff resources

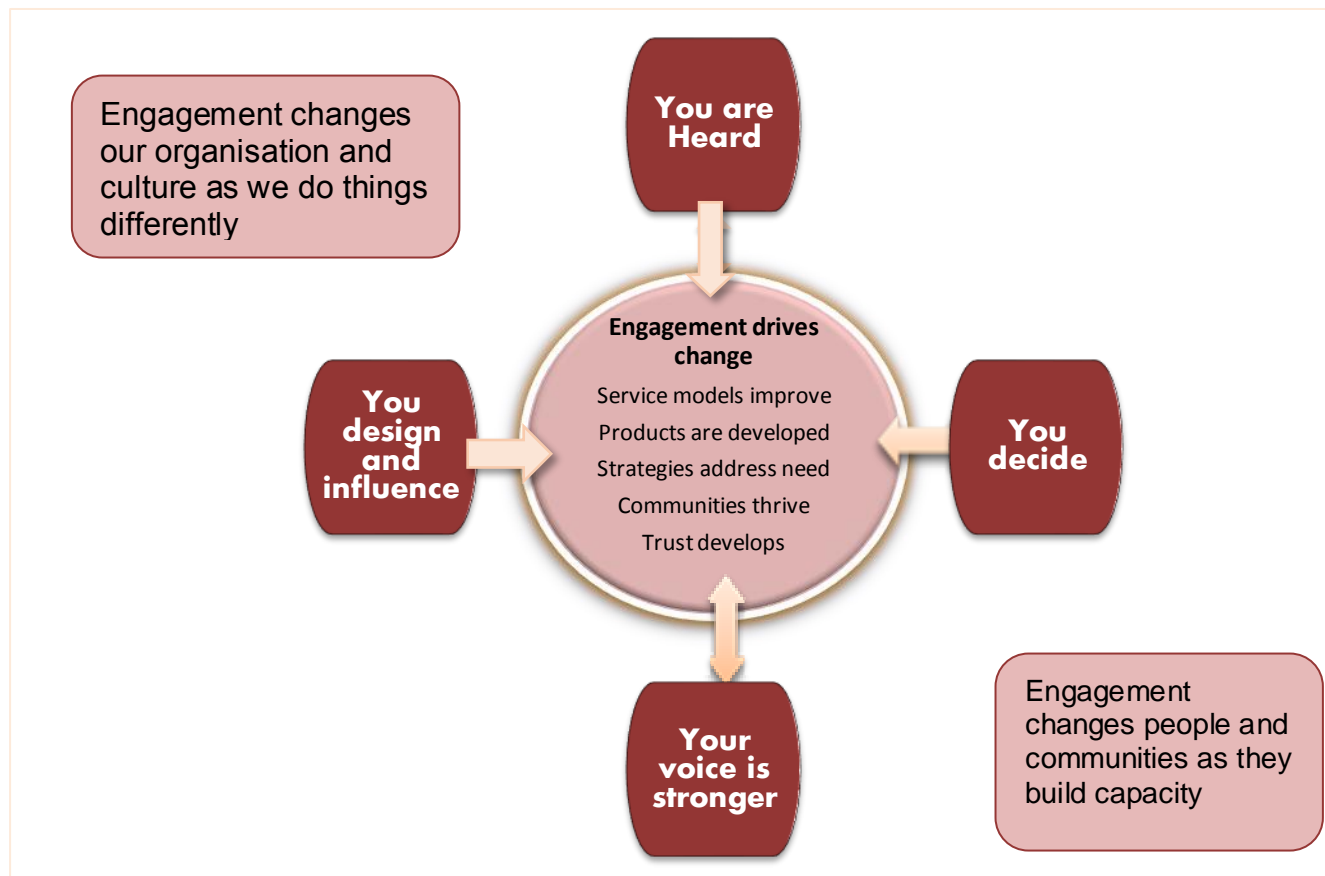
Every member of staff in Wheatley Group has a role in promoting engagement and responding to the customer voice in all our activities. The Stronger Voices team will support business leads to ensure this happens and will oversee the annual engagement programme which supports the customer voice throughout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

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

Framework outcomes

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

Figure 4 - Framework outcomes



KEY PERFORMANCE INDICATORS

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

Wheatley strategic engagement - sample programme

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

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

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

DGHP draft engagement programme – 2021/22

Month	Activity	Outcome	Supporting pillar
April	<p>Discussion with Tenants Federation on new engagement framework and investment programme update.</p> <p>Discussions with engaged Tenants to develop the DGHP Tenant Voice Panel and other engagement opportunities in new framework</p> <p>Informal conversation on service experience and priorities with 50 customers via digital or phone</p>	<p>Customers are involved in the shaping and the delivery of the new framework</p> <p>New voices are heard</p>	<p>You influence and co-design, You are heard</p>
May	<p>6 monthly performance is published on line and customer scrutiny invited through MD webinar</p> <p>Informal conversation on service experience and priorities with 50 customers via digital or phone</p>	<p>Customers choose investment in their homes and communities</p> <p>New voices are heard</p>	<p>You influence and co-design</p> <p>You are heard</p>
June	<p>Programme for Customer and Community Voices is developed based on boards strategic delivery plan</p> <p>Performance scrutiny framework launched</p>	<p>New opportunities for involvement</p> <p>New voices are heard</p> <p>Customers are involved in scrutiny</p>	<p>You influence and co-design</p> <p>You are heard</p>

			Your voice is stronger
June	Recruitment drive for Customer and Community Voices launches	New voices are heard	You are heard
June/July	Summer gala days/outdoor events	Publicise services, publicise feedback loop, community consultation, local investment priorities New voices are heard	You are heard
August	Apprenticeship programme launches	New voices are heard	You are heard
September	Learning and development programme to support the Customer and Community Voices Tenant Voice delivery plan 3 month review	Customers are supported to develop knowledge and skills	You are heard Your voice is stronger
October	Rent consultation - Face-to-face focus groups (balanced for age/gender) - MD Webinar - Interactive email and Website feedback	Consultation informs budget setting New voices are heard	You are heard You are heard

November	6 monthly performance is published on line and customer scrutiny invited through MD webinar	Customers are involved in scrutiny and improvement ideas	You influence and co-design You are heard
January	Annual Group You Choose Challenge launched Customer led review of informal consultation topics	Ideas are crowdfunded, innovation is supported Customers are involved in scrutiny and improvement ideas	You decide You influence and co-design
February	Co-creation session with staff and Customer Voices identify 3 ideas to take forward	3 ideas are identified	You decide
March	Group Delivery plan approved	At least 50% of projects have specific milestones covering customer engagement – which helps develop the Customer and Community Voice programme	You influence and co-design
April	The 3 “You Choose” ideas are marketed on-line and voting takes place	Customers decide on policy	You decide
April	Customer and Community Voices annual Group conference – presenting their findings to senior staff, Boards and other stakeholders, including interested customers	Confidence building and skills development – showcasing achievement	Your voice is stronger

May	Customer ideas and feedback are incorporated in Board strategy sessions for Board consideration	Customer input informs strategy development	You influence and co-design
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Report

To: DGHP Board

By: Matt Foreman, Managing Director, DGHP

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

Subject: Group Homelessness Policy

Date of Meeting: 17 February 2021

1 Purpose

- 1.1 This report presents the new Group homelessness policy, which supports the ambition in ***Your Home, Your Community, Your Future*** to lead in the national agenda around rapid rehousing and Housing First, supporting the Scottish Government and local authorities in the delivery of their five year plans.

2 Authorising context

- 2.1 Our approach to homelessness, and the contribution we will make in terms of social housing provision, are strategic decisions. The designation of a policy as a Group Policy is reserved to the Group Board. The day to day operational work will be delegated to the Group CEO under the Group Standing Orders. The report is provided for information and comment to the DGHP Board.

3 Risk Appetite and assessment

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

4 Context

- 4.1 Almost 37,000 homeless applications were received across Scotland in 2019-20. Around half of these households have a support need and many are families. As a result of the numbers, many households spend considerable time in temporary accommodation often with more than one move. Almost 12,000 households were in temporary accommodation in March 2020 across Scotland, most of them either young single men or families.

- 4.2 In 2019/20 Dumfries and Galloway Council had 883 homeless applications, of which 721 were unintentionally homeless and were referred for rehousing via Section 5 referral to local RSLs.
- 4.3 As the largest social housing landlord in the region DGHP already makes a significant contribution to addressing homelessness across Dumfries and Galloway. Since we restarted letting in June 2020, over 50% of our lets have been to homeless households. As part of the phased approach to relets DGHP have undertaken regular meetings with colleagues from Dumfries and Galloway Council Homeless and Housing Options team to jointly discuss suitability and sustainability of properties for Section 5 applicants. These are proving to be beneficial and will assist us as we work to improve tenancy sustainment amongst section 5 customers across DGHP stock. As a result, we have reduced active Section 5 homeless waiting list from 142 at 1st June 2020 to 45 active Section 5 homeless applicants at 1st February 2021.
- 4.4 DGHP have a particular challenge in sustaining the tenancies of households rehoused as a result of being homeless. Our performance in 2020/21 indicates that only 79% of households rehoused as a result of being homeless sustain their tenancy beyond 12 months. This will be a particular area of focus for DGHP during the life of our new strategy as we strive to increase the tenancy sustainment rate.
- 4.5 Our partnership working with Dumfries and Galloway Council extends to the establishment of a Prevention Working Group which meets fortnightly to discuss DGHP customers in high arrears. The aim of this group is to carry out joint discussions and work closely to prevent future court action to recover possession of tenancy and prevent a homeless application at the point of eviction by working at an earlier stage to support our customers.
- 4.6 During the pandemic we have also supported Dumfries and Galloway Council by increasing the number of homes provided for use as temporary accommodation. We have also led the way in “flipping” 24 of these homes to a permanent home wherever this has been suitable for the household.
- 4.7 People who are homeless are often stigmatised by others, further compounding their sense of isolation. Communities which receive high levels of homeless households are also often stigmatised. Part of the work of this Policy will be to help to change the narrative of homelessness in our communities. We aim to create a more positive sense of how the right home and the right support can help people to become valued contributors to the neighbourhood they live in, whilst recognising the challenge this can sometimes bring.
- 4.8 Supply of affordable housing is a major issue in resolving the level of homelessness. In some areas there is an overall shortage of affordable housing but there is also generally a mismatch between supply and demand with some homeless households.
- 4.9 Analysis done before Covid-19 showed that more than 50% of all local authority and RSL lets would have to go to homeless households for the next 5 years to address the backlog. However, there are other groups on waiting lists who also acutely require rehousing. These include those who are overcrowded, those with medical needs and separating partners. In many instances, failure to help these households through our waiting list would result in an increase in numbers who are homeless.

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

5 **‘Your Home, Your Future, Your Community 2021-26.’**

- 5.1 The Group Strategy highlights some key actions that DGHP contribute to in relation to homelessness:

- Housing 10,000 homeless households by 2026
- Strengthening the pathways of services and support for homeless households through working with those who have lived experience;
- Creating an integrated Group value proposition through our expertise and resources across care, support, housing, advice, training, volunteering and employment.

- 5.2 It emphasises the work we have done over the past five years with customers and communities to ensure our neighbourhoods are places customers want to live. In the next five years we aim to future-proof this by an increased focus on resilience, skills and confidence. This aim is central to our new Homelessness Policy.

- 5.3 This Policy sets out in more detail how these commitments will be delivered. It builds on our existing strong record. As well as providing temporary and permanent homes to homeless households we have provided the most extensive range of additional support in Scotland including money advice, furniture, access to jobs and training and fire safety measures.

6 **Vision and Aims**

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

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

- 6.2 It sets out how we will work with our customers and our key partners to reduce homelessness while creating balanced and peaceful neighbourhoods. We are also committed to working towards the UN’s sustainable development goals and the Policy will have an important impact on most of these but particularly the goals related to poverty, health and wellbeing, reduced inequalities and sustainable cities and communities.

- 6.3 The key outcomes of the Policy are to:

- **Create balanced communities** which are peaceful, welcoming and supportive in which people of all backgrounds want to live and can contribute;
- **Prevent homelessness** wherever possible so that more households avoid the trauma and stigma of homelessness;

- **Co-create** the services in this Policy with customers who have experienced homelessness or the threat of homelessness so that our services and products are directed in the way that works best for the households that need them;
- **Provide more homes for homeless households** who have become homeless and supplement this with access to our mid-market rented homes where these are suitable; and
- **Develop a unique multi-skilled expertise** which ensures an understanding of all the impacts which can face those threatened with homelessness so that our staff can provide an empowering and supportive experience for our customers.

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



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

Measure	Target
Number of homes provided cross the group to households assessed as homeless by the local authority	10,000
% of lets provided to homeless households in Dumfries & Galloway	50%
Increase the number of Housing First tenancies across our footprint	500
% of Wheatley households at risk of homelessness who are helped to avoid homelessness	Baseline to be determined in 2021

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

7 Our approach

7.1 Our Policy is underpinned by some key principles:

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

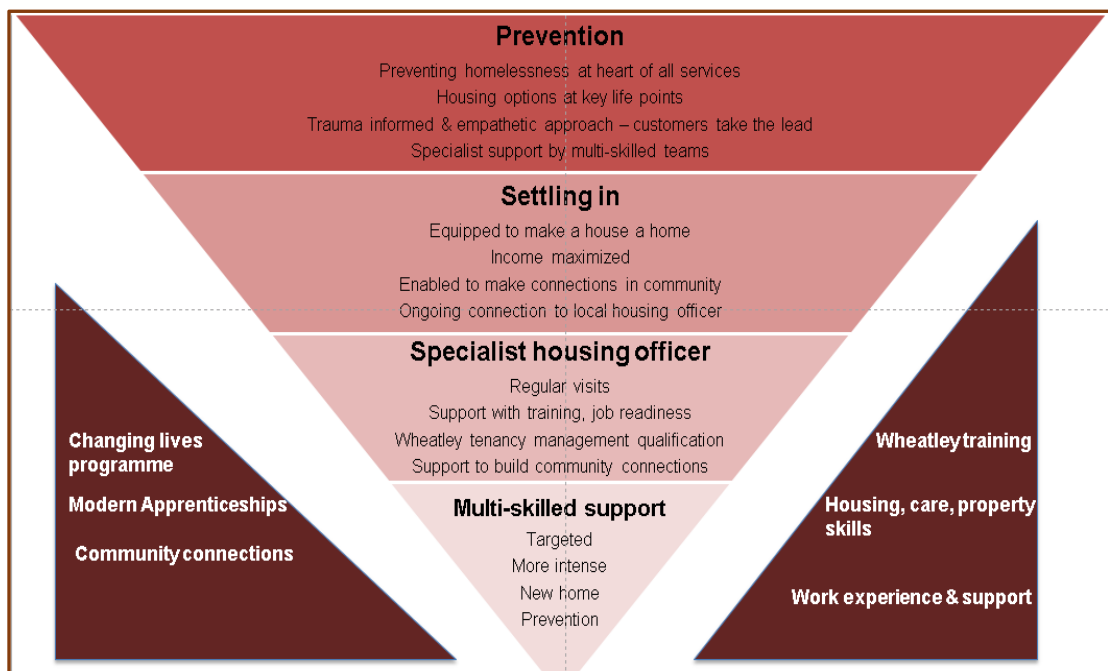
7.2 The Policy sets out a structured approach to addressing homelessness. In line with our Group Strategy, it focuses on ensuring that our customers will be empowered to make their own choices about the services they want, be properly equipped to do things for themselves and involved in the design of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

7.3 We will help people avoid homelessness through actions such as housing options advice. Where people do become homeless, finding a new home quickly is important to avoid further disruption and trauma. We will also ensure people can settle quickly with wrap around services co-created with customers.

7.4 Across group we intend to increase our level of lets to homeless households to approximately 10,000 over the lifetime of the Policy. For DGHP this means increasing the number of homeless households we rehouse to 50% of all lettings. This is a 25% increase in the number of homeless households rehoused compared to our performance in 2019/20. We will keep this figure under review in discussion with the Council but hope to keep it to that level by preventing homelessness from happening wherever possible.

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

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



- 7.7 Housing First provides the most extensive support in this spectrum. It helps those who have the most complex needs to take control of their lives and choices. It provides a home as soon as possible, avoiding the approach of waiting until someone is “tenancy ready”.
- 7.8 Wheatley had provided homes and/or support for more than 190 cases by the end of October 2020, representing 50% of the cases in Scotland. A crucial element to the success of Housing First will be the provision of high quality support that is available over the long term. DGHP have committed to providing 20 tenancies to households with some of the most complex needs through Housing First in Dumfries and Galloway. This will recognise DGHP as the sole provider of housing first housing provider for the 2-year pilot and reflects our increasing strategic partnership with Dumfries and Galloway Council.
- 7.9 The Policy recognises that resolving homelessness requires a partnership of many organisations. We will continue to support local authorities in their statutory role and to further strengthen relationships with support providers. Our teams are supported and trained to think innovatively, to think yes together with their customers and to provide leadership in digital transformation. We will use this innovative style to help provide thinking which challenges and encourages a new approach to services internally and with partners.
- 7.10 Effectively supporting homeless people into settled accommodation is a vital part of our creation of sustainable communities. We recognise that other households also face acute challenges, whether they access housing through transfers, mutual exchange, medical priority or other routes. Homeless households rehoused by DGHP will also be able to access the full range of services we provide. We will continue to ensure strong links with other statutory agencies so that referrals can be made wherever appropriate.

- 7.11 Given the importance of this policy the approach will be reviewed annually to assess progress and consider any changes which may be required. The key actions from the policy will be included in our annual Delivery Plan monitoring programme.

8 Key issues and conclusions

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

9 Value for money implications

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

10 Impact on financial projections

- 10.1 No implications.

11 Legal, regulatory, and charitable implications

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

12 Partnership implications

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

13 Implementation and Deployment

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

- 13.4 The Policy and the Equalities Impact Assessment (EIA) will be subject to review at least annually to consider progress and to identify whether any changes are required.

14 Equalities impact

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

15 Recommendations

- 15.1 The Board is asked to note the Group Homelessness Policy.

LIST OF APPENDICES

Appendix 1: Draft Group Homelessness Policy

Homelessness Policy 2021-2026:

Changing lives and communities

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Introduction

Our Group Strategic vision is that:

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

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

The key outcomes of the Policy are to:

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

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

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

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

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

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

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

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

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

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

Our organisation

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



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

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



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

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



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



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

Cube is part of Glasgow's Housing First consortium.



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

Loretto is a member of Glasgow's Housing First Consortium

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

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



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

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



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



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



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

Our track record

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

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

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

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

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

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

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

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

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

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

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

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

Homelessness in Scotland

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

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

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

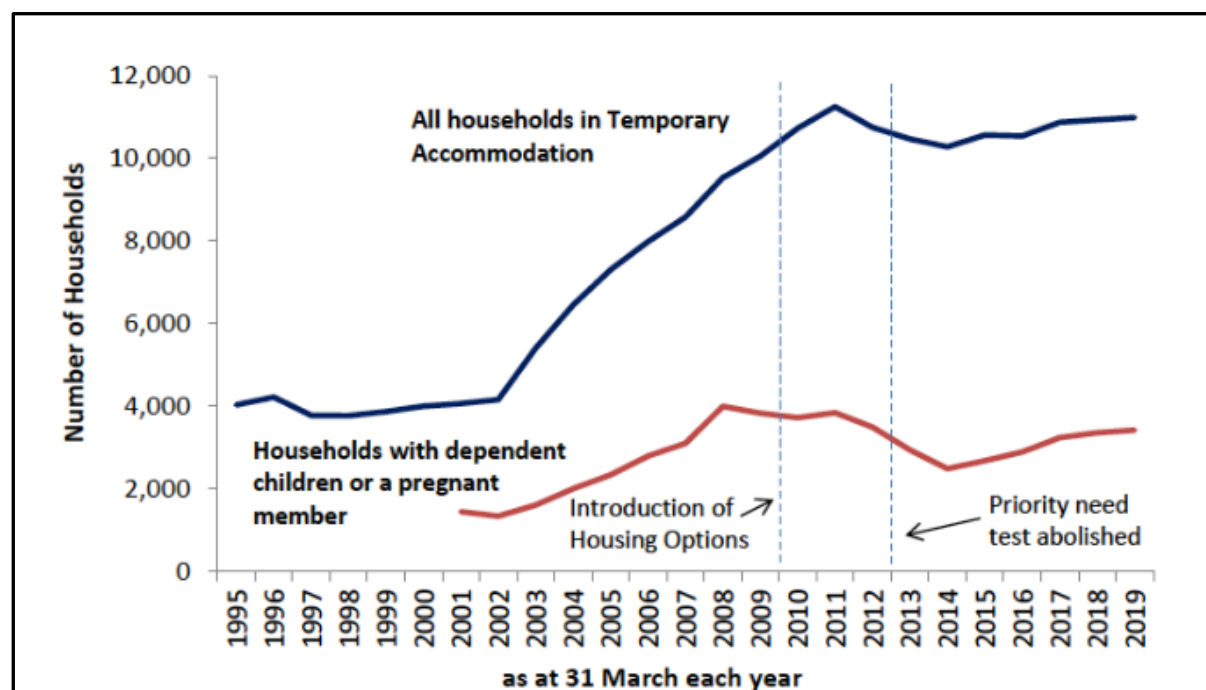
Homelessness can present in a variety of ways. For some households, the provision of a new home in the right place will resolve their issue and allow them to continue their lives. However, the shortage of supply across Scotland means that even the provision of a home in the right place is not always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

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

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

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

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



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

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

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

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

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

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

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

Covid-19

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

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

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

- Increased new build supply;

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

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

Our key areas

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

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

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

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

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

Local authority

Challenges

Glasgow

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

City of Edinburgh

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

Dumfries and Galloway

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

West
Dumbartonshire

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

West Lothian

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

Our Wheatley Strategy

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

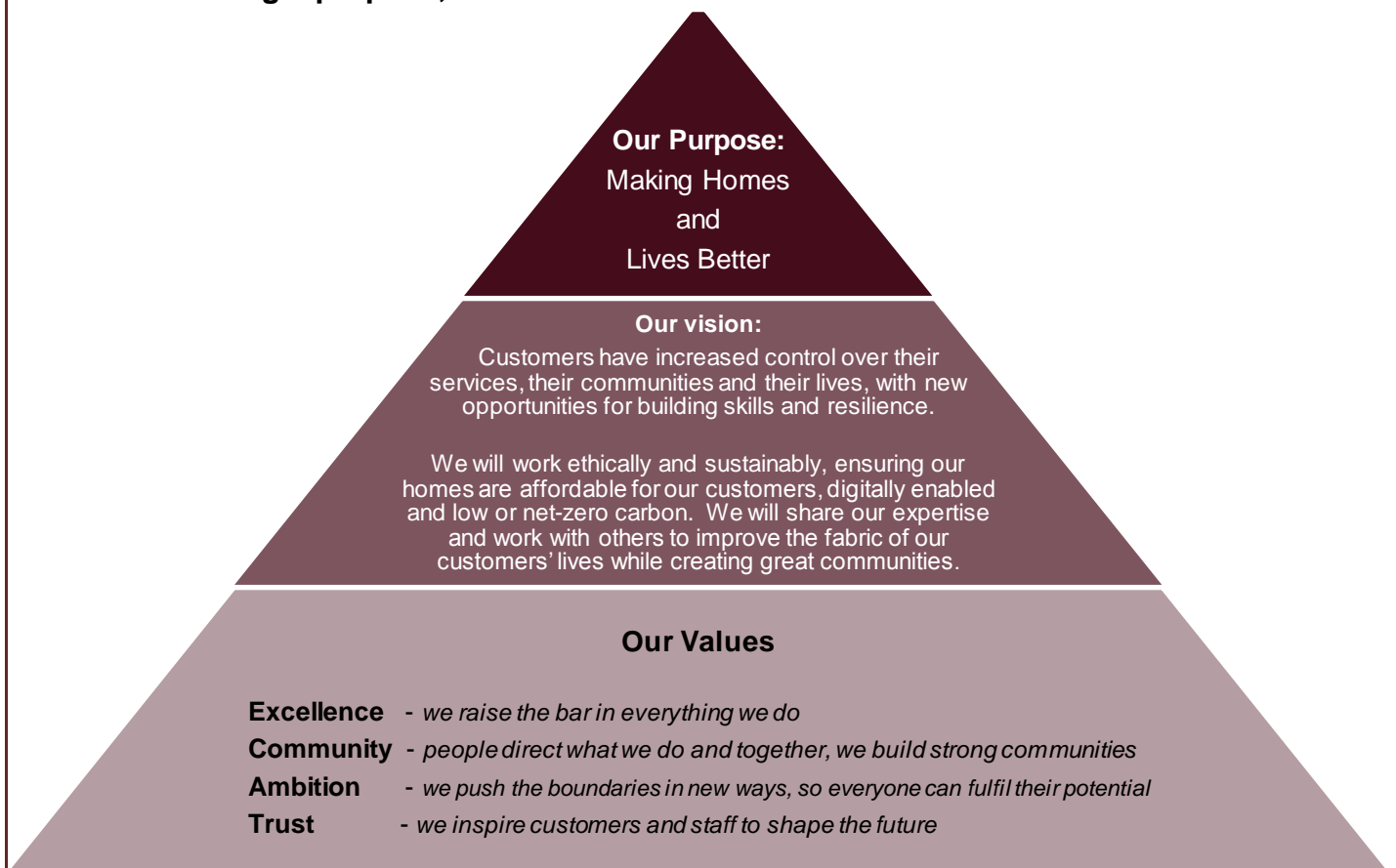
Wheatley in 2026

We want our customers to reach their potential for a brighter future for themselves and their families. We recognise the challenges our customers are facing in this post-Covid 19 era and we believe we are ideally placed, working alongside our partners, to support them and play a strong role in a fair and socially just economic recovery.

Our Strategy will deliver an unprecedented shift in the balance of power and control towards our customers, empowering them to make their own choices about the services they want, ensuring they are properly equipped to do things for themselves and involving them in the design of products and services from start to finish.

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

Our strategic purpose, vision and values



Our Approach

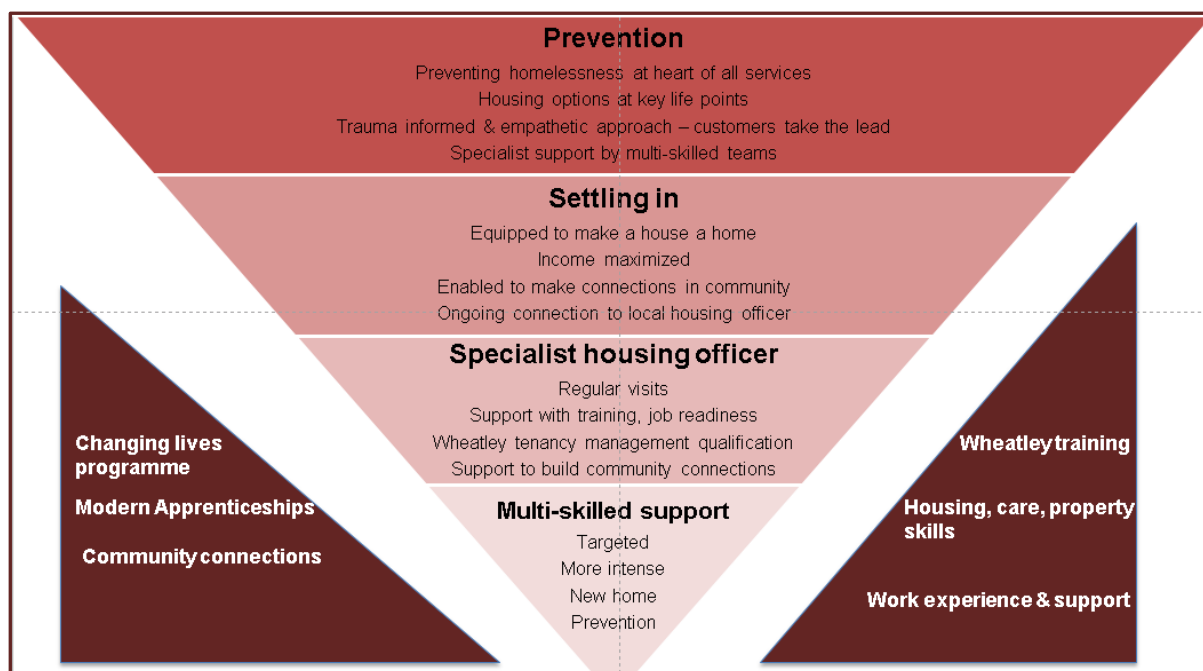
Our approach is to reduce homelessness by creating balanced, strong and peaceful communities. It will be shaped and developed by our customers who know best what they need and will help to build resilient, strong households and communities. Where people do become homeless our approach will help them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

This approach is underpinned by some key principles:

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

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

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



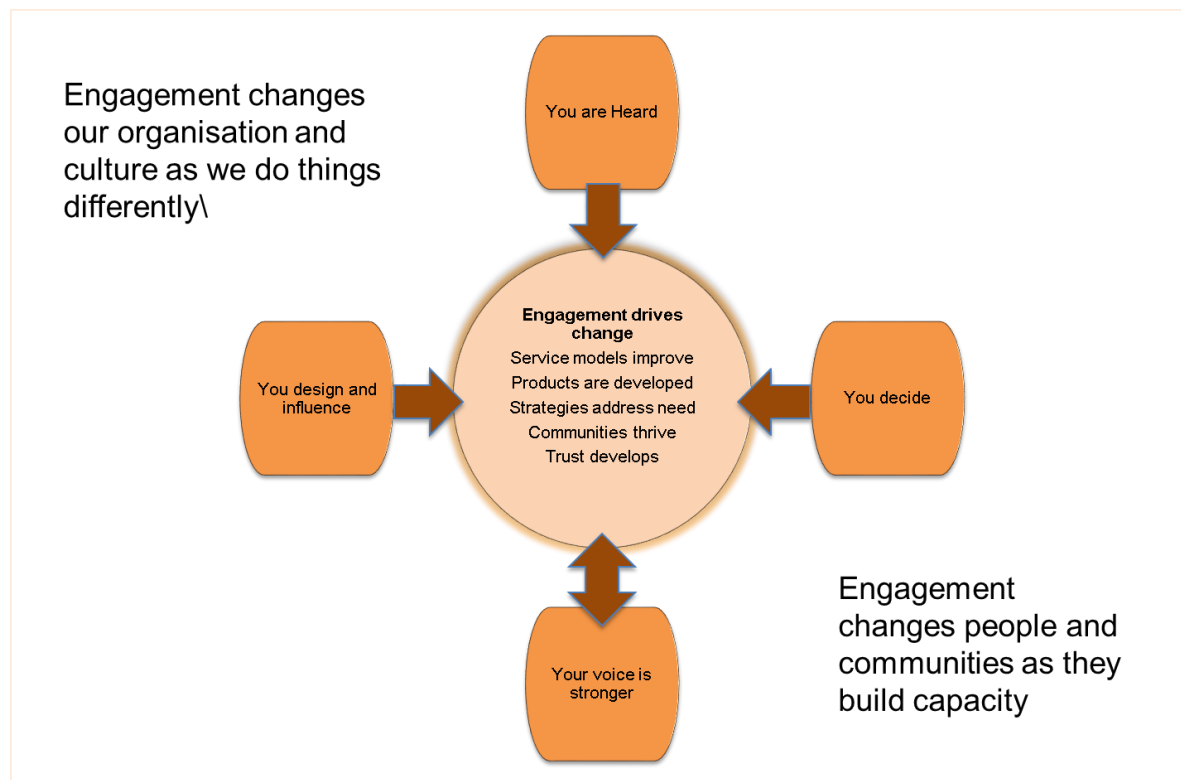
Excellence is embedded in the Wheatley DNA, so we will build on the innovative approaches that we have used to date. We will continue to push towards outstanding service, challenging our performance and outcomes in each area. As part of our new relationship with customers, we will measure this in different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

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

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

Voice of the customer

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



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



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

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

Some key items are shown in the chart below.



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

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

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

Our key actions

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

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

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

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

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

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

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

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

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

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

How we will measure our progress

We will measure our progress using the following key measures

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

Innovation

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

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

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

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

Legislation, planning and guidance

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

Legislation

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

Plans and Guidance

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

Complaints

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

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

Appendix 1: Current position statement

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

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

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

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

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

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

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

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

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

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

Glasgow City

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

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

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

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

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

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

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

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

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

City of Edinburgh

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

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

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

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

Dumfries and Galloway

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

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

Wheatley Group supports Dumfries and Galloway Council through:

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

West Dunbartonshire

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

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

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

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

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

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

West Lothian

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

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

Wheatley Group supports West Lothian Council through:

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

Appendix 2: Case Studies

Case Study 1: Building resilience to create independence

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

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

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

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

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

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

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

Case Study 2: Building resilience to create independence

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

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

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

Case Study 3: Building resilience to create independence

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

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

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

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

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

Case Study 4: Building resilience to create independence

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

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

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

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

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

Appendix 3: Legislative changes in relation to homelessness

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

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



Report

To: DGHP Board

By: Lindsay Lauder, Development Manager

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

Subject: Five Year Development Programme

Date of Meeting: 17 February 2021

1. Purpose

- 1.1 To seek approval for the DGHP project approval criteria and five year development programme.
- 1.2 A presentation on the five year programme will be made at the meeting.

2. Authorising context

- 2.1 The overall strategic direction and associated priorities of the Group are reserved to the Group Board. In relation to the development programme, this includes the geographical areas in which we operate.
- 2.2 The DGHP Board agreed the winding up of the DGHP Development Committee and immediate transition to the group development governance arrangements in November 2020.
- 2.3 The responsibility for governance oversight of the Group development programme and the approval of new projects now rests with the Group Development Committee, in line with the Committee's Terms of Reference. The project approvals are within the parameters of the five year development programme is approved by the DGHP Board.
- 2.4 Our programme forms part of the Group-wide five year development programme was presented to the Group Development Committee on 4 February 2021 and will be presented to the Group Board on 24 February 2021.

3. Risk Appetite and assessment

- 3.1 The Board's risk appetite in respect of the new build development programme is "open", which is defined as willing to choose the option '*most likely to result in successful delivery while also providing an acceptable level of reward*'.
- 3.2 Our future strategic direction envisages a continuing development programme, beyond the assumptions in our current strategy. Our development programme represents a significant element of our expenditure, as we move towards our 1,000 homes ambition.

3.3 The income from the construction of new homes will represent a correspondingly significant element to increasing rental income to service borrowing. Additionally, the development programme plays a key role in reducing management costs per unit, as overheads are spread over a greater number of units.

3.4 Risks associated with this programme are:

- We do not identify a pipeline of development opportunities to realise our assumed development
- We construct too few units to repay our borrowing levels or achieve assumed reductions in management cost levels
- Grant availability, benchmark and housing supply target beyond March 2021 is to be confirmed by Scottish Government.

4. Background

4.1 In considering the strategy in November, the Board noted that given the uncertainty which remained regarding the impact of the pandemic on our future development and investment activity, the strategy targets in these areas would be reviewed in conjunction with the updated business plan at the next (this) meeting.

4.2 The current business plan assumes that DGHP will complete 810 units of affordable housing in the five financial years from 2021/22 with proposals identified for 1,000 new home completions over a six-year period. The partnership promised 1000 new homes over five years, however given the impact of the pandemic, the need to understand our own stock requirements to inform the development programme and the availability of Scottish government funding, the timescale has stretched by an additional year from 2021/22.

4.2 Table 1 below sets out the proposed DGHP programme completions by year:

Table 1 – DGHP programme

RSL	21/22	22/23	23/24	24/25	25/26	Total
DGHP	49	47	112	257	345	810

5. Discussion

Development Footprint

5.1 An important consideration for our future pipeline is understanding the areas where opportunities may emerge. For DGHP this will be driven by DG Council's Local Housing Strategy and the Strategic Housing Investment Plan that flows from it.

5.2 The planning of our programme involves regular discussion with Dumfries and Galloway Council and Scottish Government.

Development appraisal criteria

- 5.3 As part of agreeing the transition to the group development governance arrangements the Board considered the indicative project approval criteria. This criteria sets parameters which must be met for the Group Development Committee to give project approvals.
- 5.4 The Board indicated they were comfortable with the criteria, set out below, which now requires formal approval:

Criteria	Measure/Test
Local Housing Strategy	Contribute to the Local Housing Strategy of the respective local authority. The project appraisal should detail which of the LHS outcome(s) the project will contribute.
Building and strengthening strategic partnerships/relationships	Contribute to strengthening our relationship with local authorities and developers. The appraisal will identify the strategic partnerships and/or relationships to which the project will contribute.
Improving customer choice	The housing mix will be developed in consultation with DGHP Housing Management and respond to known and anticipated housing need for social rented housing and in conjunction with Novantia, which currently manages the DGHP MMR stock.
Housing Market Areas	Within the agreed local authority areas unless otherwise agreed with the Group Board and DGHP Board.
Internal Rate of Return	The Internal Rate of Return shall be a minimum of 5.7% over 35 years for DGHP
Debt	Borrowing required would not exceed total assets.
Borrowing	Borrowing will be repaid within 35 years.
Valuation Growth	Projects will be valuation positive on our balance sheet and assumed to deliver valuation growth within 3 years.

- 5.5 Where any of the criteria are not met or if new opportunities arise that do not feature in the approved 5-year development programme, then the proposed project/s will be presented to the DGHP Board for consideration.

5 Year Development Programme

- 5.6 All developing RSL Boards will consider their own programmes during this cycle of meetings. The DGHP draft five-year development programme is attached as Appendix 1.
- 5.7 The first year of the five year development programme includes completion of three projects currently in progress. Thereafter, the programme comprises a range of social rented projects that make up our programme to 2025/26.

6. Key issues and conclusions

- 6.1 This report sets out a deliverable programme that would continue to see us build our reputation as a key delivery partner for Dumfries and Galloway Council and the Scottish Government.
- 6.2 There remains uncertainty on the likely scale of funding for affordable housing beyond 2021 with the level of funding allocated to affordable housing to be confirmed by Scottish Government. We will continue to stay closely engaged with the Scottish Government and DG Council, and will report to the Board as future grant funding arrangements become clear.

7. Value for money implications

- 7.1 Value for money will continue to be a focus in the programme, as we operate in a local market which continues to be affected by inflationary pressure, and subject to the currently unknown effects of the UK withdrawal from the EU as well as the impact of COVID 19.
- 7.2 We intend to achieve value for money through our continuing use of Group contractor and consultant frameworks, and by exploring development opportunities brought to us by private developers. We will also work with our colleagues in Asset Management to identify DGHP homes suitable for redevelopment; identifying wider regeneration areas where appropriate.
- 7.3 This combination will allow us to achieve tangible benefits for customers as increased efficiency can enable us to deliver better value for money

8. Impact on financial projections

- 8.1 Our business plan assumes £162m of development expenditure over the next five years, with spend in 2020/21 excluding grant, capitalised staff and interest expected to be around £6.7m. The successful delivery of the development programme helps us to realise the wider assumptions within our financial projections.
- 8.2 A summary of development costs and grant over the next five years is presented in the table below:

Investment in new properties	Forecast				
	Year 1 2021/22	Year 2 2022/23	Year 3 2023/24	Year 4 2024/25	Year 5 2025/26
	£'000	£'000	£'000	£'000	£'000
Development Costs	16,217	17,106	34,367	52,058	41,795
Grant Income	6,855	10,291	20,592	26,546	14,420
Total	9,362	6,815	13,775	25,512	27,375
Completions	49	47	112	257	345

8.3 Grant for the four schemes currently approved/on site reflects actual grant awarded (Lincluden, Monreith, Sanquhar and Nursery Avenue). For future schemes we have assumed benchmark grant levels for all but 5 legacy sites. It is anticipated that these schemes will incur substantial abnormal costs and will be unable to meet financial appraisal targets without additional grant support. We have therefore assumed above benchmark grant for these schemes.

8.4 Discussions are taking place with Scottish Government to understand the grant level which can be secured for each of the projects. Board will be updated on the impact of these discussions around the projects in the business plan.

9. Legal, regulatory and charitable implications

9.1 Details of the development programme are shared with the Scottish Housing Regulator on a regular basis.

9.2 Our Property Legal Team continues to provide support to the programme through provision of advice supporting procurement, contracts and site acquisition, with support from external solicitors where required.

10. Partnership implications

10.1 We rely on funding agreements with the Scottish Government and DGC Strategic Housing for all affordable housing projects included in the Strategic Housing Investment Plan (SHIP). We also liaise closely with DGC Strategic and Development Planning as well as Scottish Water. Progress on the current year's grant programme is monitored through quarterly meetings with the Scottish Government and DGC and a separate meeting with Scottish Water.

10.2 Our new build activity has been relatively modest in recent years; however we are working to establish ourselves as a main developer of affordable housing in D&G. We have started to see positive outcomes in 2021/22 as a result of improved relationships through additional grant allocation and an additional tender approval from Scottish Government is anticipated for our Eastriggs (18 units) project by the 31 March 2021.

11. Equalities impact

11.1 Within the programme, all new build units are designed to Housing with Varying Needs (Part 1). The inclusion of wheelchair units is also included in consultation with Strategic Housing in order to meet the Council's strategic objectives.

12. Recommendations

The Board is asked to:

- 1) approve the DGHP project approval criteria set out in paragraph 5.4;
- 2) approve the five year development programme as summarised in this report; and
- 3) note that the five year development programme will be reviewed annually and presented for approval to the Board, in conjunction with the presentation of the DGHP Business Plan.

List of Appendices:

Appendix 1 – DGHP five-year development programme.

Wheatley

Five Year Plan

- ☐ Cube
- ☐ DC
- ☒ DGHP
- ☐ GHA
- ☐ Loretto
- ☐ Lowther
- ☐ WLHP

FY of Comp ▲	Project	Area	Prev. Year	SR	MMR	21/22	22/23	23/24	24/25	25/26	Total
21/22	Lincluden Depot	Dumfries		32	0	32					32
21/22	Queensberry Square	Sanquhar		12	0	12					12
21/22	St Medans, Monreith	Monreith		5	0	5					5
22/23	Gillwood Road	Eastriggs		18	0		18				18
22/23	Glenluce Hotel	Glenluce		10	0		10				10
22/23	Nursery Avenue	Stranraer		19	0		19				19
23/24	Ashwood Drive	Stranraer		12	0			12			12
23/24	Johnstonebridge	Dumfries		30	0			30			30
24/25	Corsbie Road	Newton Stewart		60	0			30	30		60
24/25	Ewart Place	Springholm		47	0				47		47
24/25	Thornhill	Thornhill		80	0			40	40		80
24/25	Unallocated			100	0				100		100
25/26	Annan - Stock Regen			50	0					50	50
25/26	Barnhill	Dumfries		40	0					40	40
25/26	Curries Yard	Dumfries		85	0				40	45	85
25/26	George Hotel	Stranraer		10	0					10	10
25/26	Ladypark Farm	Dumfries		200	0					200	200
Total				810	0	49	47	112	257	345	810

Wheatley

Five Year Plan

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Five Year Plan
- ✓

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Cube
- ✓

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DC
- ✓

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DGHP
- ✓

○

GHA
- ✓

○

Loretto
- ✓

○

Lowther
- ✓

○

WLHP

Project:

▲

19 Projects

Area:

▼

-

Local Authority

-

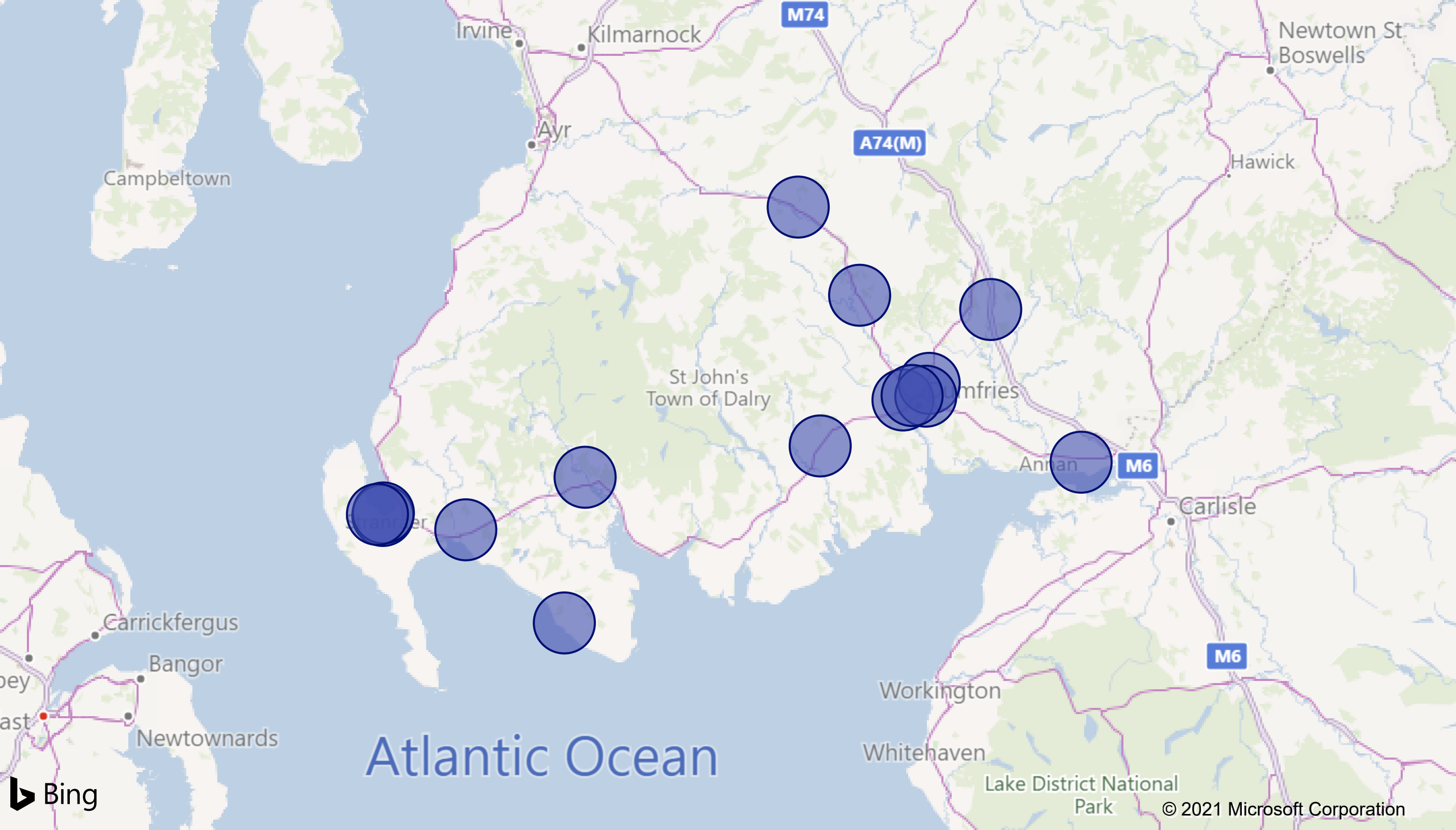
Project Status

-

Contractor / Developer

-

Tenure	Total
SR	810
Total	810



Subsidiary	21/22	22/23	23/24	24/25	25/26	Total
DGHP	49	47	112	257	345	810
Total	49	47	112	257	345	810

Wheatley

Five Year Plan

- ^

Five Year Plan
- ✓

Cube
- ✓

DC
- ^

DGHP

Annan - Stock Regen

Ashwood Drive

Barnhill

Corsbie Road

Curries Yard

Ewart Place

George Hotel

Gillwood Road

Glenluce Hotel

Johnstonebridge

Ladypark Farm

Lincluden Depot

Nursery Avenue

Queensberry Square

St Medans, Monreith

Thornhill

Unallocated

✓

GHA

✓

Loretto

✓

Lowther

✓

Malpas

Project:

▲

St Medans, Monreith

Area:

▼

Monreith

Local Authority

Dumfries and Galloway

Project Status

2. On Site

Contractor / Developer

City Building (Contracts) LLP

Tenure	Total
SR	5
Total	5



Subsidiary	21/22	22/23	23/24	24/25	25/26	Total
DGHP	5					5
Total	5					5

Wheatley

Five Year Plan

- ^

Five Year Plan
- ✓

Cube
- ✓

DC
- ^

DGHP

Annan - Stock Regen

Ashwood Drive

Barnhill

Corsbie Road

Curries Yard

Ewart Place

George Hotel

Gillwood Road

Glenluce Hotel

Johnstonebridge

Ladypark Farm

Lincluden Depot

Nursery Avenue

Queensberry Square

St Medans, Monreith

Thornhill

Unallocated
- ✓

GHA
- ✓

Loretto
- ✓

Lowther
- ✓

Malpas

Project:

Queensberry Square

Area:

Sanquhar

Local Authority

Dumfries and Galloway

Project Status

2. On Site

Contractor / Developer

Ashleigh

Tenure	Total
SR	12
Total	12



Subsidiary	21/22	22/23	23/24	24/25	25/26	Total
DGHP	12					12
Total	12					12

Wheatley

Five Year Plan

- ^

Five Year Plan
- ✓

Cube
- ✓

DC
- ^

DGHP

Annan - Stock Regen

Ashwood Drive

Barnhill

Corsbie Road

Curries Yard

Ewart Place

George Hotel

Gillwood Road

Glenluce Hotel

Johnstonebridge

Ladypark Farm

Lincluden Depot

Nursery Avenue

Queensberry Square

St Medans, Monreith

Thornhill

Unallocated
- ✓

GHA
- ✓

Loretto
- ✓

Lowther
- ✓

MAHME

Project:

▲

Lincluden Depot

Area:

▼

Dumfries

Local Authority

Dumfries and Galloway

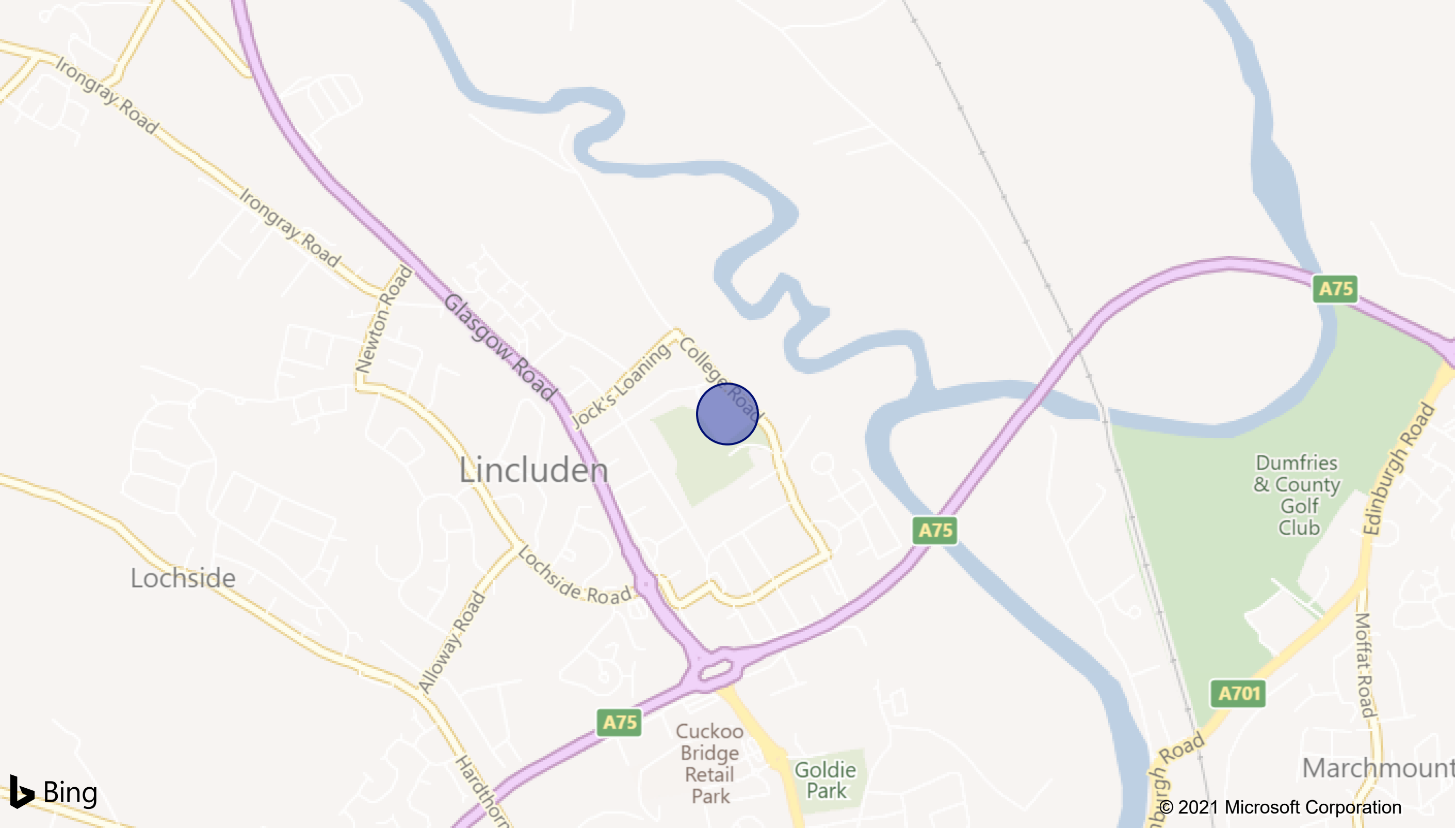
Project Status

2. On Site

Contractor / Developer

Ashleigh

Tenure	Total
SR	32
Total	32



Subsidiary	21/22	22/23	23/24	24/25	25/26	Total
DGHP	32					32
Total	32					32

Wheatley

Five Year Plan

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Five Year Plan
- ✓

Cube
- ✓

DC
- ^

DGHP

Annan - Stock Regen

Ashwood Drive

Barnhill

Corsbie Road

Curries Yard

Ewart Place

George Hotel

Gillwood Road

Glenluce Hotel

Johnstonebridge

Ladypark Farm

Lincluden Depot

Nursery Avenue

Queensberry Square

St Medans, Monreith

Thornhill

Unallocated
- ✓

GHA
- ✓

Loretto
- ✓

Lowther
- ✓

Malpas

Project:

▲

Nursery Avenue

Area:

▼

Stranraer

Local Authority

Dumfries and Galloway

Project Status

3. Due on Site

Contractor / Developer

McTaggart Construction Ltd

Tenure	Total
SR	19
Total	19



Subsidiary	21/22	22/23	23/24	24/25	25/26	Total
DGHP		19				19
Total		19				19

Wheatley

Five Year Plan

- ^

Five Year Plan
- ✓

Cube
- ✓

DC
- ^

DGHP

Annan - Stock Regen

Ashwood Drive

Barnhill

Corsbie Road

Curries Yard

Ewart Place

George Hotel

Gillwood Road

Glenluce Hotel

Johnstonebridge

Ladypark Farm

Lincluden Depot

Nursery Avenue

Queensberry Square

St Medans, Monreith

Thornhill

Unallocated
- ✓

GHA
- ✓

Loretto
- ✓

Lowther
- ✓

Malpas

Project:

▲

Gillwood Road

Area:

▼

Eastriggs

Local Authority

Dumfries and Galloway

Project Status

4. Not Approved

Contractor / Developer

Ashleigh

Tenure	Total
SR	18
Total	18



Subsidiary	21/22	22/23	23/24	24/25	25/26	Total
DGHP		18				18
Total		18				18

Wheatley

Five Year Plan

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Five Year Plan
- ✓

Cube
- ✓

DC
- ^

DGHP

Annan - Stock Regen

Ashwood Drive

Barnhill

Corsbie Road

Curries Yard

Ewart Place

George Hotel

Gillwood Road

Glenluce Hotel

Johnstonebridge

Ladypark Farm

Lincluden Depot

Nursery Avenue

Queensberry Square

St Medans, Monreith

Thornhill

Unallocated

✓

GHA

✓

Loretto

✓

Lowther

✓

Muirhead

Project:

▲

Johnstonebridge

Area:

▼

Dumfries

Local Authority

Dumfries and Galloway

Project Status

4. Not Approved

Contractor / Developer

Ashleigh

Tenure	Total
SR	30
Total	30



Subsidiary	21/22	22/23	23/24	24/25	25/26	Total
DGHP			30			30
Total			30			30

Wheatley

Five Year Plan

- ^

Five Year Plan
- ✓

Cube
- ✓

DC
- ^

DGHP

Annan - Stock Regen

Ashwood Drive

Barnhill

Corsbie Road

Curries Yard

Ewart Place

George Hotel

Gillwood Road

Glenluce Hotel

Johnstonebridge

Ladypark Farm

Lincluden Depot

Nursery Avenue

Queensberry Square

St Medans, Monreith

Thornhill

Unallocated
- ✓

GHA
- ✓

Loretto
- ✓

Lowther
- ✓

MAHME

Project:

▲

Ashwood Drive

Area:

▼

Stranraer

Local Authority

Dumfries and Galloway

Project Status

4. Not Approved

Contractor / Developer

< - >

Tenure	Total
SR	12
Total	12



Subsidiary	21/22	22/23	23/24	24/25	25/26	Total
DGHP			12			12
Total			12			12

Wheatley

Five Year Plan

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Five Year Plan
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Cube
- ✓

○

DC
- ^

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DGHP

○

Annan - Stock Regen

○

Ashwood Drive

○

Barnhill

○

Corsbie Road

○

Curries Yard

○

Ewart Place

○

George Hotel

○

Gillwood Road

○

Glenluce Hotel

○

Johnstonebridge

○

Ladypark Farm

○

Lincluden Depot

○

Nursery Avenue

○

Queensberry Square

○

St Medans, Monreith

●

Thornhill

○

Unallocated
- ✓

○

GHA
- ✓

○

Loretto
- ✓

○

Lowther
- ✓

○

Malpas

Project:

▲

Thornhill

Area:

▼

Thornhill

Local Authority

Dumfries and Galloway

Project Status

4. Not Approved

Contractor / Developer

< - >

Tenure	Total
SR	80
Total	80



Subsidiary	21/22	22/23	23/24	24/25	25/26	Total
DGHP			40	40		80
Total			40	40		80

Wheatley

Five Year Plan

- ^

Five Year Plan
- ✓

Cube
- ✓

DC
- ^

DGHP

Annan - Stock Regen

Ashwood Drive

Barnhill

Corsbie Road

Curries Yard

Ewart Place

George Hotel

Gillwood Road

Glenluce Hotel

Johnstonebridge

Ladypark Farm

Lincluden Depot

Nursery Avenue

Queensberry Square

St Medans, Monreith

Thornhill

Unallocated
- ✓

GHA
- ✓

Loretto
- ✓

Lowther
- ✓

MAHME

Project:

▲

Corsbie Road

Area:

▼

Newton Stewart

Local Authority

Dumfries and Galloway

Project Status

4. Not Approved

Contractor / Developer

< - >

Tenure	Total
SR	60
Total	60



Subsidiary	21/22	22/23	23/24	24/25	25/26	Total
DGHP			30	30		60
Total			30	30		60

Wheatley

Five Year Plan

- ^

Five Year Plan
- ✓

Cube
- ✓

DC
- ^

DGHP

Annan - Stock Regen

Ashwood Drive

Barnhill

Corsbie Road

Curries Yard

Ewart Place

George Hotel

Gillwood Road

Glenluce Hotel

Johnstonebridge

Ladypark Farm

Lincluden Depot

Nursery Avenue

Queensberry Square

St Medans, Monreith

Thornhill

Unallocated
- ✓

GHA
- ✓

Loretto
- ✓

Lowther
- ✓

Malpas

Project:

Ewart Place

Area:

Springholm

Local Authority

Dumfries and Galloway

Project Status

4. Not Approved

Contractor / Developer

Ashleigh

Tenure	Total
SR	47
Total	47



Subsidiary	21/22	22/23	23/24	24/25	25/26	Total
DGHP				47		47
Total				47		47

Wheatley

Five Year Plan

- ^

Five Year Plan
- ✓

Cube
- ✓

DC
- ^

DGHP

Annan - Stock Regen

Ashwood Drive

Barnhill

Corsbie Road

Curries Yard

Ewart Place

George Hotel

Gillwood Road

Glenluce Hotel

Johnstonebridge

Ladypark Farm

Lincluden Depot

Nursery Avenue

Queensberry Square

St Medans, Monreith

Thornhill

Unallocated
- ✓

GHA
- ✓

Loretto
- ✓

Lowther
- ✓

MAHME

Project:

▲

Curries Yard

Area:

▼

Dumfries

Local Authority

Dumfries and Galloway

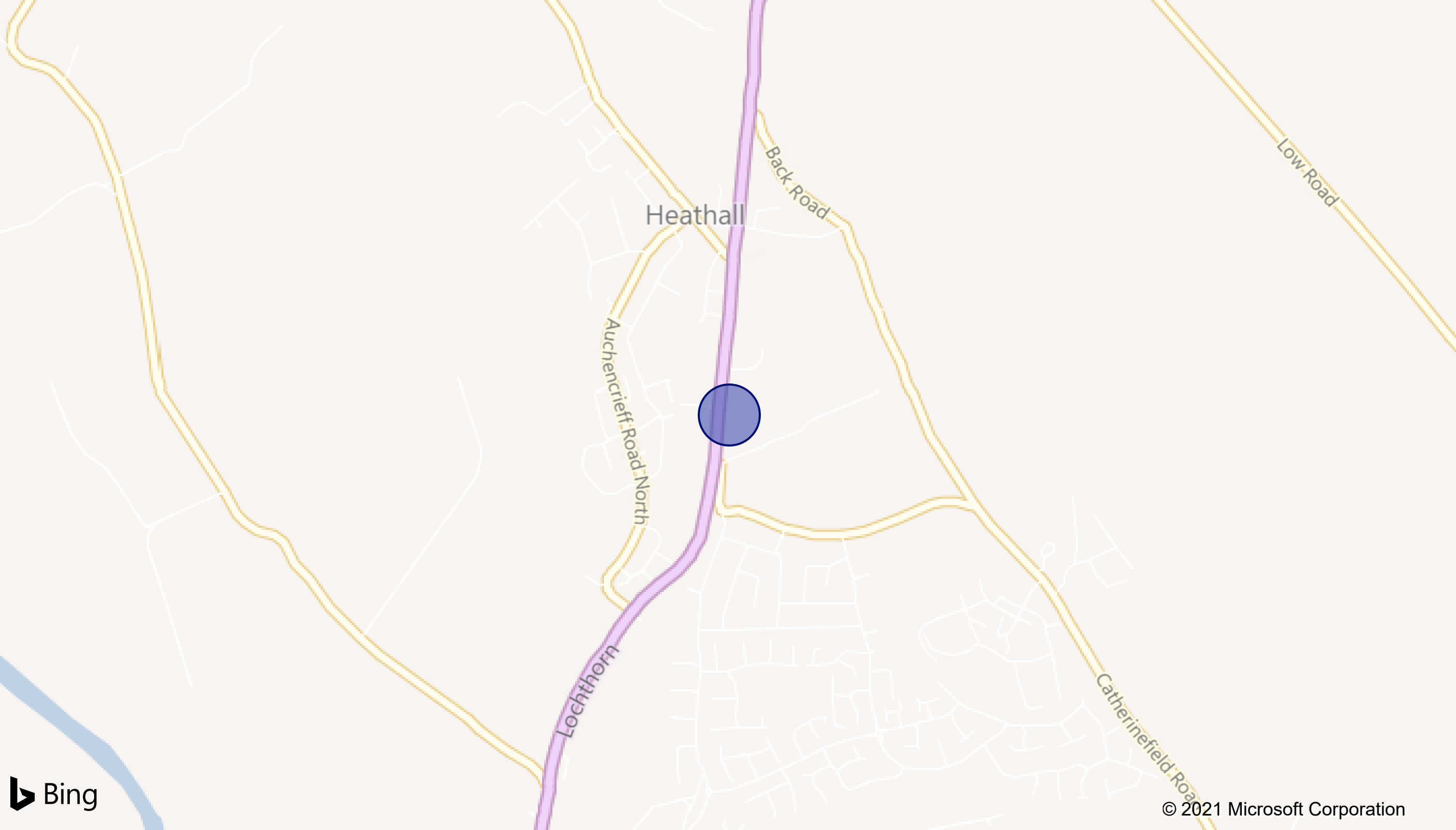
Project Status

4. Not Approved

Contractor / Developer

CCG (Scotland) Ltd

Tenure	Total
SR	85
Total	85



Subsidiary	21/22	22/23	23/24	24/25	25/26	Total
DGHP				40	45	85
Total				40	45	85

Wheatley

Five Year Plan

- ^

Five Year Plan
- ✓

Cube
- ✓

DC
- ^

DGHP

Annan - Stock Regen

Ashwood Drive

Barnhill

Corsbie Road

Curries Yard

Ewart Place

George Hotel

Gillwood Road

Glenluce Hotel

Johnstonebridge

Ladypark Farm

Lincluden Depot

Nursery Avenue

Queensberry Square

St Medans, Monreith

Thornhill

Unallocated
- ✓

GHA
- ✓

Loretto
- ✓

Lowther
- ✓

Malmaison

Project:

George Hotel

Area:

Stranraer

Local Authority

Dumfries and Galloway

Project Status

4. Not Approved

Contractor / Developer

< - >

Tenure	Total
SR	10
Total	10



Subsidiary	21/22	22/23	23/24	24/25	25/26	Total
DGHP					10	10
Total					10	10

Wheatley

Five Year Plan

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Five Year Plan
- ✓

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Cube
- ✓

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DC
- ^

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DGHP

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Annan - Stock Regen

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Ashwood Drive

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Barnhill

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Corsbie Road

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Curries Yard

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Ewart Place

○

George Hotel

○

Gillwood Road

○

Glenluce Hotel

○

Johnstonebridge

○

Ladypark Farm

○

Lincluden Depot

○

Nursery Avenue

○

Queensberry Square

○

St Medans, Monreith

○

Thornhill

○

Unallocated
- ✓

○

GHA
- ✓

○

Loretto
- ✓

○

Lowther
- ✓

○

Malpas

Project:

▲

Barnhill

Area:

▼

Dumfries

Local Authority

Dumfries and Galloway

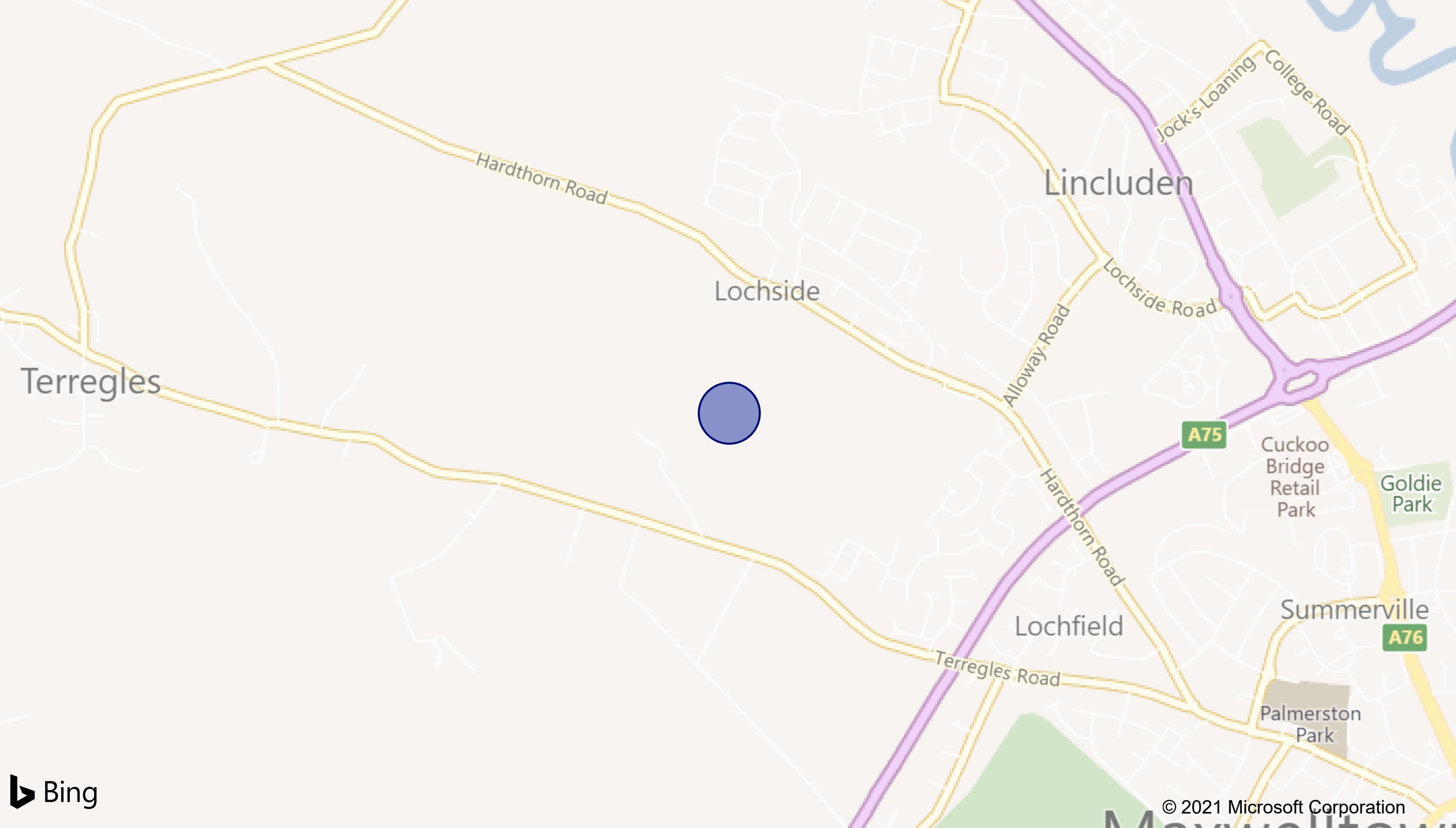
Project Status

4. Not Approved

Contractor / Developer

Persimmon Plc

Tenure	Total
SR	40
Total	40



Subsidiary	21/22	22/23	23/24	24/25	25/26	Total
DGHP					40	40
Total					40	40

Wheatley

Five Year Plan

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Five Year Plan
- ✓

○

Cube
- ✓

○

DC
- ^

●

DGHP

○

Annan - Stock Regen

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Ashwood Drive

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Barnhill

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Corsbie Road

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Curries Yard

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Ewart Place

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George Hotel

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Gillwood Road

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Johnstonebridge

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Lincluden Depot

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Queensberry Square

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St Medans, Monreith

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Thornhill

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Unallocated
- ✓

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GHA
- ✓

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Loretto
- ✓

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Lowther
- ✓

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Malpas

Project:

▲

Ladypark Farm

Area:

▼

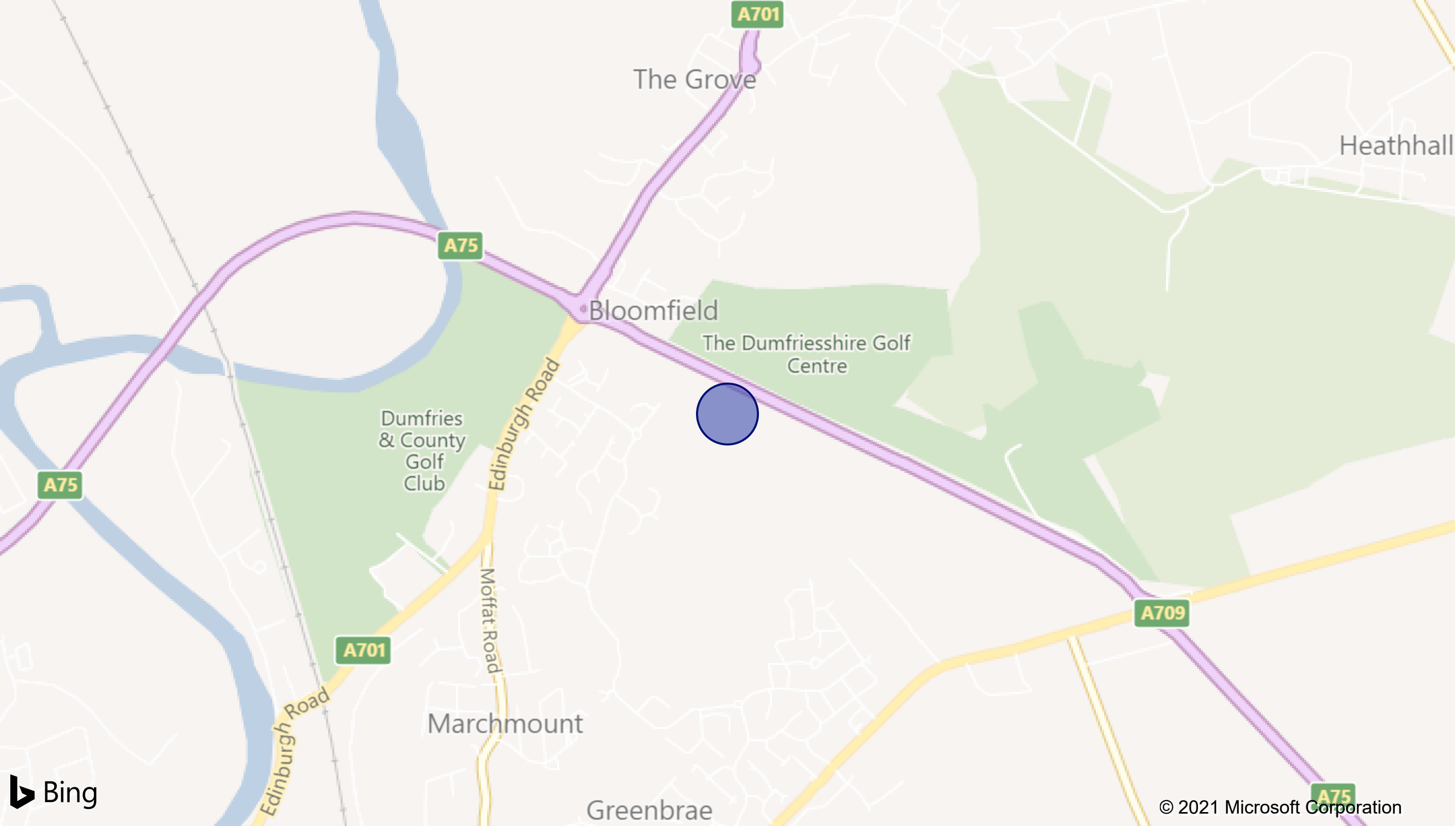
Dumfries

Local AuthorityDumfries and Galloway

Project Status4. Not Approved

Contractor / Developer< - >

Tenure	Total
SR	200
Total	200



Subsidiary	21/22	22/23	23/24	24/25	25/26	Total
DGHP					200	200
Total					200	200



Report

To: DGHP Board

By: Matt Foreman, Managing Director, DGHP

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

Subject: Rent and other charges 2021/22

Date of Meeting: 17 February 2021

1. Purpose

1.1 This report:

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

2. Authorising context

2.1 The Group Board are responsible for agreeing the overarching rent parameters for rent setting. Thereafter each individual RSL Board agrees their own individual rent increase proposals within the agreed parameters.

2.2 In our case, the Group Board and this Board agreed that we continue with the partnership proposals relating to rent setting.

3. Risk Appetite and assessment

3.1 The Group's risk appetite in relation to business planning assumptions such as rent increases is open. This is defined as "*willing to choose the one that is most likely to result in successful delivery while also providing an acceptable level of reward*".

3.2 In relation to the statutory requirement in consulting and engaging tenants on any rent increase, our risk appetite is averse, that is "*avoidance of risk and uncertainty is a key organisational objective*".

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

4. Background

- 4.1 The rent increase assumptions in our financial projections are subject to annual review. The annual review takes into account the key principles set out in our Group rent setting framework:
- 1) Financial viability;
 - 2) Affordability;
 - 3) Comparability; and
 - 4) Consultation with tenants and service users.
- 4.2 The Board considered the first three principles as part of agreeing the baseline consultation levels during discussions at the November 2020 meeting. The consultation with tenants is the final element of our rent setting process prior to formally agreeing rent levels.

5. Discussion

- 5.1 Our consultation process is set within the context of the 3-year rent offer of a cap of 2% per annum being part for the partnership agreement ballot. The ballot recorded 95.5% vote in favour of the partnership, with an exceptionally high turnout of 75.3% turnout (c7500 tenants). We know from engagement with tenants during the partnership proposals that the rent levels were a material factor in their decision making.
- 5.2 We consider this year's rent increase therefore within the context that our tenants have given feedback on the future rent assumptions in high numbers. Our statutory duty however remains and we consulted on 2%, on the basis that this was what was agreed as part of the partnership. We therefore consulted on the basis of enacting what was agreed in the ballot.
- 5.3 We received a total of 70 responses providing feedback, of which 55 directly commented on the proposals. A relatively small level of feedback was anticipated given the extraordinarily level of feedback already received during the ballot.
- 5.4 A total of 35 of the respondents indicated their support for the proposals and that they were happy on the basis it funded maintaining the current service levels. A total of 20 identified some issues regarding affordability, including in relation to the pandemic.

6. Key issues and conclusions

- 6.1 The feedback from tenants indicates that the majority of tenants who provided feedback on the rent proposals wish us to maintain current service levels and apply a rent increase accordingly.

7. Value for money implications

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

8. Impact on financial projections

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

9. Legal, regulatory and charitable implications

- 9.1 Consultation with tenants on any increases in rent or service charges is a requirement of the Housing (Scotland) Act 2001. The approach set out in this paper therefore discharges our requirement to consult under the Act.

10. Partnership implications

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

11. Implementation and deployment

- 11.1 Following approval of the 2021/22 rent and service charge levels, tenants will subsequently receive notification of the final decision in writing 28 days clear of a change in rent being applied.
- 11.2 In recognition of the increasing importance for tenants to notify the relevant authority of the change, we are undertaking additional communication to remind and encourage tenants to notify the change of circumstances as soon as possible.

12. Equalities impact

- 12.1 The ethnicity element of our returns comprised 100% of respondents in the same category, White Scottish/British. Similarly, the respondents who provided age were heavily concentrated in the 55+ categories. In both cases, this is reflective of our tenant profile.
- 12.2 It is intended that as part of our Equality and Diversity policy implementation and new engagement framework we will seek to increase the diversity of responses in future years.

13. Recommendations

- 13.1 The Board is asked to:
- 1) Consider the feedback received through the consultation process with tenants on our 2021/22 RSL rent and service charge increase;
 - 2) Approve a 2% rent and service charge increase for 2021/22; and
 - 3) Agree that we formally write to tenants to confirm this subject to Group Board approval



Report

To: DGHP Board

By: Pauline Turnock, Director of Financial Reporting

Approved by: Steven Henderson, Group Director of Finance

Subject: Five Year Financial Projections

Date of Meeting: 17 February 2021

1. Purpose

1.1 The purpose of this report is:

- To set out the updated projections for investment in assets and services over the five year period to 2026, in support of our strategic ambitions; and
- to ask for the Board's approval of these updated financial projections, of which the first year will form the draft budget for 2021/22.

2. Authorising context

- 2.1 Under the terms of the Intra-Group Agreement between Dumfries and Galloway Housing Partnership ("DGHP") and the Wheatley Group, as well as the Group Authorising Monitor Matrix, the DGHP Board is responsible for the on-going monitoring of performance against agreed targets, including the on-going performance of its finances.
- 2.2 Whilst the Group Board is responsible for the overall approval of the plan and parameters, the DGHP Board has autonomy to agree its individual business plan within said parameters.

3. Risk Appetite and assessment

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

4. Background

- 4.1 As a result of the emergence of COVID-19 and the associated restrictions, there has been substantial disruption to our business which is expected to continue through into 2021/22.

4.2 Throughout the pandemic we have been closely monitoring our financial performance and providing regular updates to the Board on the impact on our Financial projections. Revised 2020/21 Financial projections were presented to the Board in August 2020 these showed that DGHP remained financially strong and that we were able to comply with loan covenants while delivering on ballot commitments made to tenants. Earlier in the year, a decision was taken to delay the launch of the Group's new five year strategy while we reflected on the changes the pandemic had on our business, customers and communities.

4.2 While there have been many challenges over the past year, significant progress has been made in reshaping our operating model as we moved to implement 1:200 housing officer patch sizes, deliver services using a blended approach of face to face and virtual engagement and launched our new in house repairs service. We also achieved a number of already planned strategic ambitions much earlier than planned. Efficiencies achieved to date, and increases in planned savings from the earlier introduction of our new operating model have allowed us to reduce our long term rent increase assumptions beyond the partnership commitment from 3.5% to 2.9% achieving the key outcome to deliver below 3% increases by 2025.

5. Discussion

5.1 Our draft strategy for 2021-2026, *Your Home, Your Community, Your Future*, forms the basis of these financial projections. Detailed financial statements (income and expenditure account, balance sheet and cash flow statements) are provided in Appendix 1. Table 1 below summarises these to show – in cash terms - the level of income we forecast, and how this will be spent over the period:

Table 1: summary cash inflow and outflows

	Year 1 2021/22	Year 2 2022/23	Year 3 2023/24	Year 4 2024/25	Year 5 2025/26
Income (excluding new build grant)	47,083	47,121	48,288	50,181	53,021
Expenditure					
- Housing, services and support costs	(5,490)	(5,223)	(5,039)	(5,196)	(5,383)
- Wheatley Solutions including customer service centre	(4,149)	(4,246)	(4,346)	(4,457)	(4,559)
- Repairs	(10,359)	(10,647)	(10,997)	(11,581)	(11,564)
- Demolition & ER/VR	(549)	(565)	(814)	(838)	(859)
- Bad Debts	(1,052)	(1,180)	(1,225)	(1,274)	(1,348)
- Other costs *	(1,190)	(830)	(852)	(1,161)	(896)
Total Expenditure	(22,788)	(22,692)	(23,273)	(24,507)	(24,609)
Revenue Surplus before Interest and Capital Investment in Existing Homes	24,295	24,428	25,015	25,674	28,412
Investment in Existing Homes	(32,816)	(22,057)	(17,616)	(17,474)	(17,837)
Loan Interest and Funding Costs	(6,108)	(6,192)	(6,012)	(6,032)	(7,276)
Underlying Cash Surplus/(Deficit) from Operations	(14,629)	(3,821)	1,387	2,167	3,298

New Build and Other Investment					
Development Costs**	(16,970)	(17,779)	(35,265)	(53,240)	(43,259)
Grant Income	6,855	10,291	20,592	26,546	14,420
Other Asset Investment	(4,211)	(1,568)	(1,330)	(1,425)	(1,103)
New Build and Other	(14,327)	(9,056)	(16,002)	(28,119)	(29,941)
Funding Activities					
Working Capital Movements	(444)	258	191	195	199
Rolled up Allia Interest	1,010	1,038	1,069	1,099	1,131
Loan Drawdowns	0	0	0	15,788	25,314
Cash Utilised	28,390	11,581	13,356	8,869	0
Funding Activities	28,956	12,877	14,615	25,951	26,643

* Other costs include overheads such as office costs, insurance and factoring

** Development costs include capitalised employee costs & capitalised interest

- 5.2 The table above shows that in years 1 and 2 there is an underlying cash deficit attributable to the higher levels of investment in our existing homes. As investment reduces to more normal levels from year 3 we generate sufficient cash, or revenue surplus, from our underlying business operations to cover the cost of investing in our existing homes and our borrowing costs. This is a significant milestone and means that our underlying operational surplus when expressed as a proportion of funding costs is >1 from year 3 onwards, a key indicator of the financial strength of the business.
- 5.3 Investment in new build (including capitalised staff and interest) totals £87.8m net of grant claims over the five years, and provides funding for the completion of 810 new build homes with a further 200 in development for planned completion in 2026/27.
- 5.4 Other asset investment includes £7.6m for DGHP's share of investment in the Group's IT capital investment programme. This recognises the role technology has in supporting the delivery of the key strategic aims in the Group's 2021-26 strategy and includes £2.1m for integration of DGHP's systems with Group. Alongside the digital aspirations for Group services to customers and staff, the funding also provides for a safe, secure and reliable technology service.
- 5.5 Funding costs remain relatively fixed in the first four years as cash reserves are used to fund investment before increasing in year five as a result of the additional debt drawn from year four.
- 5.6 The financial highlights under each theme of our new strategy are set out below.

Delivering Exceptional Customer Experience

- 5.7 Our strategy seeks to deliver exceptional customer experience while maintaining affordable rent levels for our tenants. Our services will be delivered using a blended approach of face to face and digital, will be easy to access and feel seamless to customers.
- 5.8 These projections include funding to support our new operating model; with £4.6m in 2021/22 to maintain our strong frontline service presence in communities, including our new 1:200 housing officer patch sizes and wraparound services.

- 5.9 At the same time, we will be improving the technology available to support our staff in delivering services to customers. This includes a contribution of £7.6m over the next five years to deliver our digital transformation strategy. This investment in technology will deliver:
- integration of DGHP's systems with Group
 - introduction of digital based-services such as GoMobile and MyHousing to help us strengthen our customer insight, ensuring we can meet the different needs of customers;
 - Expanding our online repairs services with automated communications as part of our "book it, track it, rate it" approach;
 - New ways for customers to engage, for example through community forums, as part of our wider engagement strategy
- through our partner organisation Wheatley Solutions, our 24/7 Customer Service Centre will support our customers in new ways, providing proactive support to help resolve customer issues and coordinating many of our larger scale electronic communications through text and secure messaging.

Making the most of our homes and assets

- 5.10 The projections include funding to deliver over 1,000 new homes for social rent with 810 forecast to complete over the five years of our new strategy. A total of £166m of gross funding for the new build programme has been reflected over the period 2021 to 2026. This is assumed to be supported by grant income of £79m. A provision for the demolition of up to 350 properties has also been reflected to support regeneration of our communities.
- 5.11 Total investment of £108m in our existing homes has been reflected within our five year forecasts. This includes provisions to deliver ballot promises and ensure all properties meet current regulatory standards such as the Energy Efficiency Standard for Social Housing ("ESSH"). A significant proportion of this work will be completed by our joint venture partner, City Building (Glasgow) LLP. Scottish Government and the Scottish Housing Regulator published further guidance last year on the achievement of ESSH mark 2 which requires, where practically possible, all properties to be brought up to EPC band B by 2032. Our five year programme includes a provision of £1.5m in respect of our work towards this. Over the remainder of the plan, our investment assumptions have been informed by the detailed stock condition survey completed by Savills in October 2019.
- 5.12 During the first 5 years of the plan £55m of funding has been earmarked for repairs, assisting the upkeep and maintenance of our stock and communal areas. This represents a continuity of our per property repairs budgets, with inflationary uplifts assumed every year. Our new in-house repairs service was launched in April 2020 and will be extended to provide in-house gas servicing from 2021/22. Repairs remains the largest area of budgeted revenue expenditure.
- 5.13 The financial projections include a provision of £3.7m over the five-year period for customer directed investment as part of our new engagement strategy. The new Customer Voice fund will promote community engagement and will mean investment will be directed to the work streams our customers value most. Further detail of this will be brought back to the Board later this year.

Changing lives and communities

- 5.14 The financial projections demonstrate our commitment to changing the lives of our tenants and the wider communities in which we operate. Since joining the Wheatley Group, we now have access to the Wheatley Foundation, Wheatley Care services and Wheatley 360 which will enable us to introduce and accelerate our provision of wrap around services and opportunities.
- 5.15 Funding to the Wheatley Foundation (“The Foundation”) has been reflected in our projections to deliver services to our customers including welfare benefits advice, employability advice and training schemes for unemployed tenants, modern apprenticeships, our furniture up-cycling Homes Comforts scheme as well as our Eat Well service which delivers food parcels for 6 weeks to tenants most in need.

Developing our shared capacity

- 5.16 During 2020 we made significant progress in reshaping our operating model as we moved to implement 1:200 patch sizes to bring frontline services closer to our communities, and also deliver services using a blended approach of face to face and virtual engagement with our customers. Over the next five years, we will continue to invest in our staff to ensure they have the exceptional skills, attitude, engagement and influence to excel in this new, increasingly virtual working environment. Through our contribution to Wheatley Solutions, our financial plan helps fund a continued focus on staff development in a technology enabled workplace and in our leadership and graduate programmes. Provisions for investment in offices and IT will deliver a new collaborative hub estate and improved homeworking services to staff.
- 5.17 Our new strategy also refers to measures to support our tenants through the following:
- Funding for modern apprenticeships through the Wheatley Foundation. These apprenticeships are offered to young people in the communities in which we operate.
 - The Foundation also offer bursaries to tenants and customers of the Wheatley Group. This provides financial support to our customers who want to go into further education but would struggle to afford it on their own.

Enabling our ambitions

- 5.18 In order to achieve our ambitious strategy, we must demonstrate a strong and stable financial performance. This will ensure we continue to achieve a strong credit rating and attract funding at low rates of interest.
- 5.19 [redacted]
- 5.20 [redacted]
- 5.21 Headroom on all covenants increase from 2021/22, with the highest level of investment in existing homes occurring in that year. The associated “Golden Rule” policy position of always maintaining at least 25% of headroom on interest cover covenants can therefore be met in all years.

6. Key Issues and Conclusions

- 6.1 These financial projections, once approved, will be submitted to the Wheatley Group Board for approval on 24 February. The figures in the first year of the projections, 2021/22, will then form the basis of the annual budget which will be presented to the DGHP Board for approval in March. Performance against the budget will then be monitored through the management accounts provided to the Board throughout the year.

7. Value for Money implications

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

8. Impact on financial projections

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

9. Legal, regulatory and charitable implications

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

10. Equalities impact

- 10.1 Not applicable.

11. Recommendation

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

LIST OF APPENDICES

Appendix 1 - DGHP 2021/22 Financial Projections

DGHP Financial Projections 2021/22

1 Executive Summary

These financial projections are the second update since DGHP joined the Wheatley Group in December 2019. As such they reflect the key tenant promises and the value DGHP expects to gain directly from partnership including:

- additional investment capacity for communities through an accelerated home improvement programme;
- keeping rents more affordable than they would otherwise have been;
- 1,000 new homes across the region including many designed for older people;
- an expanded range of excellent services.

Assumptions have been made to reflect these commitments together with the ambitions set out in our new draft strategy for 2021-2026, Your Home, Your Community, Your Future. The updated financial projections for 2021/22 include:

- Funding of £83m net of grant claims over the five years for the completion of 810 new homes for social rent with a further 200 in development and a provision for stock rationalisation which will enable the regeneration of our communities.
- Investment of £108m over the first five years in our existing properties to ensure all properties continue to meet regulatory standards and that we deliver the accelerated additional investment promised to customers.
- A cap of rent increases of 2% a year until 2023
- Increased provision for investment in our digital transformation and office accommodation strategies

The plan shows that in partnership with Wheatley Group, DGHP can make the anticipated investment, deliver on tenant promises, and service and repay its debt.

2 Key assumptions

The key assumptions in the DGHP Partnership Business Plan are highlighted below. All figures include VAT and inflation, unless stated otherwise.

2.1 Inflation

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

2.2 Stock numbers

As at 1 April 2021, DGHP will own 10,344 homes for social and mid-market rent comprising 6,995 houses and 3,349 flats (including 4 in a block). No additions or disposals are forecast during 2020/21 so this in line with stock as at 31 March 2020 as reported in the audited statutory accounts. A provision has been made within the projections for the demolition of 350 of these properties, including approximately 128 poorly performing tenement flats mostly in north west Dumfries which are currently held as void and unlettable. It is assumed that 1,010 new homes will be completed by March 2027, with 810 of these within the first five years.

The table below shows the assumed stock profile over the period.

Stock Numbers	Forecast						
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Opening Units	10,344	10,343	10,340	10,402	10,609	10,904	11,054
New Build	49	47	112	257	345	200	-
Demolition	(50)	(50)	(50)	(50)	(50)	(50)	(50)
Closing Units	10,343	10,340	10,402	10,609	10,904	11,054	11,004

2.3 Rental Income

Opening rents are based on our average weekly rent per our current rent roll adjusted for a 2% increase in April 2021. In line with ballot commitments made to tenants, rent increases are assumed to be capped at 2% until 2023. In subsequent years, increases have been assumed at 2.9% per annum. This reflects a reduction on the increases assumed in the 2020/21 financial projections of 3.5% and is in line with assumptions across the group. Future increases will however be reviewed at the time and may be reduced, in particular in the event that interest rates and inflation remain lower than our current conservative assumptions. They will always be subject to consultation with tenants each year. The table below shows assumed rent increases for business planning purposes only.

Rent Increase	2021/22	2022/23	2023/24	2024/25	2025/26 on
Transfer Stock	2.00%	2.00%	2.90%	2.90%	2.90%
New Build	2.00%	2.00%	2.90%	2.90%	2.90%

In addition to social housing, DGHP also collect £368k per annum of rental income in respect of garages and garage sites. This is assumed to increase in line with housing stock. A further £575k is projected to be received from the rental of 101 mid-market properties. In line with grant conditions rent increases for mid-market properties are linked to CPI, assumed at 2%.

2.4 Operating Performance

Void losses are assumed at 1% throughout for the core rented stock. Year to date void performance in 2020/21 is 1.62%, however this is largely due to backlog voids which built up during the spring 2020 lockdown restrictions and the impact of social distancing requirements on letting activity later in the year. Backlog voids have been largely cleared and void loss reported in the month of December 2020 reduced to 1.12% with this expected to reduce further. For the 350 properties to be demolished a higher void rate has been assumed based on actual empty and unlettable units and expected time to clear.

The provision for bad debts has been assumed at 2.25% of gross rental income in 2021/22, which is conservative compared to our performance of 1.6% in 2019/20. To manage the impact of Universal Credit this is assumed to increase to 2.5% in 2022/23. Void and bad debt assumptions are shown in the table below.

DGHP Financial Projections# 2021/22

	2021/22	2022/23	2023/24	2024/25	2025/26
Voids (Retained Properties)	1.00%	1.00%	1.00%	1.00%	1.00%
Bad Debts	2.25%	2.50%	2.50%	2.50%	2.50%

Our financial projections also assume an increase in arrears over the period as a result of universal credit. The assumptions used have been updated to reflect our experience in the current year and expectations going forward :-

- A total of 1,400 tenants previously receiving housing benefit will move to UC over the five year period (3,100 tenants assumed to have already moved to UC);
- 80% of tenants who move on to universal credit will have an increase in arrears, with this increase equivalent to 5 weeks rent (£425-£485); and
- Of this increased arrears balance it is assumed only 40% will be recovered with this recovery taking up to two years.

2.5 Other Income

In addition to rental income, a further £2.5m is expected to be generated by DGHP in 2021/22 from other income streams. This is comprised of the following :-

- Service charge income – In addition to rental income DGHP charge tenants for services such as stair cleaning. Income of £164k per annum (net of voids) is assumed to be received in respect of this in 2021/22. This is assumed to increase in line with costs each year.
- Leased properties – DGHP lease 34 properties across four sites to other organisations generating £193k of income each year. This income is assumed to remain fixed i.e. does not increase with inflation
- Factoring – £150k of income is assumed to be received each year from the factoring of 627 properties in private ownership within DGHP's stock areas
- Temporary Accommodation - £737k is projected to be received in 2021/22, this is in line with the current contract which is due to end in September 2022. There is a likelihood that this contract will be extended further however this has not been assumed within the projections
- Supporting People Grant – Grant Income of £119k in respect of support activities is reflected in 2021/22 only.
- Aids and Adaptations - Grant income is assumed to be received each year to fund medical adaptations. This is projected to be in line with costs with £500k assumed in 2021/22, reducing to £350k by year five.

DGHP Financial Projections# 2021/22

- RHI grant - £433k of income is projected to be received in 2021/22 only
- Young Persons Project - Lottery funding for Young Persons Project of £92k per annum is expected to be received until September 2022. Match funding from Dumfries and Galloway Council has been assumed over the same period.

The table below shows forecast other income including inflation and other uplifts

Other Income	2021/22	2022/23	2023/24	2024/25	2025/26
Service Charges	164	171	175	180	185
Leased Properties	193	193	191	191	191
Factoring	150	155	159	164	168
Aids & Adaptations Grant	500	500	450	450	350
Temporary Accommodation	737	351	0	0	0
Supporting People Grant	119	0	0	0	0
RHI Grants	439	0	0	0	0
Young Person Project	185	93	0	0	0
Total Income	2,487	1,461	975	985	894

2.6 Staff and Other Management Costs

Staff costs have been updated to reflect the new staffing structure put in place in 2020/21 as part of the implementation of our new operating model. This new model enhances services to our customers and includes the introduction of 1:200 patch sizes. A move to Group services has been assumed from April 2021 with employees in support roles, Finance, IT, Legal etc assumed to be seconded to Wheatley Solutions. Total direct staff costs in 2021/22, including on costs are assumed to be £3.3m. No additional direct employee cost savings have been assumed in future years however a provision of £300k has been made in 2021/22 for any further restructuring costs. Salary increases are assumed in line with assumptions across the group at 1.5% for three years and 2% each year thereafter.

Running costs have been updated to reflect current year forecast and the transfer of costs to Wheatley Solutions as part of the move to group services. Savings in respect of our office accommodation strategy and procurement savings result in a reduction in costs from 2022/23 on.

DGHP Financial Projections# 2021/22

Recharges from Wheatley Solutions for the provision of services such as the 24/7 customer service centre, transactional teams, legal, IT and Finance have been assumed at £4.1m and have been reflected on a financially neutral basis. The table below shows assumed management costs for the five year period.

Management Costs	2021/22	2022/23	2023/24	2024/25	2025/26
Employee Costs - Direct	3,307	3,357	3,407	3,475	3,545
Running Costs - Direct	2,488	2,183	2,263	2,653	2,500
Wheatley Solutions Recharges	4,149	4,246	4,346	4,457	4,559
Management Costs	9,944	9,786	10,015	10,586	10,603

2.7 Repair Costs

Our repairs service is a key priority for our customers so when our existing repairs contracts were due for renewal the decision was made to bring repairs 'in-house'. Bringing repairs and maintenance in house provided the opportunity to improve services for customers, ensuring most repairs are completed on the first visit. Costs for repairs and maintenance have been assumed in line with previous contract costs with a reduction equivalent to the VAT payable recognised from 2021/22 at a prudent level of £0.5m.

The table below shows the profile of spend, including assumed inflationary uplifts over the period.

Repairs and Maintenance	2021/22	2022/23	2023/24	2024/25	2025/26
Reactive repairs	5,119	5,295	5,479	5,708	5,979
Heating	1,571	1,618	1,667	1,717	1,760
Landscaping	1,014	1,045	1,076	1,108	1,136
Other	428	456	486	544	643
Minor Planned Works	546	562	579	596	611
Compliance	1,413	1,407	1,448	1,645	1,171
Repairs Management	724	735	746	761	776
In house saving	(457)	(470)	(484)	(499)	(511)
Total Repair Costs	10,359	10,647	10,997	11,581	11,564

2.8 Demolition Costs

The financial projections assume that 350 units will be demolished over the seven-year period from April 2021. Costs associated with the demolition, including the physical demolition cost, site security, home loss and disturbance and owner buybacks have been estimated and reflected within the financial projections. Over the period to 2027/28, the total costs in relation to demolition have been assumed at £4.0m. At this stage, this is a conservative assumption for business planning purposes only, and any demolition cases will require to be considered and approved by the Board on a case-by-case basis.

2.9 Capital Investment

Investment in current housing stock

The partnership with Wheatley has released significant new capacity to fund improvements to existing homes and build hundreds of new homes. The focus of the investment programme will be on ensuring we meet and maintain properties to current regulatory standards such as SHQS and deliver additional works to windows, roofs and external walls to meet the EESSH standard on energy efficiency. Covid 19 restrictions resulted in a delay to delivery of these works in 2020/21 however increased provisions have been assumed in the first two years of the projections to ensure these works can be completed as quickly as possible.

The table below shows the profile of capitalised investment works (incl VAT, fees and inflation) over the first five years.

£000s	2021/22	2022/23	2023/24	2024/25	2025/26	Total
Core Investment	26,307	17,411	12,864	12,607	12,868	82,058
Compliance (Capital)	979	0	0	0	0	979
Customer Voice	1,532	544	544	544	544	3,709
Capitalised Voids	2,900	2,987	3,077	3,169	3,248	15,381
Capitalised Employee Costs	1,098	1,114	1,131	1,154	1,177	5,674
Total	32,816	22,057	17,616	17,474	17,837	107,800

Funding of over £82m has been included over the first five years of the projections for our core investment programme and lifecycle replacements. This includes £20m for replacement of windows and doors, £20m for kitchens, £12m for boilers and heating systems and £4m in respect of ballot promises. A provision of £3.7m has also been made over the 5 years for our new Customer Voice fund. This provision will be used for tenant directed investment works, building customer engagement into our investment programme and ensuring we deliver the projects most important to them.

The investment programme in the later years of the plan has been informed by a detailed stock condition survey, the final version of which was completed by Savills in October 2019.

Investment in new housing

In addition to investment in existing homes, the extra funding made available through the partnership with Wheatley has enabled us to invest in new homes. The restructure of our funding arrangements in December 2019 increased our development capacity and provided sufficient funding to allow for the planned delivery of 1,000 new homes for social rent. Due to the site closures and changes in working practices resulting from the Covid-19 pandemic during 2020/21, delivery of our programme was delayed and we now anticipate 810 new homes will be completed over the first five years of the programme. Development costs and grant have been updated to reflect our latest expectations. These are shown in the table below:

£000s	2021/22	2022/23	2023/24	2024/25	2025/26	Total
Development Cost	16,217	17,106	34,367	52,058	41,795	161,544
Grant Income	(6,855)	(10,291)	(20,592)	(26,546)	(14,420)	(78,705)
Capitalised New Build Staff	574	583	591	603	615	2,966
Capitalised Interest	179	90	306	578	849	2,003
Net Cost	10,116	7,488	14,673	26,694	28,838	87,808
Units Completed	49	47	112	257	345	810

Investment in non-housing assets

In addition to investment in housing a provision of £9.6m has been made over the five year period for implementation of our digital transformation and office accommodation strategy.

2.10 Funding

[redacted]

3. Financial projections – next 5 years

The tables below show the projected financial statements for the five year period from 2021 to 2026.

DGHP Financial Projections# 2021/22

3.1 Statement of Comprehensive Income

STATEMENT OF COMPREHENSIVE INCOME	Forecast				
	Year 1 2021/22	Year 2 2022/23	Year 3 2023/24	Year 4 2024/25	Year 5 2025/26
	£'000	£'000	£'000	£'000	£'000
Net Rental Income	44,596	45,660	47,313	49,196	52,127
Other Income	2,487	1,461	975	985	894
Grant Income	5,290	4,246	11,560	21,197	28,057
Total Income	52,373	51,367	59,848	71,378	81,078
Management Costs	(9,944)	(9,786)	(10,015)	(10,586)	(10,603)
Repairs & Maintenance	(10,359)	(10,647)	(10,997)	(11,581)	(11,564)
Demolition and ER/VR	(549)	(565)	(814)	(838)	(859)
Wider Role Activities	(885)	(514)	(222)	(228)	(234)
Bad Debts	(1,052)	(1,180)	(1,225)	(1,274)	(1,348)
Depreciation	(11,510)	(12,624)	(13,649)	(14,210)	(14,522)
Operating Expenditure	(34,298)	(35,316)	(36,922)	(38,717)	(39,132)
Gain on Investment Properties	81	82	82	83	84
Operating Surplus	18,156	16,132	23,008	32,744	42,031
Operating Margin	35%	31%	38%	46%	52%
Net Finance Costs	(6,108)	(6,192)	(6,012)	(6,032)	(7,276)
Movement in Value of Social Housing	(28,975)	(15,196)	(17,227)	(31,983)	(42,737)
Total comprehensive income	(16,927)	(5,256)	(231)	(5,272)	(7,983)

The information presented in the table above includes inflation.

Income

Net rental income is projected to grow over the period as a result of assumed rent increases and the additional properties completed as part of the development programme.

Other income includes grants and funding received for specific short term initiatives in addition to monies received from tenants and factored owners in respect of services provided. The reduction over the period is due to funding for certain initiatives such as temporary accommodation and RHI grants coming to an end.

In line with our accounting policies, housing properties are assumed to be carried at valuation with assumed movements reported in comprehensive income. As properties are carried at valuation, under FRS102, grants received in respect of new build developments are released to the statement of comprehensive income in full on completion of the properties using the performance method.

Operating Expenditure

Staff and running cost assumptions have been updated to reflect implementation of the new operating model including a move to Group Services. Savings in running costs from procurement and our office accommodation strategy have been assumed in the first two years.

Repairs and maintenance and major repairs are assumed to remain relatively stable with the decrease forecast in year five the result of a reduction in compliance works. While the repairs service was brought in house in April 2020, costs have been assumed in line with previous contract levels and do not reflect any additional savings other than a reduction in VAT.

Wider role activities include the cost of the handyperson service, temporary accommodation and young person projects. Costs reduce over the period as the temporary accommodation and young person project are assumed to end in September 2022.

Operating Surplus

DGHP are projected to make an operating surplus in all years with this reducing in year two as a result of a reduction in new build grant recognised and a fall in other income as funding for short term initiatives comes to an end. From year 2 on, operating surplus increases year on year due to increases in grant income recognised in turnover in respect of new build. The operating margin of 35% in 2021/22 is expected to increase to over 50% by 2025/26.

Excluding the impact of grant income and valuation adjustments, underlying operating surplus remains relatively stable over the period with the margin between 23% and 27% in all years.

Funding costs

[redacted]

Comprehensive Income

From 2021/22 on, total comprehensive income is showing a deficit primarily as a result of the assumed reduction in valuation of social housing properties. This reduction in valuation arises from the difference between the EUV-SH valuation of new build properties compared to the gross cost of development. Over the medium to longer term, increases in income as a result of the development programme are projected to offset this and DGHP moves back into surplus.

3.2 Statement of Financial Position

STATEMENT OF FINANCIAL POSITION	Forecast				
	2021/22	2022/23	2023/24	2024/25	2025/26
	£'000	£'000	£'000	£'000	£'000
Housing assets	378,753	391,649	415,010	441,247	446,601
Investment Properties	8,163	8,244	8,327	8,410	8,494
Other Fixed Assets	4,851	5,539	5,512	5,221	4,807
Total Fixed Assets	391,767	405,433	428,849	454,879	459,902
Current Assets	44,388	32,764	19,435	10,592	10,618
Current Liabilities	(23,401)	(29,603)	(38,796)	(44,310)	(30,840)
Net Current (Liabilities)/Assets	20,987	3,160	(19,361)	(33,718)	(20,223)
Long term liabilities	(192,106)	(193,202)	(194,328)	(211,272)	(237,774)
Provisions (LGPS Pension)	(2,765)	(2,765)	(2,765)	(2,765)	(2,765)
Net Assets	217,883	212,626	212,395	207,124	199,141
Total Reserves	217,883	212,626	212,395	207,124	199,141

The information presented in the table above includes inflation.

Fixed Assets

In accordance with our accounting policy housing properties have been forecast at valuation with the opening valuation based on the figures reported in DGHP's audited statutory accounts. Over the period shown above, housing and investment properties are expected to increase by 21% as a result of planned investment in existing stock and in new properties.

Other Fixed Assets include fixtures and fittings and IT Equipment, the value initially increases as a result of assumed investment in office accommodation and IT before decreasing in the later years as annual depreciation charges exceed additions.

Net Current (Liabilities)/Assets

Current assets includes rent and other debtors, and cash balances with the reduction in assets over the period predominantly due to a reduction in cash. DGHP had cash balances of £63.8m as at 1st April 2020 with this forecast to increase to £67.2m by 31st March 2021 as a result of reductions in repairs, investment and development spend in 2020/21 due to Covid-19 restrictions. This is projected to reduce as funds are required to deliver the investment and development programme.

Movements in current liabilities relate predominantly to grant received in respect of housing under construction. This is recognised as deferred income until the units are completed at which point it is transferred to the Statement of Comprehensive Income as part of Turnover.

Long Term Liabilities

Long term liabilities relate to outstanding loan amounts net of fees. This is forecast to increase over the period to fund investment in existing properties and the development programme.

Reserves

Over the projected period shown above, reserves are expected to decrease. This is driven mostly by valuation movements resulting from the difference in EUV-SH valuation of new build properties and the cost of development.

3.3 Cash Flow Strength

Cash flows need to be able to demonstrate that there is sufficient cash available to service debt each year and to repay funding within 30 years. The measure of Revenue Surplus removes items that are non-cash and/or unrelated to operations, such as grant income and property valuation movements, which, after the deduction of capital investment in existing properties, is used to assess the funds available to meet interest payments and pay for all costs related to current stock.

Cash Flow Strength	Forecast				
	Year 1 2021/22	Year 2 2022/23	Year 3 2023/24	Year 4 2024/25	Year 5 2025/26
	£'000	£'000	£'000	£'000	£'000
Revenue Surplus	24,295	24,428	25,015	25,674	28,412
Less Capital Investment (Existing Properties)	(32,816)	(22,057)	(17,616)	(17,474)	(17,837)
Revenue Surplus less Capital Investment	(8,521)	2,372	7,399	8,200	10,574
Net Finance Costs	(6,108)	(6,192)	(6,012)	(6,032)	(7,276)
Cover	(14,629)	(3,821)	1,387	2,167	3,298

Due to the high level of investment assumed in existing homes, Revenue Surplus less Capital Investment is negative in the first year. As income increases and investment required reduces the measure becomes positive and by 2023/24 there is sufficient cash generated to cover both investment in existing stock and funding costs. Over the longer term it is projected that debt can be repaid in 2049/50 of the plan with £41.4m of cash generated by year 30.

4. Funding and debt profile
[redacted]

5. Risk Analysis

The key challenges for DGHP include:-

- How we manage the impact of further significant disruption to our operations as a result of Covid-19, including the impact on our customers' ability to pay their rent, further delays to delivery of our investment programme and the potential for additional "catch up" costs once restrictions are eased.
- How we best mitigate the risk of the current economic climate including the potential impact of welfare benefit changes on our business
- The changing housing market in Scotland, with affordability an increasing national priority across a wider range of residents and potential demand implications for social and mid-market housing.
- Limitations on public resources creating need for innovative solutions to deliver national priorities and leading to increased demand for our services
- Delivery of the new build programme within available resources
- Transformation to a new operating and service model, and group working more generally, within the provision available.

The table below sets out key financial sensitivities on DGHP's funding covenants and key financial indicators.

DGHP Financial Projections# 2021/22

No.	Risk Description	Covenants		Cash Flow		Mitigation
		Covenants Met (Y/N)	Interest Cover Headroom (Min)	Peak debt	Debt repaid	
2021/22 Financial Projections		Y	£6.7m	£242.7m	29	
1	Inflation reduces to 1.5% in 2021/22 and 2.5% thereafter. Interest rates fall to 2% long term. No change to assumed rent increases.	Y	£6.7m	£235.7m	26	As expected, this improves the financial position with lower peak debt and repayment in year 26.
2	Rent increase reduced to 2.5% for plan duration	Y	£6.7m	£246.1m	Not repaid within 30 years	Review operating model and repairs service to seek additional efficiencies.
4	Voids are 1% higher	Y	£6.3m	£246.3m	Not repaid within 30 years	Performance monitoring and management together with a review of the rent setting policy
5	Bad debts are 0.5% higher	Y	£6.5m	£244.4m	30	Review of rent setting policy, operational efficiencies and service and repair levels to mitigate the financial impact of the additional bad debt costs.
6	Management costs increase by £0.5m	Y	£6.2m	£251.6m	Not repaid within 30 years	Performance monitoring to identify overspends and areas for efficiencies to be realised
7	Reactive repairs costs increase by 20% in years 1 and 2	Y	£5.7m	£245.1m	30	Performance monitoring and service review to identify areas where efficiency savings can be realised.
8	Delay in delivery of investment programme. £15m planned for year 1 slips to years 2 and 3	Y	£5.4m	£242.5m	29	Investment could be smoothed over a longer period of time or efficiencies sought in other areas to offset the impact in years 2 and 3

DGHP Financial Projections# 2021/22

9	Investment spend increases by £2m in each of years 2-4 due to regulatory changes	Y	£6.7m	£249.7m	30	Performance monitoring and review services to identify overspends and areas for efficiencies to be realised
10	Development costs are 10% higher on 6 legacy schemes with no change in grant	Y	£6.7m	£248.1m	30	All schemes subject to appraisal and board approval prior commencement.



Report

To: DGHP Board

By: Anthony Allison, Director of Governance

Approved by: Steven Henderson, Group Director of Finance

Subject: Wheatley Solutions Services Agreement

Date of Meeting: 17 February 2020

1. Purpose

- 1.1 This report seeks the Board's approval to enter into a Services Agreement with Wheatley Solutions for the provision of corporate support services.

2. Authorising context

- 2.1 The Intra Group Agreement ("IGA") between Wheatley Housing Group (as group parent) and Dumfries and Galloway Housing Partnership states the intention that the *"primary central service and corporate service provider to the Group shall be Wheatley Solutions Limited."*
- 2.2 Where Wheatley Solutions are the service provider, the IGA sets out that the parties shall enter into a Services Agreement which set out the agreed services to be provided, any relevant performance standards, quality considerations, term of the agreement and pricing.

3. Risk Appetite and assessment

- 3.1 Our risk appetite for performance is "Open". This level of risk tolerance is defined as "prepared to invest for reward and minimise the possibility of financial loss by managing the risks to a tolerable level".
- 3.2 Our risk appetite in relation to governance is cautious, which is defined as "Preference for safe delivery options that have a low degree of inherent risk and may only have limited potential for reward".
- 3.3 The introduction of Wheatley Solutions as provider of corporate support services is designed to balance these two factors; by strengthening the ability of these teams serving partner organisations to work together and innovate, while providing a framework to manage compliance and risk consistently across the Wheatley Group, under the oversight of a dedicated Board.

4. Background

- 4.1 The Wheatley Group partnership proposal to DGHP from June 2019 stated that:

As part of our partnership, DGHP staff who provide corporate services will continue to be based locally and will become part of Wheatley Solutions, so as to benefit from being part of a larger staff cohort, with defined career paths and established management structures. All resources in Wheatley Solutions will be available to co-create suitable approaches with DGHP, that meet its local needs. (p16/17)

- 4.2 Corporate services expertise and delivery is provided in-house in Wheatley through the 352 staff in Wheatley Solutions. Wheatley Solutions is a wholly owned subsidiary of Wheatley Housing Group Ltd which provides services to other partner organisations in the Group. It brings together staff expertise including in IT, HR, communications, organisational development, finance, internal audit, litigation, surveying, new build development, procurement, customer contact and treasury management.

- 4.3 Wheatley Solutions' approach is characterised by the deep understanding of its staff, and their commitment to ensuring that all partners in the Group can deliver excellent services for their tenants and other customers. It does this through ensuring that it is efficient, as illustrated by recent Housemark benchmarking which showed that Wheatley Solutions costs per employee served for:

- Finance cost is £109 per property in Wheatley compared to a median cost of £215 per property in Housemark peer group of large housing organisations
- IT cost per property is £166 for Wheatley subsidiaries in 2020/21 which sits in the lowest spend quartile when compared against organisations of a similar size where the median spend was £196 per property.

- 4.4 In-house provision from Solutions across the full range of corporate service allows partner organisations to:

- minimise spend on external advisors, including VAT,
- share costs with all other group partners, meaning services can be delivered efficiently
- access expertise that has led to many innovations in Wheatley including funding, new build development, investment delivery, risk management and IT/Digital transformation.

- 4.5 Since DGHP joined Wheatley, its 45 corporate support services staff have been working very closely with Wheatley Solutions colleagues to deliver change in areas such as finance/funding, IT and staff development. It is now proposed that this approach is formalised through entering into the necessary legal/contractual and financial arrangements.

5. Discussion

- 5.1 It is proposed that the arrangements between DGHP and Wheatley Solutions would operate as follows:

Staff and contracts

- 5.2 From 1 April, DGHP's corporate services staff, including those in the call centre, would be seconded to Wheatley Solutions. Prior to this date, staff and union consultation would take place to explain the nature of the indefinite secondment agreement that staff will be asked to enter into. Staff would remain as employees of DGHP, this is not a TUPE arrangement, and there would be no changes to staff pensions arising from the secondment.
- 5.3 We will also consider the need for any alignment of staff terms and conditions with other Wheatley Solutions colleagues (other than pension) during the consultation process.
- 5.4 This mechanism allows all relevant staff costs to be charged from DGHP to Wheatley Solutions. The same process will also begin on 1 April in respect of overheads and non-staff costs associated with these functions. Progressively, DGHP contracts in these areas will be brought under the name of Wheatley Solutions, although due to the VAT grouping arrangements between DGHP and Solutions, costs can be recharged between the two organisations flexibly, allowing us to move all such costs to Solutions in the first instance.
- 5.5 These support services costs are pooled in Wheatley Solutions with those of other partner organisations. Wheatley Solutions' cost base for 2021/22 is £25.6m prior to inclusion of DGHP costs, rising to £29.7m when DGHP costs are included. Wheatley Solutions then provides two charges to each partner organisation – one for employee costs and the other for running costs (ie overheads/non-staff costs). In the management accounts of DGHP, these two lines would appear from 1 April, alongside direct staff and running costs lines.
- 5.6 Wheatley Solutions recharges all of its costs in full to other members of the Group, meaning it breaks-even at the end of the financial year¹. It does not, therefore, take financial risk or make profit in that sense. Its business plan and budget performance is overseen by its Board, which is comprised of representation from across the Group. At our last Board meeting, it was agreed that Heather MacNaughton would be appointed as the DGHP drawn member of the Board of Wheatley Solutions. Heather has now taken up this role and attended her first Board session.
- 5.7 Recharges are based on a modified share of turnover approach, taking into account the nature of each partner organisation's activities and specific commitments made under each respective partnership arrangement. For DGHP, it was agreed that the introduction of Wheatley Solutions would not lead to an increase in corporate support services costs. The schedule of recharges is agreed by the Group Board every February as part of its approval of Group-wide business plans, and re-affirmed by the Group Audit Committee prior to the preparation of the statutory accounts for that year.

¹ This is subject to two caveats for regulatory purposes; (i) Solutions must retain a small element of reserves to ensure compliance with FCA rules on insurance sales, and (ii) HMRC transfer pricing requirements mean a 5% markup on Solutions charges is made in the statutory accounts, which will be offset in DGHP's favour by an equivalent charge from DGHP to Solutions for use of corporate office space by Solutions staff.

- 5.8 The DGHP business plan item on the agenda provides a before and after position, evidencing how the introduction of Solutions recharges will be financially neutral to DGHP in 2021/22 and every year thereafter, compared to the status quo scenario. The Board of DGHP will be required to approve these budgets each year, allowing it to scrutinise recharge levels in comparison with previous years. The Board of Wheatley Solutions will also be required to approve its budgeted costs, providing a dual control.

Services delivery framework and performance management

- 5.9 At a corporate level, DGHP would be required to enter into a Services Agreement with Wheatley Solutions. This is the overarching legal framework under which day to day responsibility for the provision of support services is transferred to Solutions. It also covers matters such as: warrants and indemnities; obligations on Wheatley Solutions, such as having appropriately skilled staff; data protection obligations; and liability and termination provisions.
- 5.10 A Business Excellence Framework would be appended as a schedule to the Service Agreement, with provision that it may be varied from time to time by agreement of both Boards. This is the document which sets out the scope of the main services to be provided by Solutions to DGHP. It also sets out the key performance indicators (KPIs) for these services. There are some services, such as Communications and Marketing, which are more qualitative in nature as such are not as appropriate for quantitative KPI measures. Where this is the case, the BEF sets out the core service offering separately.
- 5.11 The Board of Wheatley Solutions regularly reviews its performance against its targets in line with its strategy. The Business Excellence Framework and associated KPIs will be subject to annual review between Solutions and DGHP, and a bi-annual report will be provided to the DGHP Board (in May and October/November) providing an update on Solutions performance against the agreed targets and measures.
- 5.12 A draft Service Agreement and Business Excellence Framework are provided in Appendix 1. We commissioned Harper Macleod to undertake an independent legal review the agreement on behalf of DGHP. They provided some minor updates and confirmed their opinion that

'the terms of draft services agreement meets the Scottish Housing Regulator's requirements in relation to RSLs in group structures'.

- 5.13 Wheatley Solutions has a lead Group Director who attends all Solutions Board meetings and the Group Director of Finance (Steven Henderson) is also a Board member. This ensures strong accountability for service delivery between Board and executive management.

6. Key issues and conclusions

- 6.1 The proposals in this report reflect a commitment in the Wheatley partnership proposal to DGHP. They will allow the strong working relationships which have already been formed between corporate services colleagues to be formalised as part of the wider integration of business infrastructure across the Group, which includes IT systems and funding arrangements.

7. Value for Money implications

- 7.1 The proposals are designed to be cost-neutral to DGHP, as demonstrated in the business plan paper on the agenda.

8. Impact on financial projections

- 8.1 As above, no impact.

9. Legal, regulatory and charitable implications

- 9.1 Under the Scottish Housing Regulator statutory guidance for Group Structures and Constitutional Partnerships where there are intragroup services provided:

The group must set out service provision between group members in written service level agreements or contracts, with clear costs and charges, and review them regularly

- 9.2 The combination of the Services Agreement and business plan recharge arrangement allow us to comply with this requirement, as confirmed by the independent legal advice on our behalf. The documents will have legal effect when executed.
- 9.3 The Scottish Housing Regulator is aware of the Wheatley Solutions approach and the performance reporting framework set out above is designed to ensure adherence to the Regulatory Framework. There are no other charitable implications.

10. Equalities impact

- 10.1 Staff being seconded to Wheatley Solutions will have terms and conditions reviewed for any equalities implications as part of the process. There are no other equalities implications of these proposals.

11. Recommendation

The Board is asked to:

- 1) provide feedback on and agree to enter into the Service Agreement with Wheatley Solutions; and
- 2) Designate the Managing Director as an Authorised Signatory to execute the Services Agreement

Appendix 1: Service Agreement and Business Excellence Framework

SERVICES AGREEMENT

among

Wheatley Solutions Limited

Dumfries and Galloways Housing Partnership Limited

and

Wheatley Housing Group Limited

AGREEMENT

among

WHEATLEY SOLUTIONS LIMITED, a company registered in Scotland with registered number **SC533419** and having its registered office at **Wheatley House, 25 Cochrane Street, Glasgow, G1 1HL** (hereinafter referred to as "Wheatley Solutions");

DUMFRIES AND GALLOWAY HOUSING PARTNERSHIP LIMITED, a company registered in Scotland with registered number **SC220297** and a registered Scottish charity (**SC 039896**) having its registered office at **Grierson House, The Crichton, Bankend Road, Dumfries DG1 4ZS** (hereinafter referred to as "DGHP"); and

WHEATLEY HOUSING GROUP LIMITED, a company registered in Scotland (**SC426094**) and having its registered office at **25 Cochrane Street, Glasgow, G1 1HL** (hereinafter referred to as "WHG")

WHEREAS:

- A. DGHP and Wheatley Solutions are subsidiaries of WHG.
- B. DGHP and Wheatley Solutions recognise that the strength of the group structure within which WHG is the parent comes from the commitment of all members of the Group to achieving the objectives of the Group, and from effective, efficient and high quality support from within the Group in relation to the Services and the needs of each member.
- C. Wheatley Solutions Limited is the subsidiary within the Group that has been established to provide effective, efficient and high quality support in relation to the Services and the needs of subsidiary members.
- D. Against that background, DGHP wishes to engage Wheatley Solutions to provide certain services and Wheatley Solutions wishes to provide these services.

NOW IT IS HEREBY AGREED as follows:

1. Definitions and Interpretation

This Agreement shall be interpreted according to the provisions of Part 1 of the Schedule (*Definitions and Interpretation*).

2. Commencement, Duration and Review

- 2.1 Notwithstanding the dates of execution hereof, this Agreement shall commence on 1 April 2021, and shall continue unless terminated earlier in accordance with clause 9 (Force Majeure) until 31 March 2022 (the "Initial Term"). Subject to the provisions of clause 2.2, the term of this Agreement shall automatically extend for a period of 12 months (the

“Extended Term”) at the end of the Initial Term and at the end of each Extended Term, unless either Party gives written notice to the other in accordance with clause 2.2.

- 2.2. At least three months prior to the expiry of the Initial Term and each Extended Term, the Parties shall, at the request of either Party, review and discuss the provision of Services under this Agreement. Notwithstanding their relationship within the Group and their shared desire to provide and develop the interests of both Parties, either Party may decide to terminate this Agreement by giving three months’ prior written notice to the other.
- 2.3 Notwithstanding termination of this Agreement by Wheatley Solutions, Wheatley Solutions undertakes to continue to provide the appropriate support and resources following termination to ensure that commitments to DGHP customers are satisfied and that DGHP is able to arrange suitable alternative provision. Both Parties will work together to ensure that there is no detrimental impact on the then current business plan of DGHP.

3. The Services

- 3.1 With effect from the Commencement Date the parties agree that Wheatley Solutions (and where relevant other Group subsidiaries in terms of Clause 4.1.1) shall use reasonable endeavours to provide the Services to DGHP in a competent and professional manner and in accordance with the terms of this Agreement.
- 3.2 In particular, the Parties agree that:
 - 3.2.1 Wheatley Solutions shall use the reasonable skill, care and diligence expected of a competent and properly qualified person of the relevant discipline who is experienced in providing such services in relation to the provision of services of a similar size, scope and nature to the Services;
 - 3.2.2 Wheatley Solutions shall provide the Services in accordance with the Service Schedule (Business Excellence Framework);
 - 3.2.3. Notwithstanding the Services in the Service Schedule (Business Excellence Framework), Wheatley Solutions will use its expertise and resources, where appropriate, to support DGHP in delivering its priorities in line with Your Homes, Your Community, Your Future and subsequent agreed Group strategies;
 - 3.2.3 DGHP shall take reasonable steps necessary to facilitate the provision of the Services by Wheatley Solutions.
- 3.3 Wheatley Solutions and DGHP each have the right to propose changes to the Services in accordance with this Clause 3. If either Wheatley Solutions or DGHP requests a Voluntary Change Event, it must serve a Notice of Voluntary Change on the other party.
- 3.4 The Notice of Voluntary Change shall:
 - 3.4.1 Set out the Voluntary Change Event in sufficient detail to enable the party receiving the notice to estimate the resource implications;

- 3.4.2 Require the party receiving the Notice of Voluntary Change to provide the party giving the notice within 20 Business Days of receipt or issue of the notice with an estimate of the costs involved.
- 3.5 As soon as reasonably practicable and in any event within 20 Business Days after having received a Notice of Voluntary Change in terms of clause 3.4, the party in receipt of the notice shall deliver to the other an estimate detailing the effect of the Voluntary Change Event on the Services. The estimate shall include the opinion of the party receiving the notice on:
- 3.5.1 Any impact on the provision of the Services;
- 3.5.2 Any amendment required to this Agreement as a result of the Voluntary Change Event;
- 3.5.3 Any net increased or decreased cost that directly results from the Voluntary Change Event.
- 3.6 As soon as reasonably practicable after receipt of the estimate, the parties shall discuss and use their reasonable endeavours to agree the issues set out in the estimate. In such discussions the party giving the Notice of Voluntary Change may modify that notice, in which case the party receiving the notice shall, as soon as practicable, and in any event not more than 15 Business Days after the receipt of such modification, notify the party giving the notice of any consequential changes to the estimate.
- 3.7 DGHP and Wheatley Solutions shall each use their reasonable endeavours to agree implementation of any Notice of Voluntary Change provided that neither DGHP nor Wheatley Solutions shall be under any obligation to do so where it believes any change referred to therein may be prejudicial to it.
- 3.8 Notwithstanding any other provision of this Clause 3, in the event that DGHP and Wheatley Solutions are unable to agree any matter referred to in this Clause 3 then the requested Voluntary Change Event shall not be referred to the dispute resolution procedure in Clause 10 or to any court of law and shall not be implemented.

4. Sub-Contracting/Assignment

- 4.1 The parties acknowledge and agree that:
- 4.1.1 Wheatley Solutions may, in accordance with the terms of this Agreement, delegate sub-contract or transfer the performance of any of the Services, or part thereof, or obligations under this Agreement by appointing a Group member or a third party not being a Group member as its agent for the provision to DGHP of any Service or all Services contracted to be provided by it under this Agreement. If Wheatley Solutions appoints an agent ("the Agent"), DGHP shall accept the performance of the Agent as the performance of Wheatley Solutions under this Agreement, and references in this Agreement to Wheatley Solutions or to a party which is Wheatley Solutions shall (where appropriate) be deemed to include a reference to the Agent,

and the Agent shall have the right to enforce any term of this Agreement which confers a benefit on behalf of Wheatley Solutions if Wheatley Solutions has assigned that benefit to, or otherwise conferred that benefit on, the Agent;

4.1.2 If Wheatley Solutions appoints a third party not being a Group member as the Agent this shall be in consultation with the relevant senior staff member of DGHP;

4.1.3 Notwithstanding any such delegation, sub-contracting or transfer, Wheatley Solutions shall remain fully responsible for the provision of all of the Services under this Agreement.

5. Payment

5.1 In consideration of the performance by Wheatley Solutions of its obligations under this Agreement, DGHP shall pay Wheatley Solutions an agreed annual service payment corresponding to its Group Recharge as agreed as part of Group business planning.

5.1 If the scope of the Services (or any part of them) is varied or adjusted by the written agreement of the Parties at any time, the parties shall review the agreed service payments relating to such varied/adjusted Service(s) to assess and confirm whether payments other than those through the Group Recharge are required to reflect the variation to the Services.

5.2 The parties agree that Wheatley Solutions' Finance Team shall process intra-group payments between DGHP and Wheatley Solutions which relate to the Services provided to DGHP. Each intra-group payment shall reflect the amount payable by DGHP in relation to the Services received by DGHP during the preceding quarter, or other time period to ensure effective financial operations in WHG, DGHP and Wheatley Solutions.

5.3 All payments under this Agreement shall be made in pounds sterling by electronic transfer of funds for value on the day in question to the appropriate bank accounts as determined by the Wheatley Solutions' Finance Team.

6 Performance

6.1 If Wheatley Solutions fails to provide the Services (or any part of them) in accordance with the terms of this Agreement, DGHP may serve notice on Wheatley Solutions requiring Wheatley Solutions (at Wheatley Solutions' option) to either:

6.1.1 Remedy the issue identified (if the same is continuing) within twenty Business Days of such notice; or

6.1.2 Put forward within twenty Business Days of such notice a reasonable programme for remedying the failure, including reasonable detail as to how the issue will be remedied and proposed timescale for remediation.

6.2 Where Wheatley Solutions puts forward a programme in accordance with Clause 6.1.2, DGHP (acting reasonably) shall have twenty Business Days from receipt of the same within which to notify Wheatley Solutions that it does not accept the programme, failing which DGHP shall be deemed to have accepted the programme. Where DGHP notifies Wheatley

Solutions that it does not accept the programme as being reasonable, the parties shall use reasonable endeavours within the following five Business Days to agree any necessary amendments to the programme put forward. In the absence of agreement within five Business Days, the question of whether the proposed programme will remedy the Wheatley Solutions performance failure in a reasonable manner and within a reasonable time period may be referred by either DGHP or Wheatley Solutions for resolution in accordance with the dispute resolution procedure in Clause 10.

7 Assignment

- 7.1 This Agreement shall be binding on the parties and their respective successors and permitted transferees and assignees.
- 7.1 DGHP shall not assign or otherwise dispose of the benefit of the whole or part of this Agreement to any person without the consent of Wheatley Solutions, which consent shall not be unreasonably withheld in relation to the assignment to a company which is controlled by WHG.

8 Intellectual Property and Data Protection

- 8.1 The parties agree that any Intellectual Property Rights which are developed by the parties or otherwise developed as a direct or indirect consequence of this Agreement shall be owned by WHG or such other member of the Group as WHG directs and each party agrees to execute all documents necessary to effect such ownership.
- 8.2 Where WHG directs that the relevant Intellectual Property Rights are to be owned by another member of the Group, WHG will ensure that such Group Member grants DGHP a perpetual, royalty free licence to use the relevant Intellectual Property Rights.
- 8.3 During the provision of the Services, it is acknowledged that DGHP may disclose Personal Data to Wheatley Solutions. DGHP acknowledges that Wheatley Solutions acts as an independent Controller and is therefore responsible for complying with Data Protection Legislation in respect of any Personal Data that Wheatley Solutions processes in providing the Services to DGHP.
- 8.4 In providing the Services, Wheatley Solutions shall comply with its obligations as a Controller under the Data Protection Legislation.
- 8.5 DGHP acknowledges that it is also an independent Controller responsible for complying with Data Protection Legislation in respect of the Personal Data that it processes. Accordingly, DGHP:
 - 8.5.1 confirms that where it discloses Personal Data to Wheatley Solutions such disclosure is fair and lawful and does not contravene the Data Protection Legislation; and
 - 8.5.2 shall otherwise comply with its obligations under the Data Protection Legislation.
- 8.6 DGHP has defined that the following categories of Personal Data will be collected and processed by Wheatley Solutions under this Agreement:

- 8.6.1 name and title;
 - 8.6.2 professional, commercial, personal or business addresses;
 - 8.6.3 date of birth;
 - 8.6.4 National Insurance number
 - 8.6.5 telephone number;
 - 8.6.6 professional, commercial, personal or business e-mail address; and
 - 8.6.7 Sensitive Personal Data and Special Categories of Personal Data (information about race and ethnic origin, political opinions, religious or philosophical convictions, trade union membership, health or sexuality).
- 8.7 DGHP has defined the following Data Subject categories from whom the Personal Data may be collected and processed by Wheatley Solutions under this Agreement:
- 8.7.1 Current , former or prospective DGHP tenants;
 - 8.7.2 Current , former or prospective DGHP factored homeowners;
 - 8.7.3 Current , former or prospective DGHP commercial tenants; and / or
 - 8.7.4 Current , former or prospective DGHP employees, Board members and volunteers.
- 8.8 On the expiry of the Term or earlier termination of this Agreement (howsoever caused), Wheatley Solutions will immediately:
- 8.8.1 cease Processing the DGHP Personal Data; and
 - 8.8.2 at DGHP's option and at Wheatley Solutions' sole cost and expense, either: (i) return to DGHP; or (ii) delete, all the DGHP Personal Data wherever and in whatever manner it is held or stored.
- 8.9 If and to the extent that Wheatley Solutions is obliged to retain any DGHP Personal Data as a result of Wheatley Solutions being deemed to be a Controller of that DGHP Personal Data and/or to comply with legal or regulatory obligations to which Wheatley Solutions is subject, the following provisions will apply:
- 8.9.1 Wheatley Solutions may retain and not return or delete such DGHP Personal Data, only to the extent and only for as long as is legally necessary to hold such DGHP Personal Data in its capacity as Controller of that DGHP Personal Data and/or to comply with the applicable legal or regulatory obligations to which Wheatley Solutions is subject; and
 - 8.9.2 Wheatley Solutions will, following expiry or earlier termination of this Agreement, be a Controller in relation to such DGHP Personal Data retained by Wheatley Solutions.
- 8.10 For the purposes of this Clause 8, the terms "Controller", "Data Controller", "Data Processor", "Data Protection Impact Assessment", "Data Subject", "Information

Commissioner's Office", "Personal Data", "Process" (including any derivatives thereof), "Processor", "Sensitive Personal Data", and "Special Categories of Personal Data" shall each have the same meaning as defined in the Data Protection Legislation;

9 Force Majeure

- 9.1 No party shall be in breach of this Agreement if there is any total or partial failure of performance by it or its duties or obligations under this Agreement occasioned by act of God, natural disaster, fire, act of intervention of government or state, riot or civil commotion, insurrection or industrial dispute of whatever nature or any other reason beyond the control of that party and if a party is unable to perform its duties or obligations under this Agreement as a direct result of the effect of one of the above reasons that party shall give written notice to the other parties of the inability stating the reason therefore and the operation of this Agreement shall be suspended during the period (and only during the period) in which such reason continues. Forthwith upon such reason ceasing to exist, the party relying upon it shall give written notice to the other parties of this fact, provided that if the reason continues for a period of more than 90 days and substantially affects the commercial basis, financial viability or practicality of this Agreement the party not claiming relief under this Clause 9 shall have the right to terminate this Agreement upon giving 30 days written notice of such termination to the other parties.

10 Dispute Resolution Procedure

- 10.1 It is the declared intention of the parties that all matters of disagreement should be resolved by negotiation among the parties and each agrees to act in good faith and use its reasonable endeavours to apply the terms of this Agreement without the necessity for implementing the dispute resolution procedure set out in this Clause 10.
- 10.2 In the event that there is any disagreement or dispute among the parties as to the operation of this Agreement or in relation to the Services, each party agrees that its senior officer will meet with the senior officer of the other parties, with a view to resolving any issues of concern and that said senior officers will resolve the disagreement or dispute.
- 10.3 If the parties are unable to reach an agreement in relation to any dispute then the matter will be referred to the chief executive of WHG for final resolution. The decision by the chief executive of WHG shall be final and binding on the parties and there shall be no right to appeal any decision of the chief executive. Any decision of the chief executive will be notified to the Board of each party at their next scheduled meeting.

11 Notices

- 11.1 All notices under this Agreement shall be in writing and all certificates, notices or written instructions to be given under the terms of this Agreement shall be served by sending the same by first class post, email or by hand, leaving the same at:

- | | |
|--------------------------|--|
| If to Wheatley Solutions | Company Secretary, Wheatley House, 25 Cochrane Street, Glasgow or Anthony.allison@wheatley-group.com |
| If to DGHP | Managing Director, Grierson House, Bankend Road, Dumfries or Matt.Foreman@dghp.org.uk |
| If to WHG | Group Director of Finance, Wheatley House, 25 Cochrane Street, Glasgow or Steven.Henderson@wheatley-group.com |
- 11.2 Where any information or documentation is to be provided or submitted to a representative of DGHP, WHG or Wheatley Solutions it shall be provided or submitted by sending the same by first class post, email or by hand, leaving the same at:
- | | |
|---|--|
| If to Wheatley Solutions representative | Company Secretary, Wheatley House, 25 Cochrane Street, Glasgow or Anthony.allison@wheatley-group.com |
| If to DGHP's representative | Managing Director, Grierson House, Bankend Road, Dumfries or Matt.Foreman@dghp.org.uk |
| If to WHG's representative | Group Director of Finance, Wheatley House, 25 Cochrane Street, Glasgow or Steven.Henderson@wheatley-group.com |
- 11.3 any party to this Agreement and any representative thereof may change its nominated address or email address by prior notice to the other parties.
- 11.4 Notices given by post shall be effective upon the earlier of (i) actual receipt, and (ii) five (5) Business Days after mailing. Notices delivered by hand shall be effective upon delivery. Notices given by email shall be deemed to have been received where there is confirmation of delivery in the form of a delivery receipt.

12 No Agency

- 12.1 Nothing in this Agreement shall be construed as creating a partnership or as a contract of employment between or among the parties.
- 12.2 Save as expressly provided otherwise in this Agreement, Wheatley Solutions shall not be, or be deemed to be, an agent of DGHP and Wheatley Solutions shall not hold itself out as having authority or power to bind DGHP in any way.

13 Amendments, Waiver, Entire Agreement, Severability, Third Party Rights

- 13.1 This Agreement may not be varied except by an agreement in writing signed by duly authorised representatives of the parties.

- 13.2 Any waiver of any party in exercising any right shall not be construed as a waiver of the right and shall not affect the ability of that party subsequently to exercise that right or to pursue any remedy, nor shall any indulgence constitute a waiver of any other right (whether against that party or any other person).
- 13.3 Except where expressly provided otherwise in this Agreement, this Agreement constitutes the entire agreement among the parties in connection with its subject matter and supersedes all prior representations, communications, negotiations and understandings concerning the subject matter of this Agreement.
- 13.4 If any provision of this Agreement shall be declared invalid, unenforceable or illegal by the courts of any jurisdiction to which it is subject, such provision may be severed and such invalidity, unenforceability or illegality shall not prejudice or affect the validity, enforceability and legality of the remaining provisions of this Agreement.
- 13.5 Save to the extent expressly provided in this Agreement and, to avoid doubt, without prejudice to the rights of any permitted successor to the rights hereunder of Wheatley Solutions or of any permitted assignee, it is expressly declared that no rights shall be conferred under and arising out of this Agreement upon any person other than WHG, DGHP and Wheatley Solutions, whether in terms of the Contract (Third Party Rights) (Scotland) Act 2017 or otherwise, and without prejudice to the generality of the foregoing, there shall not be created by this Agreement any remedy for or to any third party who is not a party to the contract to obtain or enforce rights under the contract.

14 Governing Law and Jurisdiction

14.1 This Agreement shall be considered as a contract made in Scotland and shall be subject to the laws of Scotland.

14.2 Subject to the provisions of the Dispute Resolution Procedure set out in Clause 10, the parties agree that the courts of Scotland shall have exclusive jurisdiction to hear and settle any action, suit, proceeding or dispute in connection with this Agreement and irrevocably submit to the jurisdiction of those courts.

IN WITNESS WHEREOF these presents typewritten on this and the preceding 10 pages together with the Service Schedule in two Parts attached as relative hereto are executed by the parties hereto as follows:

Signed for and on behalf of Wheatley Solutions Limited

at

on the day of 2021

by:

.....

Authorised Signatory

..... Full Name

in the presence of:

Witness.....

Name.....

Address.....

.....

Signed for and on behalf of Dumfries and Galloway Housing Partnership Limited

at

on the day of 2021

by:

.....

Authorised Signatory

..... Full Name

in the presence of:

Witness.....

Name.....

Address.....

.....

Signed for and on behalf of Wheatley Housing Group Limited

at

on the day of 2021

by:

.....

Authorised Signatory

..... Full Name

in the presence of:

Witness.....

Name.....

Address.....

.....

This is Part 1 of the Schedule in two Parts referred to in the foregoing Agreement among Wheatley Solutions Limited, Dumfries and Galloway Housing Partnership Limited and Wheatley Housing Group Limited

SCHEDULE

PART 1 - Definitions and Interpretation

Section 1: Definitions

In this Agreement unless the context otherwise requires:

"Agreement"	Means this agreement together with the Schedule.
"Business Day"	Means a day (other than a Saturday or Sunday or a bank holiday in Glasgow) upon which banks are generally open for business in Glasgow.
"Data Protection Legislation"	means any law applicable relating to the processing, privacy and use of personal data, including: (i) General Data Protection Regulation ((EU) 2016/679); (ii) the Data Protection Act 2018; (iii) the Privacy and Electronic Communications Directive 2002/58/EC (as updated by Directive 2009/136/EC) and the Privacy and Electronic Communications Regulations 2003 (SI 2003/2426) as amended, and/or (iv) any corresponding or equivalent national laws or regulations; and/or (v) any judicial or administrative implementation of any of the above, any guidance, guidelines, codes of practice, codes of conduct or approved certification mechanisms issued by the Information Commissioner's Office, or other regulatory or supervisory authority responsible for administering Data Protection Legislation;
"Estimate"	Means the estimate to be provided by DGHP or Wheatley Solutions as the case may be in accordance with Clause 3.4.
"Group"	Means the group of companies, registered societies and/or other entities of which Wheatley Housing Group Limited is or becomes the parent company and of which Wheatley Solutions and DGHP are subsidiaries.
"Group Recharge"	Means the amount set on an annual basis, or other period as agreed, covering a subsidiary's share of costs and other applicable fees associated with

	Wheatley Solutions and other eligible group wide activities.
"Intellectual Property Rights"	means all patents, trademarks, registered designs, copyright, database rights, unregistered design rights, rights in and to trade names, business names, domain names, product names and logos, databases, inventions, discoveries and any other intellectual property rights in each and every part of the world, together with all applications, renewals, revisions and extensions.
"Notice of Voluntary Change"	Means a notice served in terms of Clause 3.3.
"Schedule"	Means the Schedule in two parts annexed and subscribed as relative hereto.
"Service Provider"	Is defined in Section 1 of Schedule Part 2 (Service Schedule).
"Services"	means the services described and contained in the Service Schedule as subsequently amended or adjusted (whether expanded or contracted) by written agreement of the Parties at any time (and "Service" shall mean any one of them), and any other activities the Wheatley Solutions undertakes for the benefit of a group subsidiary.
"Service Schedule"	means the framework set out in Schedule Part 2
"VAT"	means value added tax at the rate prevailing at the time of the relevant supply charged in accordance with the provisions of the Value Added Tax Act 1994.
"Voluntary Change Event"	Means any change to the Services requested by Wheatley Solutions or DGHP in accordance with Clause 3.
"Wheatley Solutions' Finance Team"	Means the Wheatley Solutions staff who undertake finance, management accountancy , treasury management and other related activities,

Section 2: Interpretation

This Agreement shall be interpreted according to the following provisions, unless the context requires a different meaning:

1. The headings and references to them in this Agreement shall be deemed not to be part of this Agreement and shall not be taken into consideration in the interpretation of this Agreement.
2. Except where the context expressly requires otherwise, references to Clauses and Sub-clauses are references to Clauses and Sub-clauses of the main body of this Agreement and references to Parts of the Schedule or to paragraphs or sections are references to Parts of the Schedule to this Agreement and paragraph or sections within a part of the Schedule.
3. The Schedule to this Agreement is an integral part of this Agreement and a reference to this Agreement includes a reference to the Schedule.
4. Words importing persons shall, where the context so requires or admits, include individuals, firms, partnerships, trusts, corporations, governments, governmental bodies, authorities, agencies, unincorporated bodies of persons or associations and any organisations having legal capacity.
5. Where the context so requires words importing the singular only also include the plural and the other way around and words importing the masculine shall be construed as including the feminine or the neuter or the other way around.
6. The words in this Agreement shall bear their natural meaning. The Parties have had the opportunity to take legal advice on this Agreement and no term shall, therefore, be construed against the Party seeking to rely on it
7. In construing this Agreement, the rule legal of interpretation whereby a general statement only applies to the same kinds of persons or things as those persons or things specifically listed before the general statement shall not apply nor shall any similar rule or approach to the construction of this Agreement and accordingly general words introduced or followed by the word "other" or "including" or "in particular" shall not be given a restrictive meaning because they are followed or preceded (as the case may be) by particular examples intended to fall within the meaning of the general words.

This is Part 2 of the Schedule in two Parts referred to in the foregoing Agreement among Wheatley Solutions Limited, Dumfries and Galloway Housing Partnership Limited and Wheatley Housing Group Limited

SCHEDULE

PART 2 – Service Schedule

DRAFT

SERVICES AGREEMENT

among

Wheatley Solutions Limited

Dumfries and Galloways Housing Partnership Limited

and

Wheatley Housing Group Limited

AGREEMENT

among

WHEATLEY SOLUTIONS LIMITED, a company registered in Scotland with registered number **SC533419** and having its registered office at **Wheatley House, 25 Cochrane Street, Glasgow, G1 1HL** (hereinafter referred to as "Wheatley Solutions");

DUMFRIES AND GALLOWAY HOUSING PARTNERSHIP LIMITED, a company registered in Scotland with registered number **SC220297** and a registered Scottish charity (**SC 039896**) having its registered office at **Grierson House, The Crichton, Bankend Road, Dumfries DG1 4ZS** (hereinafter referred to as "DGHP"); and

WHEATLEY HOUSING GROUP LIMITED, a company registered in Scotland (**SC426094**) and having its registered office at **25 Cochrane Street, Glasgow, G1 1HL** (hereinafter referred to as "WHG")

WHEREAS:

- A. DGHP and Wheatley Solutions are subsidiaries of WHG.
- B. DGHP and Wheatley Solutions recognise that the strength of the group structure within which WHG is the parent comes from the commitment of all members of the Group to achieving the objectives of the Group, and from effective, efficient and high quality support from within the Group in relation to the Services and the needs of each member.
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- 2.1 Notwithstanding the dates of execution hereof, this Agreement shall commence on 1 April 2021, and shall continue unless terminated earlier in accordance with clause 9 (Force Majeure) until 31 March 2022 (the "Initial Term"). After expiry of the Initial Term, either Party may terminate this Agreement by giving three months' prior written notice to the other.

- 2.2. Notwithstanding termination of this Agreement by either Party, Wheatley Solutions undertakes to continue to provide the appropriate support and resources following termination to ensure that commitments to DGHP customers are satisfied and that DGHP is able to arrange suitable alternative provision. In such an event DGHP will use all reasonable endeavours to source alternative arrangements as soon as practically possible. Both Parties will work together to ensure that there is no detrimental impact on the then current business plan of DGHP.

3. The Services

- 3.1 With effect from the Commencement Date the parties agree that Wheatley Solutions (and where relevant other Group subsidiaries in terms of Clause 4.1.1) shall use reasonable endeavours to provide the Services to DGHP in a competent and professional manner and in accordance with the terms of this Agreement.
- 3.2 In particular, the Parties agree that:
- 3.2.1 Wheatley Solutions shall use the reasonable skill, care and diligence expected of a competent and properly qualified person of the relevant discipline who is experienced in providing such services in relation to the provision of services of a similar size, scope and nature to the Services;
- 3.2.2 Wheatley Solutions shall provide the Services in accordance with the Service Schedule (Business Excellence Framework);
- 3.2.3. Notwithstanding the Services in the Service Schedule (Business Excellence Framework), Wheatley Solutions will use its expertise and resources, where appropriate, to support DGHP in delivering its priorities in line with Your Homes, Your Community, Your Future and subsequent agreed Group strategies;
- 3.2.3 DGHP shall take reasonable steps necessary to facilitate the provision of the Services by Wheatley Solutions.
- 3.3 Wheatley Solutions and DGHP each have the right to propose changes to the Services in accordance with this Clause 3. If either Wheatley Solutions or DGHP requests a Voluntary Change Event, it must serve a Notice of Voluntary Change on the other party.
- 3.4 The Notice of Voluntary Change shall:
- 3.4.1 Set out the Voluntary Change Event in sufficient detail to enable the party receiving the notice to estimate the resource implications;
- 3.4.2 Require the party receiving the Notice of Voluntary Change to provide the party giving the notice within 20 Business Days of receipt or issue of the notice with an estimate of the costs involved.
- 3.5 As soon as reasonably practicable and in any event within 20 Business Days after having received a Notice of Voluntary Change in terms of clause 3.4, the party in receipt of the notice shall deliver to the other an estimate detailing the effect of the Voluntary Change

Event on the Services. The estimate shall include the opinion of the party receiving the notice on:

- 3.5.1 Any impact on the provision of the Services;
 - 3.5.2 Any amendment required to this Agreement as a result of the Voluntary Change Event;
 - 3.5.3 Any net increased or decreased cost that directly results from the Voluntary Change Event.
- 3.6 As soon as reasonably practicable after receipt of the estimate, the parties shall discuss and use their reasonable endeavours to agree the issues set out in the estimate. In such discussions the party giving the Notice of Voluntary Change may modify that notice, in which case the party receiving the notice shall, as soon as practicable, and in any event not more than 15 Business Days after the receipt of such modification, notify the party giving the notice of any consequential changes to the estimate.
- 3.7 DGHP and Wheatley Solutions shall each use their reasonable endeavours to agree implementation of any Notice of Voluntary Change provided that neither DGHP nor Wheatley Solutions shall be under any obligation to do so where it believes any change referred to therein may be prejudicial to it.
- 3.8 Notwithstanding any other provision of this Clause 3, in the event that DGHP and Wheatley Solutions are unable to agree any matter referred to in this Clause 3 then the requested Voluntary Change Event shall not be referred to the dispute resolution procedure in Clause 10 or to any court of law and shall not be implemented.

4. Sub-Contracting/Assignment

- 4.1 The parties acknowledge and agree that:
- 4.1.1 Wheatley Solutions may, in accordance with the terms of this Agreement, delegate sub-contract or transfer the performance of any of the Services, or part thereof, or obligations under this Agreement by appointing a Group member or a third party not being a Group member as its agent for the provision to DGHP of any Service or all Services contracted to be provided by it under this Agreement. If Wheatley Solutions appoints an agent ("the Agent"), DGHP shall accept the performance of the Agent as the performance of Wheatley Solutions under this Agreement, and references in this Agreement to Wheatley Solutions or to a party which is Wheatley Solutions shall (where appropriate) be deemed to include a reference to the Agent, and the Agent shall have the right to enforce any term of this Agreement which confers a benefit on behalf of Wheatley Solutions if Wheatley Solutions has assigned that benefit to, or otherwise conferred that benefit on, the Agent;
 - 4.1.2 If Wheatley Solutions appoints a third party not being a Group member as the Agent this shall be in consultation with the relevant senior staff member of DGHP;

- 4.1.3 Notwithstanding any such delegation, sub-contracting or transfer, Wheatley Solutions shall remain fully responsible for the provision of all of the Services under this Agreement.

5. Payment

- 5.1 In consideration of the performance by Wheatley Solutions of its obligations under this Agreement, DGHP shall pay Wheatley Solutions an agreed annual service payment corresponding to its Group Recharge as agreed as part of Group business planning.
- 5.1 If the scope of the Services (or any part of them) is varied or adjusted by the written agreement of the Parties at any time, the parties shall review the agreed service payments relating to such varied/adjusted Service(s) to assess and confirm whether payments other than those through the Group Recharge are required to reflect the variation to the Services.
- 5.2 The parties agree that Wheatley Solutions' Finance Team shall process intra-group payments between DGHP and Wheatley Solutions which relate to the Services provided to DGHP. Each intra-group payment shall reflect the amount payable by DGHP in relation to the Services received by DGHP during the preceding quarter, or other time period to ensure effective financial operations in WHG, DGHP and Wheatley Solutions.
- 5.3 All payments under this Agreement shall be made in pounds sterling by electronic transfer of funds for value on the day in question to the appropriate bank accounts as determined by the Wheatley Solutions' Finance Team.

6 Performance

- 6.1 If Wheatley Solutions fails to provide the Services (or any part of them) in accordance with the terms of this Agreement, DGHP may serve notice on Wheatley Solutions requiring Wheatley Solutions (at Wheatley Solutions' option) to either:
- 6.1.1 Remedy the issue identified (if the same is continuing) within twenty Business Days of such notice; or
- 6.1.2 Put forward within twenty Business Days of such notice a reasonable programme for remedying the failure, including reasonable detail as to how the issue will be remedied and proposed timescale for remediation.
- 6.2 Where Wheatley Solutions puts forward a programme in accordance with Clause 6.1.2, DGHP (acting reasonably) shall have twenty Business Days from receipt of the same within which to notify Wheatley Solutions that it does not accept the programme, failing which DGHP shall be deemed to have accepted the programme. Where DGHP notifies Wheatley Solutions that it does not accept the programme as being reasonable, the parties shall use reasonable endeavours within the following five Business Days to agree any necessary amendments to the programme put forward. In the absence of agreement within five Business Days, the question of whether the proposed programme will remedy the Wheatley Solutions performance failure in a reasonable manner and within a reasonable time period

may be referred by either DGHP or Wheatley Solutions for resolution in accordance with the dispute resolution procedure in Clause 10.

7 Assignment

- 7.1 This Agreement shall be binding on the parties and their respective successors and permitted transferees and assignees.
- 7.1 DGHP shall not assign or otherwise dispose of the benefit of the whole or part of this Agreement to any person without the consent of Wheatley Solutions, which consent shall not be unreasonably withheld in relation to the assignment to a company which is controlled by WHG.

8 Intellectual Property and Data Protection

- 8.1 The parties agree that any Intellectual Property Rights which are developed by the parties or otherwise developed as a direct or indirect consequence of this Agreement shall be owned by WHG or such other member of the Group as WHG directs and each party agrees to execute all documents necessary to effect such ownership.
- 8.2 Where WHG directs that the relevant Intellectual Property Rights are to be owned by another member of the Group, WHG will ensure that such Group Member grants DGHP a perpetual, royalty free licence to use the relevant Intellectual Property Rights.
- 8.3 During the provision of the Services, it is acknowledged that DGHP may disclose Personal Data to Wheatley Solutions. DGHP acknowledges that Wheatley Solutions acts as an independent Controller and is therefore responsible for complying with Data Protection Legislation in respect of any Personal Data that Wheatley Solutions processes in providing the Services to DGHP.
- 8.4 In providing the Services, Wheatley Solutions shall comply with its obligations as a Controller under the Data Protection Legislation.
- 8.5 DGHP acknowledges that it is also an independent Controller responsible for complying with Data Protection Legislation in respect of the Personal Data that it processes. Accordingly, DGHP:
- 8.5.1 confirms that where it discloses Personal Data to Wheatley Solutions such disclosure is fair and lawful and does not contravene the Data Protection Legislation; and
- 8.5.2 shall otherwise comply with its obligations under the Data Protection Legislation.
- 8.6 DGHP has defined that the following categories of Personal Data will be collected and processed by Wheatley Solutions under this Agreement:
- 8.6.1 name and title;
- 8.6.2 professional, commercial, personal or business addresses;
- 8.6.3 date of birth;

- 8.6.4 National Insurance number
 - 8.6.5 telephone number;
 - 8.6.6 professional, commercial, personal or business e-mail address; and
 - 8.6.7 Sensitive Personal Data and Special Categories of Personal Data (information about race and ethnic origin, political opinions, religious or philosophical convictions, trade union membership, health or sexuality).
- 8.7 DGHP has defined the following Data Subject categories from whom the Personal Data may be collected and processed by Wheatley Solutions under this Agreement:
- 8.7.1 Current , former or prospective DGHP tenants;
 - 8.7.2 Current , former or prospective DGHP factored homeowners;
 - 8.7.3 Current , former or prospective DGHP commercial tenants; and / or
 - 8.7.4 Current , former or prospective DGHP employees, Board members and volunteers.
- 8.8 On the expiry of the Term or earlier termination of this Agreement (howsoever caused), Wheatley Solutions will immediately:
- 8.8.1 cease Processing the DGHP Personal Data; and
 - 8.8.2 at DGHP's option and at Wheatley Solutions' sole cost and expense, either: (i) return to DGHP; or (ii) delete, all the DGHP Personal Data wherever and in whatever manner it is held or stored.
- 8.9 If and to the extent that Wheatley Solutions is obliged to retain any DGHP Personal Data as a result of Wheatley Solutions being deemed to be a Controller of that DGHP Personal Data and/or to comply with legal or regulatory obligations to which Wheatley Solutions is subject, the following provisions will apply:
- 8.9.1 Wheatley Solutions may retain and not return or delete such DGHP Personal Data, only to the extent and only for as long as is legally necessary to hold such DGHP Personal Data in its capacity as Controller of that DGHP Personal Data and/or to comply with the applicable legal or regulatory obligations to which Wheatley Solutions is subject; and
 - 8.9.2 Wheatley Solutions will, following expiry or earlier termination of this Agreement, be a Controller in relation to such DGHP Personal Data retained by Wheatley Solutions.
- 8.10 For the purposes of this Clause 8, the terms "Controller", "Data Controller", "Data Processor", "Data Protection Impact Assessment", "Data Subject", "Information Commissioner's Office", "Personal Data", "Process" (including any derivatives thereof), "Processor", "Sensitive Personal Data", and "Special Categories of Personal Data" shall each have the same meaning as defined in the Data Protection Legislation;

9 Force Majeure

- 9.1 No party shall be in breach of this Agreement if there is any total or partial failure of performance by it or its duties or obligations under this Agreement occasioned by act of God, natural disaster, fire, act of intervention of government or state, riot or civil commotion, insurrection or industrial dispute of whatever nature or any other reason beyond the control of that party and if a party is unable to perform its duties or obligations under this Agreement as a direct result of the effect of one of the above reasons that party shall give written notice to the other parties of the inability stating the reason therefore and the operation of this Agreement shall be suspended during the period (and only during the period) in which such reason continues. Forthwith upon such reason ceasing to exist, the party relying upon it shall give written notice to the other parties of this fact, provided that if the reason continues for a period of more than 90 days and substantially affects the commercial basis, financial viability or practicality of this Agreement the party not claiming relief under this Clause 9 shall have the right to terminate this Agreement upon giving 30 days written notice of such termination to the other parties.

10 Dispute Resolution Procedure

- 10.1 It is the declared intention of the parties that all matters of disagreement should be resolved by negotiation among the parties and each agrees to act in good faith and use its reasonable endeavours to apply the terms of this Agreement without the necessity for implementing the dispute resolution procedure set out in this Clause 10.
- 10.2 In the event that there is any disagreement or dispute among the parties as to the operation of this Agreement or in relation to the Services, each party agrees that its senior officer will meet with the senior officer of the other parties, with a view to resolving any issues of concern and that said senior officers will resolve the disagreement or dispute.
- 10.3 If the parties are unable to reach an agreement in relation to any dispute then the matter will be referred to the chief executive of WHG for final resolution. The decision by the chief executive of WHG shall be final and binding on the parties and there shall be no right to appeal any decision of the chief executive. Any decision of the chief executive will be notified to the Board of each party at their next scheduled meeting.

11 Notices

- 11.1 All notices under this Agreement shall be in writing and all certificates, notices or written instructions to be given under the terms of this Agreement shall be served by sending the same by first class post, email or by hand, leaving the same at:

If to Wheatley Solutions

**Company Secretary, Wheatley House, 25 Cochrane
Street, Glasgow or Anthony.allison@wheatley-**

group.com

If to DGHP

**Managing Director, Grierson House, Bankend Road,
Dumfries or Matt.Foreman@dghp.org.uk**

If to WHG

**Group Director of Finance, Wheatley House, 25 Cochrane
Street, Glasgow or Steven.Henderson@wheatley-
group.com**

- 11.2 Where any information or documentation is to be provided or submitted to a representative of DGHP, WHG or Wheatley Solutions it shall be provided or submitted by sending the same by first class post, email or by hand, leaving the same at:

If to Wheatley Solutions
representative

**Company Secretary, Wheatley House, 25 Cochrane
Street, Glasgow or Anthony.allison@wheatley-
group.com**

If to DGHP's representative

**Managing Director, Grierson House, Bankend Road,
Dumfries or Matt.Foreman@dghp.org.uk**

If to WHG's representative

**Group Director of Finance, Wheatley House, 25
Cochrane Street, Glasgow or
Steven.Henderson@wheatley-group.com**

- 11.3 any party to this Agreement and any representative thereof may change its nominated address or email address by prior notice to the other parties.
- 11.4 Notices given by post shall be effective upon the earlier of (i) actual receipt, and (ii) five (5) Business Days after mailing. Notices delivered by hand shall be effective upon delivery. Notices given by email shall be deemed to have been received where there is confirmation of delivery in the form of a delivery receipt.

12 No Agency

- 12.1 Nothing in this Agreement shall be construed as creating a partnership or as a contract of employment between or among the parties.
- 12.2 Save as expressly provided otherwise in this Agreement, Wheatley Solutions shall not be, or be deemed to be, an agent of DGHP and Wheatley Solutions shall not hold itself out as having authority or power to bind DGHP in any way.

13 Amendments, Waiver, Entire Agreement, Severability, Third Party Rights

- 13.1 This Agreement may not be varied except by an agreement in writing signed by duly authorised representatives of the parties.
- 13.2 Any waiver of any party in exercising any right shall not be construed as a waiver of the right and shall not affect the ability of that party subsequently to exercise that right or to pursue

any remedy, nor shall any indulgence constitute a waiver of any other right (whether against that party or any other person).

- 13.3 Except where expressly provided otherwise in this Agreement, this Agreement constitutes the entire agreement among the parties in connection with its subject matter and supersedes all prior representations, communications, negotiations and understandings concerning the subject matter of this Agreement.
- 13.4 If any provision of this Agreement shall be declared invalid, unenforceable or illegal by the courts of any jurisdiction to which it is subject, such provision may be severed and such invalidity, unenforceability or illegality shall not prejudice or affect the validity, enforceability and legality of the remaining provisions of this Agreement.
- 13.5 Save to the extent expressly provided in this Agreement and, to avoid doubt, without prejudice to the rights of any permitted successor to the rights hereunder of Wheatley Solutions or of any permitted assignee, it is expressly declared that no rights shall be conferred under and arising out of this Agreement upon any person other than WHG, DGHP and Wheatley Solutions, whether in terms of the Contract (Third Party Rights) (Scotland) Act 2017 or otherwise, and without prejudice to the generality of the foregoing, there shall not be created by this Agreement any remedy for or to any third party who is not a party to the contract to obtain or enforce rights under the contract.

14 Governing Law and Jurisdiction

14.1 This Agreement shall be considered as a contract made in Scotland and shall be subject to the laws of Scotland.

14.2 Subject to the provisions of the Dispute Resolution Procedure set out in Clause 10, the parties agree that the courts of Scotland shall have exclusive jurisdiction to hear and settle any action, suit, proceeding or dispute in connection with this Agreement and irrevocably submit to the jurisdiction of those courts.

IN WITNESS WHEREOF these presents typewritten on this and the preceding 10 pages together with the Service Schedule in two Parts attached as relative hereto are executed by the parties hereto as follows:

Signed for and on behalf of Wheatley Solutions Limited

at

on the day of 2021

by:

.....

Authorised Signatory

..... Full Name

in the presence of:

Witness.....

Name.....

Address.....

.....

Signed for and on behalf of Dumfries and Galloway Housing Partnership Limited

at

on the day of 2021

by:

.....

Authorised Signatory

..... Full Name

in the presence of:

Witness.....

Name.....

Address.....

.....

Signed for and on behalf of Wheatley Housing Group Limited

at

on the day of 2021

by:

.....

Authorised Signatory

..... Full Name

in the presence of:

Witness.....

Name.....

Address.....

.....

This is Part 1 of the Schedule in two Parts referred to in the foregoing Agreement among Wheatley Solutions Limited, Dumfries and Galloway Housing Partnership Limited and Wheatley Housing Group Limited

SCHEDULE

PART 1 - Definitions and Interpretation

Section 1: Definitions

In this Agreement unless the context otherwise requires:

"Agreement"	Means this agreement together with the Schedule.
"Business Day"	Means a day (other than a Saturday or Sunday or a bank holiday in Glasgow) upon which banks are generally open for business in Glasgow.
"Data Protection Legislation"	means any law applicable relating to the processing, privacy and use of personal data, including: (i) General Data Protection Regulation ((EU) 2016/679); (ii) the Data Protection Act 2018; (iii) the Privacy and Electronic Communications Directive 2002/58/EC (as updated by Directive 2009/136/EC) and the Privacy and Electronic Communications Regulations 2003 (SI 2003/2426) as amended, and/or (iv) any corresponding or equivalent national laws or regulations; and/or (v) any judicial or administrative implementation of any of the above, any guidance, guidelines, codes of practice, codes of conduct or approved certification mechanisms issued by the Information Commissioner's Office, or other regulatory or supervisory authority responsible for administering Data Protection Legislation;
"Estimate"	Means the estimate to be provided by DGHP or Wheatley Solutions as the case may be in accordance with Clause 3.4.
"Group"	Means the group of companies, registered societies and/or other entities of which Wheatley Housing Group Limited is or becomes the parent company and of which Wheatley Solutions and DGHP are subsidiaries.
"Group Recharge"	Means the amount set on an annual basis, or other period as agreed, covering a subsidiary's share of costs and other applicable fees associated with

	Wheatley Solutions and other eligible group wide activities.
"Intellectual Property Rights"	means all patents, trademarks, registered designs, copyright, database rights, unregistered design rights, rights in and to trade names, business names, domain names, product names and logos, databases, inventions, discoveries and any other intellectual property rights in each and every part of the world, together with all applications, renewals, revisions and extensions.
"Notice of Voluntary Change"	Means a notice served in terms of Clause 3.3.
"Schedule"	Means the Schedule in two parts annexed and subscribed as relative hereto.
"Service Provider"	Is defined in Section 1 of Schedule Part 2 (Service Schedule).
"Services"	means the services described and contained in the Service Schedule as subsequently amended or adjusted (whether expanded or contracted) by written agreement of the Parties at any time (and "Service" shall mean any one of them), and any other activities the Wheatley Solutions undertakes for the benefit of a group subsidiary.
"Service Schedule"	means the framework set out in Schedule Part 2
"VAT"	means value added tax at the rate prevailing at the time of the relevant supply charged in accordance with the provisions of the Value Added Tax Act 1994.
"Voluntary Change Event"	Means any change to the Services requested by Wheatley Solutions or DGHP in accordance with Clause 3.
"Wheatley Solutions' Finance Team"	Means the Wheatley Solutions staff who undertake finance, management accountancy , treasury management and other related activities,

Section 2: Interpretation

This Agreement shall be interpreted according to the following provisions, unless the context requires a different meaning:

1. The headings and references to them in this Agreement shall be deemed not to be part of this Agreement and shall not be taken into consideration in the interpretation of this Agreement.
2. Except where the context expressly requires otherwise, references to Clauses and Sub-clauses are references to Clauses and Sub-clauses of the main body of this Agreement and references to Parts of the Schedule or to paragraphs or sections are references to Parts of the Schedule to this Agreement and paragraph or sections within a part of the Schedule.
3. The Schedule to this Agreement is an integral part of this Agreement and a reference to this Agreement includes a reference to the Schedule.
4. Words importing persons shall, where the context so requires or admits, include individuals, firms, partnerships, trusts, corporations, governments, governmental bodies, authorities, agencies, unincorporated bodies of persons or associations and any organisations having legal capacity.
5. Where the context so requires words importing the singular only also include the plural and the other way around and words importing the masculine shall be construed as including the feminine or the neuter or the other way around.
6. The words in this Agreement shall bear their natural meaning. The Parties have had the opportunity to take legal advice on this Agreement and no term shall, therefore, be construed against the Party seeking to rely on it
7. In construing this Agreement, the rule legal of interpretation whereby a general statement only applies to the same kinds of persons or things as those persons or things specifically listed before the general statement shall not apply nor shall any similar rule or approach to the construction of this Agreement and accordingly general words introduced or followed by the word "other" or "including" or "in particular" shall not be given a restrictive meaning because they are followed or preceded (as the case may be) by particular examples intended to fall within the meaning of the general words.

This is Part 2 of the Schedule in two Parts referred to in the foregoing Agreement among Wheatley Solutions Limited, Dumfries and Galloway Housing Partnership Limited and Wheatley Housing Group Limited

SCHEDULE

PART 2 – Service Schedule

DRAFT



Business Excellence Framework
Solutions that support your organisation to excel

February 2021

Rational and purpose

This Business Excellence Framework (“Framework”) has been developed to establish a shared understanding and view of the value that Wheatley Solutions delivers to Dumfries and Galloway Housing Partnership (“DGHP”), and a basis for considering how well Wheatley Solutions is meeting your expectations.

This Framework is focused on the outcomes Wheatley Solutions delivers for you and the value you seek from the products and services you receive from us. It demonstrates our commitment to supporting and working collaboratively with you to achieve your strategic priorities through the provision and co-creation of high quality services that continue to meet your evolving requirements.

This Framework will be reviewed and developed every two years in response to DGHP’s strategy renewal to ensure that Wheatley Solutions always reflects your requirements and strategic vision.

Wheatley Solutions mission

Your Home, Your Community, Your Future set out a vision for the Group whereby outstanding customer satisfaction would be delivered by all its partners, setting the benchmark in Scotland and beyond for performance results and business efficiency in housing, care and property management. Key to delivering this vision is high-quality support services from Wheatley Solutions.

Wheatley Solutions is focused exclusively on providing services to Wheatley Group partners and is intended to be:

- rooted in the culture and mission of Wheatley to deliver customer excellence in all sectors in which it operates;
- more than a service provider, working in a true partnership with you to deliver your outcomes and keep you at the leading edge of your sector;
- focused on driving efficiency – using our collective scale and resources to keep the cost of services low, minimising waste, and managing risk for your business;
- innovative – using expertise, analysis, collaboration and technology to transform how you do business with your customers;

As such, the services it provides are:

- high quality, reliable, seamless, co-created with you and embedded in your operations; and,
- packaged around the concept of being universal where there are common requirements and benefits to be had from maximising scale and specialist where there are specific requirements to meet.

These principles translate into a relationship that is based on partnership working grounded in a deep understanding of your business and its drivers and priorities; and accountability for the services Wheatley Solutions delivers to you and on your behalf.

Engagement: how we will work together

This section sets-out how Wheatley Solutions will engage with DGHP. Wheatley Solutions, like all other partners in the group know the importance of listening to customers, staff and partners in shaping what we do. As part of listening, Wheatley Solutions knows that you think the quality of interaction between Wheatley Solutions staff and your staff is often, at least, as important as the service provided, and it is one of the main ways in which Wheatley Solutions can add value for you. Wheatley Solutions want to build on this feedback and create an increasingly dynamic engagement platform that supports:

- a sustained commitment to delivering **DGHP's priorities**
- consistent and focused **information sharing** and **customer feedback**
- collaborative and customer-focused **service development**
- **joint planning** around strategic priorities and **alignment of resource** to deliver these priorities
- a partnership dynamic that goes beyond simple **customer / supplier** thinking
- **customer satisfaction** above 90%

Wheatley Solutions recognise that the level of engagement could and should change depending on the service being provided. In particular, some services provided by Wheatley Solutions require fairly low levels of interaction as these are relatively routine and intended to support everyday business operations, whereas others require extensive engagement as new approaches and solutions are co-created between DGHP and Wheatley Solutions staff.

The role of Wheatley Solutions, working in partnership with DGHP will be pivotal in delivering the new DGHP Strategy and supporting the transformation of DGHP by drawing down the expertise and capacity to support delivery across DGHP services.

Engagement	Audience	Description	Commitment
Strategic	Board	Ensuring there is clear understanding on the role played by Wheatley Solution in contributing to DGHP strategic objectives and an opportunity for DGHP to help shape the on-going development of Wheatley Solutions	Wheatley Solutions will report every 6 months on its performance against the Framework to the DGHP Board providing opportunities for it to review, consider and discuss the value sought and delivered, and to inform future Value Frameworks. The Framework will be updated – for DGHP Board approval - at least every 2 years following each renewal of DGHP's strategy
	Wheatley Solutions' Group Director	Considering future service development requirements and priorities	Potential areas for Wheatley Solutions service development identified by leaders in DGHP will be considered by the relevant group director in Wheatley Solutions, and prioritised where appropriate

	DGHP reps	A bi-annual forum for DGHP and Wheatley Solutions leads	Bi-Annually Wheatley Solutions will host a forum for relevant DGHP staff as its customers to gather feedback on services, progress on delivery strategic projects and priorities, and discuss emerging service and investment priorities to inform future planning.
Operational	Business area leads in Wheatley Solutions and DGHP	To discuss any service related issue and ensure satisfactory resolution	The current engagement between business leads within Wheatley Solutions and their counterparts in DGHP will continue to understand service issues and blockages and to jointly solve problems as required.
Service Improvement	Communities of Excellence	Supporting Managing Director in their roles as strategic lead	Every Community of Excellence will have an appropriate named representative from Wheatley Solutions tasked with: <ul style="list-style-type: none"> •Attending every meeting, or where necessary ensuring appropriately briefed cover is in place; •Joining up Wheatley Solutions services to support its agreed improvement priorities
Frontline	Customer Service	Supporting every day high quality service delivery to DGHP	Wheatley Solutions staff will continue to deliver services and look to work with DGHP staff to resolve issues and break blockages that get in the way of delivering desired outcomes.

The principles in this section will be combined with those for Wheatley Solutions' other customers as part of developing its engagement plan.

Wheatley Solutions is part of, and provides services to the **Group Executive Team**. As part of this it will ensure that DGHP's strategic and operational priorities are reflected at Group level including: strategy and policy development; engagement and liaison at national political and policy level'; dissemination of best practice developed elsewhere within the Group; and the development of new Group services.

Wheatley Solutions: Core Themes

The following five core themes have been identified through engagement with our customers and the value they are seeking from the range of services Wheatley Solutions provides to them:



These five core themes including the services provided in each are detailed on the pages that follows.

Within each of the core themes, Wheatley Solutions will provide a wide range of services to DGHP including the provision of **operational support** for DGHP's day-to-day business, and contribution through Wheatley Solutions staff and expertise to DGHP's strategic priorities. Wheatley Solutions will actively engage DGHP in how our services are designed and delivered and projects are developed. This collaborative approach will support Wheatley Solutions contribution to DGHP's **strategic priorities** through both through projects led by Wheatley Solutions for the benefit of DGHP and other partners and through providing resources and capabilities for strategic projects being led by DGHP.

Wheatley Solutions: Services by Core Theme

EFFECTIVE BUSINESS INFRASTRUCTURE

Wheatley Solutions' aim is to provide highly effective and reliable systems and processes, built around DGHP's needs, that support efficiency and effectiveness through sharing resources and capabilities

High level benefits for DGHP of having an effective business infrastructure

- Efficient and effective business operations as the tools, capabilities, information etc are available when needed.
- Resources and investment are shared and pooled reducing costs
- Management time is freed up to focus on frontline service delivery
- More sophisticated and modern systems than would otherwise be possible

Operational support services provided to for DGHP

Aspect	Outline	Measure
Legal advice and support	<p>Wheatley Solutions will provide legal support to ensure DGHP operates effectively. Support will include advice, case management and court representation covering:</p> <ul style="list-style-type: none"> ▪ Rent arrears covering current and former tenants ▪ Legal related aspects of debt recovery covering current and former tenants and ▪ Anti-Social Behaviour ▪ Gas Safety ▪ Insurance and reparation claims ▪ Advice on court rules/procedures ▪ Compliance ▪ Commercial Leases (drafting and disputes) ▪ Contracts (drafting and disputes) ▪ Legal advice relating to procurement (drafting and disputes) 	<i>100% of court case submissions completed within agreed timescales</i>
Accounting and financial management	<p>Wheatley Solutions will provide accounting services on behalf of DGHP. This will include developing appropriate accounting systems to ensure financial and budgetary monitoring and control.</p> <p>Wheatley Solutions will also ensure that budgeting and management accounting are completed in line with the Group financial calendar and prepare DGHP's annual budget, in liaison with DGHP staff, for approval by the DGHP Board.</p> <p>Wheatley Solutions will also provide management accounts detailing actual results against budget, supporting packs detailing Operating Statement, Balance Sheet and Cash flow, additional analysis and KPIs, and financial projections and business plans</p>	<p><i>Monthly finance review meetings with DGHP leadership teams, to discuss and provide advice on its financial position and emerging themes, opportunities, issues and risks.</i></p> <p><i>Finance report provided to every Board meeting</i></p>

	<p>Wheatley Solutions will provide finance advice and will liaise with others on DGHP's behalf including as necessary DGHP auditors, Scottish Housing Regulator, the Office of Scottish Charities Regulator, Companies House, Scottish Public Sector Ombudsman, HMRC, DGHP day to day bankers and long term funders and other relevant agencies so as to ensure satisfactory management of DGHP finances</p> <p>Wheatley Solutions will develop and review DGHP's financial policies, align them with group policies where appropriate, and provide such other advice and information on financial matters as is necessary to support DGHP's effective business operations.</p>	
Funding & Treasury Management	<p>Wheatley Solutions will ensure DGHP complies with legal requirements of all funding arrangements and always complies with the Group Treasury Management Policy. In particular, on DGHP's behalf Wheatley Solutions will:</p> <ul style="list-style-type: none"> ▪ Ensure all DGHP lenders are informed about DGHP activities, funding requirements and receive accurate covenant returns in a timely manner; ▪ Ensure minimum cash and liquidity levels in line with Treasury Management Policy; ▪ Manage the security charging for DGHP assets within the Security Trust Deed structure, complying with reporting requirements in an accurate and timely manner; ▪ Managing the regular valuation updates with external surveyors as required for annual accounts and for periodic requirements set out in funding arrangements on behalf of the lenders. ▪ Bring financial expertise and intelligence to ensure DGHP is aware of any financial treasury management issues in our operating environment and well placed to consider this in our treasury management decisions. 	<p><i>100% of covenant returns completed and submitted on time</i></p> <p><i>Compliance with Treasury Management Policy</i></p> <p><i>Valuations for annual accounts and lenders completed on time</i></p>

IT infrastructure and essential business support	<p>Wheatley Solutions will provide ICT Technical Support 24x7, 365 days per year for key systems. Wheatley Solutions will also provide the hardware (e.g. PC, monitors, printers, laptops) and software application, (e.g. email, business application, core systems) etc DGHP needs, reporting services improve the overall quality of IT software development and support through the life-cycle of software development projects, with particular attention to gathering and defining requirements that meet business objectives.</p> <p>Wheatley Solutions will also ensure DGHP has the ICT Infrastructure (e.g. windows, server environment) to support the services provided and manage how new or changed applications are rolled out to users. Wheatley Solutions will also manage servers that allow key services such as email and shared folders (F, S and T drives) to operate and ensure that there is a simple, quick and robust process to allow DGHP staff to log into their PC or mobile device (eg for trades operatives) and access relevant services use.</p> <p>Wheatley Solutions will provide polices and manage mobile devices, and Voice & Network Services that allow DGHP staff to operate flexibility from locations of DGHP's choice, at times of its choosing</p> <p>Wheatley Solutions will provide robust IT cyber security, including cyber security testing of systems.</p>	<p><i>98.5% availability of critical systems</i></p> <p><i>Funding and delivery, in conjunction with DGHP operational teams, of the IT investment and systems necessary to implement DGHP's strategy</i></p> <p><i>Ensure robust cyber security is in place and tested annually</i></p>
Employee availability and relations	<p>Wheatley Solutions will work with DGHP and its Leadership Team to ensure it has the staff it needs to operate its business effectively. This will be done through collaboratively developing and maintaining DGHP's staff structure and staffing profile that meets the needs of the business.</p> <p>Wheatley Solutions will also work with DGHP staff to develop and co-create policies and initiatives to ensure good employee relations, and support DGHP in managing its staff including absence through advice and support to managers on the employment law and the application of people management policies and processes such as sickness absence, discipline and grievances. This will include procuring legal advice as required on behalf of Wheatley Solutions and DGHP.</p>	<p><i>90% of vacant roles recruited within target timescale agreed by management</i></p> <p><i>Staff absence levels at or below agreed annual target</i></p>

	<p>Wheatley Solutions shall establish a strong relationship with DGHP Trade Unions and work together with DGHP staff to maintain this relationship. Wheatley Solutions will collaborate with senior DGHP staff to agree approaches to Trade Union engagement, including who leads it, taking into account the particular subject matter.</p> <p>Wheatley Solutions will develop a wider talent management programme in conjunction with DGHP senior leaders. This will include the development and delivery of the Wheatley Academy through a combination of e-learning and face to face development and learning for DGHP.</p> <p>Wheatley Solutions will manage recruitment on DGHP's behalf ensuring that staff with the necessary skills and behaviours are available when needed. This will include succession planning for key critical roles across the business.</p> <p>Wheatley Solutions will also develop and operate programmes that promote DGHP as an employer of choice and that develops a pipeline of potential employees. This will include recruiting and training young people from DGHP homes as Modern Apprentices, trades apprentices and providing work experience through a summer work programme.</p>	
Staff wellbeing	<p>Wheatley Solutions will, in collaboration with DGHP's Leadership Team, develop and deploy programmes to support wellbeing and satisfaction among DGHP staff. This will include;</p> <ul style="list-style-type: none"> ▪ access to both financial and non-financial benefits, designed to reflect DGHP's culture and recognise, reward and develop its staff, through our W.E Benefits programme. organising flu jabs for all staff, wellbeing and resilience events for DGHP's staff, and providing a health plan as part of a Healthy Working Lives programme 	<i>90% of staff satisfaction with wellbeing support</i>
Payroll	Wheatley Solutions will provide payroll services to DGHP staff and contract workers ensuring accurate and timely payment of salary and expenses	<i>100% of payroll runs administered on time</i>
Facilities management	Wheatley Solution will put arrangements in place and management arrangements for DGHP facilities to ensure its corporate estate meets its operating needs on a daily and long-term basis – for example supporting the transformation of the	<i>100% of DGHP facilities risk evaluated</i>

	<p>DGHP corporate estate to better fit with emerging staff and customer needs. Wheatley Solutions will actively engage with the DGHP Leadership Team to develop a comprehensive understanding of staff and customer needs.</p> <p>Wheatley Solutions will ensure continued achievement with relevant regulatory, compliance and health and safety requirements, and support DGHP's business continuity plan.</p> <p>Wheatley Solutions will provide advice and expertise to DGHP in relation to fleet management.</p>	<p><i>Operational Safety Manuals in place for 100% of DGHP corporate estate</i></p>
<p>Strategic delivery (including as part of DGHP led projects) in support of Your Home, Your Community, Your Future</p>		
<p>DGHP has asked that Wheatley <i>continue to use the strength of the Group to deliver efficiencies that enables us to balance costs of rent and affordability for tenants.</i> Wheatley Solutions has a key role to play in this area through delivering scale and pooling expertise to ensure that DGHP has an effective business infrastructure. The services above will contribute to this, as will particular strategic project that are either being led by Wheatley Solutions or where Wheatley Solutions has a key role to play in supporting DGHP's leadership. These projects include:</p>		
<ul style="list-style-type: none"> ▪ DGHP joining the wider RSL borrower Group ▪ Create a plan to increase the take up of online services ▪ DGHP Centres of Excellence in Dumfries and Stranraer ▪ Exploration of the co-design of modernised terms and conditions and working practices ▪ Refresh how DGHP recruit, on-board and develop talent. ▪ Academy learning and culture change programmes ▪ Migration onto key group IT systems to provide DGHP with groupwide systems that support our service delivery. ▪ Support to deliver the DGHP transformation Programme 		

CONFIDENT AND ASSURED

Wheatley Solutions brings in-depth understanding of the regulatory environments DGHP operate in including compliance requirements

High level customer benefits

- Business legitimacy through compliance which brings peace of mind
- Business implications of complex legislation and regulatory requirements are understood
- Accessibility of expert advice when needed

Operational support services provided to for DGHP

Aspect	Outline	Measure
Statutory accounting	<p>Wheatley Solutions will ensure DGHP complies with legal requirements and appropriate standards in respect of all financial and accounting issues, including the maintenance of all financial accounting records. In particular, on DGHP's behalf Wheatley Solutions will:</p> <ul style="list-style-type: none"> ▪ Keep proper books of account, recording receipts and payments, bank and control account reconciliations monthly, rental income and rent account reconciled monthly and any outstanding items are investigated; ▪ Prepare financial statements in accordance with current accounting requirements; ▪ Provide financial statements and full working schedules for audit by Independent Auditors including all necessary liaison; ▪ Present financial statements to DGHP's AGM in line with Wheatley Group financial calendar. Ensure submission to Companies House, Scottish Housing Regulator, the Office of Scottish Charities Regulator, lenders and other agencies as required; ▪ Ensure completion and submission of relevant regulatory returns as required within timescales stipulated by Scottish Housing Regulator and other regulators e.g. the Office of Scottish Charities Regulator ▪ Ensure completion and submission of any necessary tax returns relating to the services provided e.g. corporation tax, payroll, CIS in accordance with HMRC timescales. 	<p><i>100% of statutory returns completed and submitted on time</i></p> <p><i>Unqualified Audit opinion by external auditors</i></p> <p><i>All key accounting estimates and judgements reviewed annually</i></p>
Assurance	<p>Wheatley Solutions will provide assurance services to DGHP and its Board. This will include:</p> <ul style="list-style-type: none"> ▪ A risk management policy framework for the development and maintenance of risk registers ▪ Advisory support on the application of the risk management framework, identification of risk and development of mitigations 	<p><i>Chief Internal Auditor Annual Assurance Statement</i></p> <p><i>DGHP specific reviews reported to Board within 1 Board cycle</i></p>

	<ul style="list-style-type: none"> ▪ Provision of a whistleblowing helpline and full investigation of any issues raised in line with the Group Policy ▪ A rolling Assurance Plan which will be developed with the Group Audit Committee detailing assurance activities in relation to: ▪ <u>Specific reviews</u> of activities within DGHP's control environment including: <ul style="list-style-type: none"> ○ Internal audit reviews ○ Quality assurance reviews: compliance audits, health checks, project assurance ○ Fraud reviews/investigations ▪ <u>Group wide reviews</u> on central processing / management control systems used by Wheatley Solutions including in supporting DGHP such as Corporate Governance Arrangements and Core Financial Systems. 	<p><i>All whistleblowing allegations fully investigated and reported to the Board within 1 Board cycle</i></p>
Performance	<p>Wheatley Solutions will provide robust, assured performance management data and analysis to DGHP. This will include collaborating with DGHP's Leadership Team to understand key performance drivers. This will include:</p> <ul style="list-style-type: none"> ▪ Providing validated core performance data for Annual Return on Charter indicators ▪ Developing performance measures which are aligned to the measures and outcomes being sought by DGHP's ▪ Analysis of performance data to support of DGHP's senior staff decision making, including trend analysis and underlying performance drivers ▪ Support benchmarking of DGHP's performance, including at intra-group, national and global level ▪ support DGHP to meet its assurance and monthly reporting requirements to the Wheatley Board and Group Executive Team including through the provision of timely, accurate and required information ▪ Attending Board meetings as required 	<p><i>Quarterly Performance reports issued 7 days before applicable meetings</i></p> <p><i>Annual Return on Charter prepared for Board approval and submitted in line with regulatory deadlines</i></p> <p><i>Annual benchmarking reports</i></p> <p><i>Monthly management reports on performance indicators.</i></p>
Business continuity	<p>Wheatley Solutions will put approaches and processes in place to support DGHP's business continuity and disaster recovery planning. This will include supporting planning risk assessment, making infrastructure and facilities available to manage identified risks and providing secure and resilient primary and secondary Data Centre facilities.</p>	<p><i>Business Continuity and disaster recovery plan in place and tested annually</i></p> <p><i>100% of recommendations from annual review</i></p>

		<i>implemented within agreed timescales</i>
Security management	Wheatley Solutions will provide security management services to DGHP to ensure adequate information security. The primary goal in doing this will be to protect DGHP's information assets against risks, and thus to maintain their value to DGHP. This will ensure the confidentiality, integrity and availability, of information, along with related properties or goals such as authenticity, accountability, non-repudiation and reliability.	<i>All security incidents will be managed to a successful and safe outcome</i>
Governance	<p>Wheatley Solutions will provide a governance service to DGHP.</p> <p>This will include the provision of a Company Secretary, dedicated secretariat support to organise and plan board meetings and events, ensures papers are available to support the smooth operation of the Board. Wheatley Solutions will also liaise the with the SHR, OSCR, FCA etc on DGHP's behalf and ensure that all required returns are provided on time. Wheatley Solutions shall also, through the Company Secretary, seek independent legal advice where required on behalf of DGHP and its Board in relation to governance related matters</p>	<p><i>100% of statutory returns completed and submitted on time (pre-approved by the Board where appropriate)</i></p> <p><i>All board papers will be issued at 7 days before Board meeting</i></p>
Strategic delivery (including as part of DGHP led projects) in support of Your Home, Your Community, Your Future		
<p>DGHP is a key partner within the Wheatley Group and an organisation of regional importance in Scotland. The Scottish Housing Regulator requirements are that DGHP needs to ensure at all times that it maintains its reputation for good governance and effective business operations. Wheatley Solution has a key role to play in this area through pooling expertise to ensure that DGHP has accesses to the skills, capabilities, learning and expertise it needs in this area. The services above will contribute to this, as will particular strategic project that are either being led by Wheatley Solutions or where Wheatley Solutions has a key role to play in supporting DGHP's leadership. These projects include:</p> <ul style="list-style-type: none"> ▪ Review of Group approach to risk management ▪ Review of the future governance arrangements of Novantie and DGHP3 ▪ Redesign of internal authorising environment ▪ External validation as global leaders in outstanding customer service and benchmarked performance results 		

RELIABLE AND EFFICIENT TRANSACTIONS

Providing a full suite of transactional capabilities that are rooted in deep understanding of DGHP's business and a desire to deliver economies of scale and integration

Operational support services provided to for DGHP

High level customer value

- Value for money and efficiency – so that DGHP can deliver more with less
- Confidence that business basics are performed accurately, consistently, and dependably, requiring minimal customer input.
- Frontline resources freed up to focus on service delivery to their customers.

Aspect	Outline	Measure
Contact handling	<p>Wheatley Solutions will provide DGHP customers with a full range of core housing management services (e.g. make a payment, request a repair, raise a complaint, pay rent) and other enhanced services on a 24/7/365 basis by telephone and increasingly through digital channels.</p> <p>Wheatley Solutions will look to resolve all interactions <i>one and done</i> and pass those that cannot be resolved to appropriate DGHP staff for necessary action. Wheatley Solutions will follow up enquiries as necessary on behalf of DGHP.</p> <p>Where appropriate any emergency situations that require any escalation will be highlighted to the appropriate emergency point of contact, during core hours and out of hours</p> <p>Wheatley Solutions will undertake outbound calling on behalf of DGHP as agreed</p>	<p><i>75% of calls answered in less than 30 seconds</i></p> <p><i>80% of transactions resolved at first point of contact</i></p>
Accounts Payable	<p>Wheatley Solutions will develop and implement systems and processes on behalf of DGHP to ensure that the needs of local teams are met and that invoices are paid to agreed timescales. This will include administering purchasing systems, training users and ensuring approval limits in line with agreed policies. Capacity to pay around 10,000 invoices a year will be provided although the aim will be to reduce this volume on DGHP's behalf through improving processes and effective supplier management.</p>	<p><i>95% of invoices will be paid with 30 days of receipt</i></p>
Debt recovery	<p>Wheatley Solutions will provide a debt recovery service on DGHP's behalf. This will include having agreed processes in place with DGHP and the Wheatley Solution legal service and developing the Nexum systems and process to support effective working.</p>	<p><i>30% of sitting tenant Cases paid in full or maintaining a repayment plan</i></p>

IT help desk	Wheatley Solutions will provide an IT help desk for DGHP staff and Board members and look to support staff and Board members to self-serve so less urgent needs can be addressed when convenient for the staff and Board members. The help desk will look to resolve enquiries at the first point of contact and will be available at a pattern agreed as part of the DGHP Operating Model. Where the issue cannot be resolved it will be escalated and addressed through our wider ICT capability. Out of hours support will be provided to support 24/7 operations.	<i>99% availability of help desk</i> <i>95% of issues resolved at the first point of contact</i>
Land and property acquisitions and disposals	Wheatley Solutions will sell or purchase land and properties on DGHP's behalf. All aspects of the transaction will be managed and/or delivered by Wheatley Solutions including liaising with the seller, valuation, conveyancing, legal title etc	<i>All acquisitions and disposals registered with Registers of Scotland and security pools updated as appropriate</i>
Complaints, FoISA and data protection requests	Request for information under FOISA, subject access requests, potential data breaches and environment information requests will be handled on DGHP's behalf and overseen by a designated Data Protection Officer. This will include any necessary investigation, liaison with DGHP staff and, as appropriate the Information Commissioner, on the matter, responding to the enquiry and managing any escalation.	<i>100% of enquires dealt with within statutory timescales</i> <i>100% of reportable data breaches reported to ICO.</i>

Strategic delivery (including as part of DGHP led projects) in support of Your Home, Your Community, Your Future

As indicated above, DGHP has asked that Wheatley *continue to use the strength of the Group to deliver efficiencies that enables us to balance costs of rent and affordability for tenants*. Wheatley Solution has a key role to play in this area through providing scale to ensure that DGHP has access to high quality, low cost reliable and efficient transactions. The services above will contribute to this, as will particular strategic projects that are either led by Wheatley Solutions or where Wheatley Solution has a key role to play in supporting DGHP's leadership. These projects include:

- Preferred payments framework in place
- Implement approach for all new customers to be registered for their customer account and tutored in self-serve
- Expansion of number of services available to access on a self-serve basis via online services

IMPROVED BUSINESS PERFORMANCE

Collaborative working underpinned by understanding DGHP's business and a proactive approach in looking at where improvements can be made and in co-creating and implementing solutions

Operational support services provided to for DGHP

High level customer value

- Operations meet end-customers' needs more efficiently and effectively
- Improved likelihood that service changes deliver business value because rooted in understanding of customer's business
- Shared investment in improvement
- External recognition for quality

Aspect	Outline	Measure (where applicable)
Supporting on-going change and innovation	<p>Wheatley Solutions will support change activity in DGHP through providing suitably skilled staff with experience in a range of areas including systems thinking, service development, change management, project management and process optimisation, as well as considerable strategic and operational expertise, in support of improved performance and services for customers</p> <p>Wheatley Solutions will also provide DGHP with support for customer and specialist surveys to inform service development and regulatory reporting. Surveys will include:</p> <ul style="list-style-type: none"> ▪ Delivering DGHP's annual satisfaction survey including: <ul style="list-style-type: none"> ▪ Establish a benchmark against the agreed KPIs relative to customer results; ▪ Bespoke surveys developed for tenants and staff; ▪ Beyond KPI questions, thematic sections designed around group objectives to provide robust insight into your customers to enable us to design services based on current and future needs. <p>Wheatley Solutions will, in collaboration with the DGHP Leadership Team, organise and conduct focus groups and other appropriate research on DGHP's behalf including as part of DGHP's rent consultation to provide qualitative outputs that support and explain KPI and trend data and allow more in-depth understanding of your customer's views, needs and expectations.</p>	<p><i>All strategic projects delivered within a 5% time and budget variance</i></p> <p><i>Annual Satisfaction survey, compliant with SHR technical requirements, completed and reported to Board</i></p>

	Wheatley Solutions staff will contribute on an as required basis to the development and delivery of new and innovative products, and on-going improvements, for the benefit of DGHP's customers.	
Insight	<p>Wheatley Solutions will provide the expertise and knowledge needed to develop DGHP services and work with DGHP to implement approaches that meet customer needs. This will include:</p> <ul style="list-style-type: none"> ▪ keeping DGHP leaders and managers informed on relevant legislative changes, government circulars, regulatory guidance notes, developments in good practice, including through specific written briefings detailing the implications of the above for DGHP and its customers ▪ Customer segmentation including expertise in interpreting information to support DGHP in developing its services to particular needs ▪ Developing and sharing good practice to support engagement, innovation and improved housing service delivery through Communities of Excellence ▪ Hosting events including housing policy and regeneration seminars 	<p><i>DGHP staff engaged in 100% of Group Communities of Excellence</i></p> <p><i>4 themed insight events per annum available to DGHP staff</i></p>
IT development	<p>Wheatley Solutions will continue to work with DGHP to enhance service delivery through technology in response to changing business and customer needs, and to identifying and implementing improvements to the IT services that support current business processes.</p> <p>Wheatley Solutions will also provide the design and planning framework and approach for the strategic and technical design of future and existing ICT services and infrastructures. This will include the necessary combination of DGHP's (and overall IS) strategy, with technical design and architecture.</p>	<p>100% delivery of strategic support agreed with DGHP Management to migrate onto group systems to unlock new technology for DGHP service delivery.</p>
Tenant engagement	<p>Wheatley Solutions, through its Stronger Community Voices team, will support DGHP's tenant engagement through:</p> <ul style="list-style-type: none"> ▪ Ensuring DGHP activities meet legislative and regulatory requirements and good practice including the requirements in the Scottish Social Housing Charter; ▪ Engaging with tenant groups and forums with and on DGHP's behalf; ▪ Work with and through appropriate agencies to effectively engage with more vulnerable tenants, where appropriate; 	<p><i>Annual engagement programme</i></p> <p><i>Increased range in DGHP tenants engaging</i></p> <p><i>100% of tenant consultations meet legal and regulatory</i></p>

	<ul style="list-style-type: none"> ▪ Establishing a programme of development within targeted communities to build capacity and encourage involvement; ▪ Supporting DGHP consultation requirements in line with the Group's principles and good practice; ▪ Scoping a consultation plan and agreeing it with DGHP for all consultation activities. ▪ Developing in agreement with DGHP new and diverse engagement routes that enable tenants and customers within distinct communities to give their views on and co-design services, identify their priorities and influence decisions at local and corporate levels; and ▪ Supporting the development and refocus of existing structures, for example, forums, panels, events, representative groups etc. linked to the opportunities for tenants to influence decisions and monitor performance at a strategic and local level where appropriate 	<i>requirements</i>
Learning and development	<p>Through The Academy Wheatley Solutions will work with DGHP and its staff to deliver continuous professional development that supports improved performance and to ensure DGHP has the future workforce it needs. This will be achieved through:</p> <ul style="list-style-type: none"> ▪ Designing and implementing a learning management system and redesigning the induction and on-boarding programme for new starts ▪ Focusing on digital learning and development through prioritising programmes to support the transition to digital project and improving accessibility to online content and resources ▪ Designing Leadership development, core people management and core business skills programmes ▪ Talent management and development ▪ Expanding the scope of the successful Modern Apprenticeship programme that has benefitted young people from DGHP homes ▪ Developing and delivering programmes to support significant change in DGHP and affecting DGHP 	<p><i>100% of Dumfries and Galloway staff have a My Contribution performance and CPD plan in place</i></p> <p><i>40% of promoted posts are filled by internal candidates</i></p>
Procurement	<p>Wheatley Solutions will identify and manage suppliers so as to provide value for money and access to industry leading expertise. In doing this Wheatley Solutions will ensure underpinning contracts and agreements align with DGHP's business needs through working closely with DGHP to formulate its business needs, evaluate suppliers, establish contracts, categorise them, manage and terminate them</p>	<i>Expenditure on behalf of DGHP is compliant with procurement rules</i>

Strategic delivery (including as part of DGHP led projects) in support of Your Home, Your Community, Your Future

DGHP is clear on the strategic priority it attached to:

- Improving customer engagement and insight
- Change culture from 'service provider' to 'relationship manager'
- Meeting 80% top quartile performance
- Improved 'knowledge share'

Wheatley Solution has a key role to play in this area through providing a wide range of service and support to DGHP as it continually improves its business for the benefit of its customers. The services above will contribute to this, as will particular strategic projects that are either led by Wheatley Solutions or where Wheatley Solution has a key role to play in supporting DGHP's leadership. These projects include:

- Learning and Leadership development programmes redesigned to reflect new operating model
- Career marketplace introduced
- Implementation of Group Engagement Framework - Stronger Communities, Stronger Voices
- Strategic profile developed and maintained for DGHP's strategic footprint
- Service automisation and redesign – eProcurement, contract management, people management and income collection

TRANSFORMATION

Helping to drive strategic change alongside DGHP for the benefits of its customers

Operational support services provided to for DGHP

High level customer value

- Growth opportunities i.e. new customers, new markets, new assets, and new capabilities within DGHP
- An improved customer offering.
- Increased resilience to external factors
- Strategic change is managed, risks mitigated and benefits maximised

Aspect	Outline	Measure
Transformation projects	Wheatley Solution will work collaboratively senior leaders in DGHP to plan, co-design, deliver and assure projects that will transform how DGHP operates. As part of this Wheatley solutions and DGHP staff with a range of capabilities will work together to ensure projects are delivered on time and budget and that anticipated benefits are realised	<i>95% of transformation projects delivered on time and on budget</i>
Asset management	<p>Wheatley Solutions will develop and maintain an asset management system for DGHP. The system is designed to manage DGHP's housing and wider assets and support asset management.</p> <p>Through the system and expertise in this area DGHP will have access to:</p> <ul style="list-style-type: none"> ▪ Asset data that is built based on defined criteria i.e (archetype, patch etc) ▪ Accurate investment planning using work elements for lifecycle replacement ▪ reporting to governance on investment planning, contract management etc. ▪ an Asbestos register for properties ▪ Assistance with property compliance i.e. (central contract management) <p>Wheatley Solutions will also provide expert advice and develop products and services in relation to environmental and sustainability matters relating to DGHP's assets</p>	<p><i>Certifiable SHQS and EESSH compliance</i></p> <p><i>Annual Investment Plan for Board approval</i></p>
Business planning and Funding	Wheatley Solutions will work with DGHP to develop its strategic business plan to ensure DGHP's priorities can be achieved and that it has plans to deliver required efficiencies. Availability of funds will be managed for DGHP and opportunities pursued, as part of wider group funding initiatives, to raise new funding in the	<p><i>Annual business plan provided for Board approval</i></p> <p><i>Sufficient Funding secured to</i></p>

	capital markets thereby benefiting DGHP through improved terms/and or financial capacity	<i>deliver DGHP strategy, including transition to Group RSL Borrower Group</i>
Property development	Wheatley Solutions will provide all the services (site identification, planning, negotiating with government and the Local Authority, all property legal advice including: title diligence, land disposals and acquisitions, building contracts and development agreements, procurement, oversight of design etc needed by DGHP to deliver its development programme.	<i>Annual 5-year development programme provided to the Board for approval</i> <i>The number of units in DGHP's development programme is delivered</i>
External reputation and Stakeholder engagement	<p>Wheatley Solutions will continue to ensure DGHP has a positive reputation with customers and stakeholders. This will include providing media relations, design services, branding, customer communications and social media presence, on DGHP's behalf</p> <p>We will also develop and maintain strategic partnership across academia, third sector and industry on behalf of DGHP and Wheatley Group. Doing this, will deliver strategic insight and synergies that will help DGHP anticipate and shape future priorities.</p> <p>Wheatley Solutions will provide DGHP with coordination of, and support in, preparing consultation responses to, and supporting engagement with, various housing stakeholders including the Scottish Government</p>	
Strategic delivery (including as part of DGHP led projects) in support of Your Home, Your Community, Your Future		
<p>DGHP is clear on the strategic priority it attached to:</p> <ul style="list-style-type: none"> ▪ Growth opportunities i.e. new customers, new markets, new assets, and new capabilities within the Group ▪ An improved customer offering. ▪ Increased resilience to external factors ▪ Channel Shift ▪ Ensure the new Property Service is effective and competitive <p>Wheatley Solution has a key role to play in this area through providing a wide range of service and support to DGHP as it transforms for the benefit of its customers. The services above will contribute to this, as will particular strategic project that are either being led by Wheatley Solutions or where Wheatley Solution has a key role to play in supporting DGHP's leadership. These projects include:</p> <ul style="list-style-type: none"> ▪ Development of a Transformational Regeneration Area in Dumfries and Galloway ▪ Green Investment Plan 		

- Delivery of the DGHP Transformation programme
- Developing the DGHP Brand

Continuous review process

The Managing Director of DGHP shall meet to review operation of the Framework 6 monthly with a designated Group Director and/or senior member of Wheatley Solutions. This shall include:

- Identifying any areas and actions for refinement of the services provided
- Review progress with any previously agreed actions
- Review performance against the agreed measures
- Consider any updates to the terms of services and associated measures

Efficiency and Pricing

The business plan of DGHP will set out the proposed recharges from Wheatley Solutions, split into staff and running costs. These will be subject to annual approval by the DGHP and Wheatley Solutions Boards. Charges will be made to DGHP on a monthly basis and will depend on Wheatley Solutions' actual costs. The allocation of costs from Wheatley Solutions will be on a percentage basis, with DGHP's percentage share to be fixed at the outset of the year in the Solutions business plan. Should Solutions' actual costs be lower or higher than the business plan/budget figure, then the difference will be borne or saved by DGHP. It will be for the Group Executive Team to manage the overall budget, under the oversight of the Wheatley Solutions Board, to deliver within the approved budget each year.



Report

To: DGHP Board

By: Pauline Turnock, Director of Financial Reporting

Approved by: Steven Henderson, Group Director of Finance

Subject: Finance Report

Date of Meeting: 17 February 2021

1. Purpose

- 1.1 The purpose of this report is to provide the DGHP Board with an overview of the finance report for the period to 31 December 2020

2. Authorising context

- 2.1 Under the terms of the Intra-Group Agreement between Dumfries and Galloway Housing Partnership ("DGHP") and the Wheatley Group, as well as the Group Authorising Monitor Matrix, the DGHP Board is responsible for the on-going monitoring of performance against agreed targets, including the on-going performance of its finances.
- 2.2 This report provides the Board with an update of financial performance to date to allow it to discharge its role in monitoring performance and agreeing any actions required.

3. Risk Appetite and assessment

- 3.1 Our Group agreed risk appetite for Performance is "Open". This level of risk tolerance is defined as "Prepared to invest for reward and minimise the possibility of financial loss by managing the risks to a tolerable level".

4. Background

- 4.1 This report outlines performance against the budget approved by the DGHP Board for 2020/21 which was aligned with Wheatley's accounting policies in P6. The appendices provide more detail on the financial results.

5. Discussion

Finance Report for Period to 31 December 2020

- 5.1 DGHP has reported a statutory surplus of £8,683k for the period to date, which is £4,763k favourable to budget and a net operating surplus of £13,681k, favourable to budget by £5,042k. The key drivers are the lower level of expenditure in repairs and maintenance due to the changes required to the service model in response to the pandemic and savings in employee costs linked to furlough claims and the earlier implementation of the new staff operating model.

Key points to note:

- **Net rental income** is £146k unfavourable to budget, a result of a higher level of void losses with the letting of properties placed on hold during the earlier months of the year and since the summer, the impact of additional social distancing measures on letting activities. Income continues to be received for homeless lets from Dumfries and Galloway Council.
- **Other income** is £657k favourable to budget. This includes matched funding of the Young Person's Project, rental income from the Curries Yard site and continued funding for Temporary Accommodation and Supporting People.
- **Employee costs** are £806k favourable to budget due to the inclusion of furlough claims totalling £354k and savings linked to changes to staff structures with the earlier launch of the new staff operating model. The costs of these changes are reported through the transformation budget
- **Revenue repairs and maintenance.** Lower levels of repairs expenditure are reported, £3,610k favourable to budget. Repairs spend includes £2,120k of reactive works carried out by in-house repairs staff, £964k for gas compliance, £705k for grounds maintenance works and £643k for other compliance. All compliance works were included in the budget as repairs costs, however major works are reported as capital in line with the Group policy.
- **Bad debt costs** are running favourable to budget with gross rent arrears of 4.41% close to the 4.4% target as discussed in the Performance Report. Arrears levels and are being closely monitored in line with the move of tenants to Universal Credit. Pre-Christmas initiatives, the introduction of the 1:200 housing officers patch sizes and the close management of arrears has helped maintain the arrears position.

- 5.2 DGHP has reported net capital expenditure of £10,880k for the period, which is £17,365k lower than budget.

Key points to note:

- **The core investment programme** was reprofiled during the Covid-19 lockdown period and remobilised in November. The programme reports spend of £6,563k as at 31 December 2020, which includes £2,264k of work on void properties.
- **New build** activity was impacted by the suspension of work following the Scottish Government instruction to close all construction sites prior to the start of the year. Work remobilised in the summer with enhanced health and safety measures and spend is reported of £5,205k. Grant claims of £1,108k, has been received relating to Lincluden and Sanquhar

6. Q3 2020/21 Full Year Forecast

- 6.1 The forecast full year out-turn for 2020/21 shows a statutory surplus of £7,914k which is £3,055k higher than budget. Net operating surplus before financing costs of £14,431k is £3,362k higher than budget.

6.2 The key drivers of this variance are:

- Grant income recognised on the completion of new build properties has been deferred until 2021/22 with the units at Monreith expected to complete in April 2021.
- Net rental income is forecast to be £179k lower than budget. This reflects the expectation of a higher void loss variance in line with the trends seen in the year to date. Other income is forecast to be £657k higher with additional amounts received for the Young Persons' Project and unbudgeted receipts for land rent at Curries Yard.
- Total operating expenditure is projected to be £4,252k favourable to budget, with lower forecast spend on revenue repairs and maintenance of £3,880k being the largest variance to the approved budget. This is linked to the changes in the service throughout the year with a "Safety First" service in the fourth quarter. Staff costs are forecast to be £1,056k lower than budget in line with the favourable variance at 31 December updated for planned leavers and the acceleration of changes linking through to the transformation budget. Full year transformation budget forecasts spend £1,311k higher than budget. This is mostly funded by the savings in staff costs and will generate savings in staffing costs in the 2021/22 financial year.

6.3 Net capital expenditure is forecast to be £22,557k lower than budget. Core programme expenditure is expected to be £14,033k lower than budget due to the postponement of a number of planned investment works as a result of the Covid-19 pandemic and the tightening of restrictions again in the fourth quarter. New Build expenditure is expected to be £6,074k lower than budget, a result of site closures early in the year, and assumes construction will continue on the live DGHP sites through to March.

7. **Covenant compliance**

7.1 [redacted]

8. **Value for Money implications**

8.1 Delivery of our approved budget is a key element of continuing to demonstrate value for money. DGHP has reported a net operating surplus of £8,683k which is £4,763k favourable to budget.

9. **Impact on financial projections**

9.1 The 2020/21 Business Plan was approved by the Board at the February 2020 meeting. The quarter 3 forecast outturn highlights the expected variances from the approved budget

10. **Legal, regulatory and charitable implications**

10.1 No implications.

11. **Equalities impact**

11.1 Not applicable.

12. Recommendation

12.1 The Board is requested to:

- 1) Note the Finance Report for the period to 31 December 2020; and
- 2) Note the covenant measures for the third quarter of 2020/21.

LIST OF APPENDICES

Appendix 1: Period 9 – 31 December 2020 Finance Report



Period to 31 December 2020 Finance Report



1) Period 9 – Operating Statement



OPERATING STATEMENT	Year to December 2020			Full year Budget restated £k's
	Actual £ks	Restated Budget £ks	Variance £ks	
INCOME				
Rental Income	33,944	33,879	65	44,353
Void Losses	(550)	(339)	(211)	(444)
Net Rental Income	33,394	33,540	(146)	44,797
Grant Income	-	-	-	1,367
Other Income	2,023	1,366	657	1,677
TOTAL INCOME	35,417	34,906	511	46,953
EXPENDITURE				
Employee Costs - Direct	4,186	4,992	806	6,656
Transformation budget	1,087	476	(611)	476
Direct Running Costs	3,427	3,633	206	4,844
Revenue Repairs and Maintenance	6,088	9,698	3,610	12,239
Bad debts	170	691	521	921
Depreciation	6,778	6,778	-	10,748
TOTAL EXPENDITURE	21,736	26,268	4,532	35,884
NET OPERATING SURPLUS	13,681	8,639	5,042	11,069
Net operating margin	39%	25%		24%
Interest receivable	99	181	(82)	241
Net Interest payable & similar charges	(5,097)	(4,899)	(198)	(6,451)
STATUTORY SURPLUS	8,683	3,920	4,763	4,859
INVESTMENT				
TOTAL CAPITAL INVESTMENT INCOME	1,108	2,587	(1,479)	3,449
Total Expenditure on Core Programme	6,563	20,046	13,483	25,105
New Build	5,205	9,793	4,588	13,056
Other Capital Expenditure				
Premises	220	220	-	515
IT	-	773	773	1,030
TOTAL CAPITAL EXPENDITURE	11,988	30,832	18,844	39,706
NET CAPITAL EXPENDITURE	10,880	28,245	17,365	36,257

DGHP

Key highlights year to date:

Operating surplus is £13.7m, £5.0m favourable to budget, and statutory surplus of £8.7m, is £4.8m favourable to budget. The key driver of the variance is the impact of Covid-19 restrictions on repairs and operational expenditure.

Rental income is adverse to budget by £146k, driven by void losses. Void loss is 1.62% against a 1% target and has been impacted by restrictions on normal letting activity. Void loss for the month of December is 1.12% showing an improving trend.

Other income is £657 k favourable and includes additional medical adaptation income, unbudgeted ret for Curries Yard, supporting people funding, higher levels of factoring repairs billed and unbudgeted income for the Young Persons project and temporary accommodation.

Employee costs are £806k favourable to budget, and driven by furlough claims received of £354k and the capitalisation of investment staff in line with group policy.

Transformation costs are being driven forward with a higher number of leavers in the year, these are linked to the earlier implementation of the new operating model and will yield savings in 2021/22.

Repairs is £3,610k favourable to budget relating to:

- £3,243k favourable across reactive repairs and gas maintenance;
- £2.1m favourable on revenue compliance spend with more capitalised in line with group policy. £643k spend compared to YTD budget of £2.7m. A further £879k has been capitalised ; offset by
- £1.7m of unrecovered staff and overhead costs for the in- house team with activity lower than planned. This loss has not significantly increased since October after which a near to full service resumed.

Bad debts are £521k favourable to budget as a result of the close management of arrears levels. Current tenant debt is at same levels as at end of March after the Christmas period. The arrears project and implementing the 1:200 housing officer patch sizes have helped to mitigated any increase.

Net interest cost is £280k adverse with low deposit rates, and non-utilisation fees being recorded on the RBS loan.

Net Capital Expenditure is £17,365k lower than budget:-

- Core programme is £13,483k lower than budget due to the re-profiling of the planned programme earlier in the year. Increased spend has been reported through November and December.
- The New Build programme is £4,588k lower than budget with the main sites of Nursery Avenue, Lincluden and Monreith progressing well, with 5 units anticipated to be complete at Monreith in April 2022.
- IT project costs are unspent YTD against budget of £773k. The programme has now commenced, forecasting £150k of spend by March 2021, with spend moving into 2021/22.
- DGHP office in central Dumfries has been purchased and refurbishment plans are being developed.

2) Period 9 – In-house repairs (IHR) service

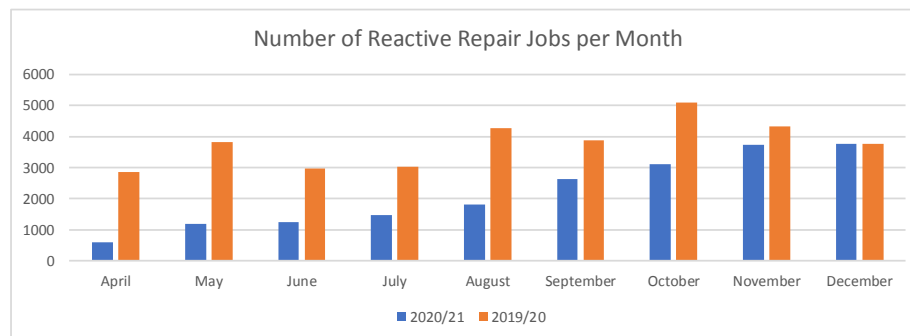
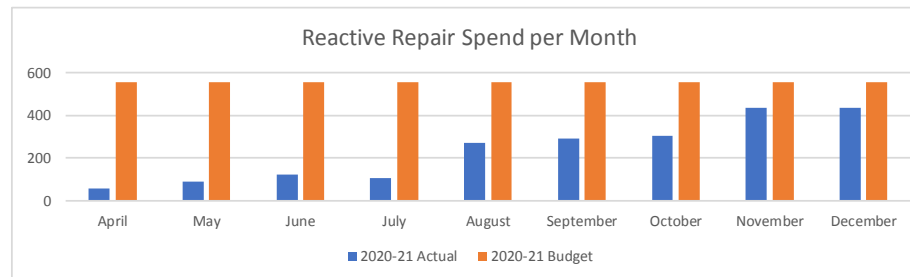
Dumfries & Galloway Housing Partnership	Year to 31 December 2020			Full Year Budget £ks
	Actual £ks	Budget £ks	Variance £ks	
INCOME				
Internal Subsidiaries	6,109	9,628	(3,519)	12,652
External Customers	-	-	-	-
TOTAL INCOME	6,109	9,628	(3,519)	12,652
COST OF SALES				
Staff Costs	2,925	3,525	600	4,700
Furlough claim	(330)	-	330	-
Materials	381	1,454	1,073	1,938
Subcontractor & Other Costs	3,921	3,092	(829)	3,937
TOTAL COST OF SALES	6,897	8,071	1,174	10,576
GROSS (LOSS)/PROFIT	(788)	1,557	(2,345)	2,076
Margin %	(13%)	16%	67%	28%
Overheads	868	1,557	689	2,076
NET (LOSS)/PROFIT	(1,656)	-	(1,656)	-

- In the year to 31 December the In-House repairs service is reporting a deficit of £1,656k, against a break even budget.
- Income shows an underspend of £3,519k across all repairs performed including voids.
- The cumulative loss in the service has decreased slightly since end of October with a full service being offered during November and December
- Savings have been made on materials of £1,073k due to lower levels of job activity.
- Subcontractors costs are in excess of budget to date as the backlog of voids was addressed using City Building and other contractors.
- Labour savings of £600k over and above furlough, are due to a decision not to recruit all posts during the pandemic.
- Overhead savings are mainly in waste disposal and vehicle costs YTD.

3) Period 9 - Repairs and maintenance

Dumfries & Galloway Housing Partnership	Year to 31 December 2020			Full year Budget restated £k's
	Actual £ks	Budget £ks	Variance £ks	
Reactive	2,120	5,007	2,887	7,044
Gas planned maintenance	964	1,320	356	1,760
Landscaping planned maintenance	705	755	50	755
Compliance	643	2,616	1,973	2,680
Loss/(profit) on IHR	1,656	-	(1,656)	-
TOTAL	6,088	9,698	3,610	12,239

- Repairs and maintenance reactive expenditure is £2,887k lower than budget due to repairs service not being able to mobilize fully during Covid-19.
- Compliance work of £1,943k was budgeted as revenue. However we are able to capitalise certain categories of major compliance work which are performed within core investment and accounted for in capital, totaling £879k to date. The remaining variance to date is due to the reconfiguration of the programme.
- The In-House Repairs service is operating at a loss as repairs activity has not been sufficient to cover all staff costs and overheads. The loss has stabilized since P7 with the number of repairs in December comparable to the prior year as the service returned to near normal in the month.



	Average Repairs Spend £		No of jobs	
	FY/19/20	FY 20/21	FY/19/20	FY 20/21
April	201.53	95.55	2873	607
May	169.67	76.92	3825	1183
June	93.23	98.57	2971	1258
July	84.35	72.83	3035	1483
August	131.26	149.34	4274	1828
September	140.57	111.37	3877	2622
October	71.22	97.27	5097	3115
November	75.43	116.64	4335	3738
December	66.68	115.81	3764	3756
YTD	111.83	108.22	34051	19590

4) Period 9 – Investment and Compliance – Core Programme

Major Repairs - Capital £'000's	YTD December 2020		
	Actual	Budget	Variance
Core Programme	3,849	17,173	13,325
Capitalised Voids	2,264	2,320	55
Adaptations	120	554	433
Capitalised Staff	241	-	(241)
Fire Safety	89	-	(89)
TOTAL	6,563	20,047	13,483

- Core programme spend of £3,849k compared to the budget of £17,173k reflects the extent the re-profiled programme, a result of the varying levels of restriction in place throughout the year to date,
- External works and all major medical adaptations are being carried out and fire safety remedial works within the common areas of blocks is now nearing completion
- Capitalised staff represents the direct cost of the investment team, excluding those on furlough. These salaries were budgeted in the operating statement but have been capitalised in line with the Group accounting policy

Core Programme - £'000's	YTD December 2020		
	Actual	Budget	Variance
Central Heating	317	1,618	1,302
Lowrise	1,644	3,439	1,795
KBR	275	1,871	1,597
Windows & Doors	225	3,548	3,323
ICW	67	947	880
Energy Efficiency EESSH	-	488	488
Environmental	124	444	320
Customer Priorities	319	4,819	4,500
Compliance Capital	879	-	(879)
Total	3,849	17,173	13,325

5) Period 9 – Regeneration

Development Name	Year To 31 December 2020 £'000's			FY Budget
	Actual	Budget	Variance	
Lincluden Dumfries	2,998	4,881	1,883	6,508
Nursery Avenue	76	2,529	2,453	3,372
Queensberry Sq. Sanquhar	1,286	1,507	221	2,009
Queensberry Brae Thornhill	30	-	(30)	0
Monreith 3	456	866	410	1,154
Springholm	9	10	1	13
North St. Glenluce	18	-	(18)	-
Curries Yard Heathhall	2	-	(2)	-
Daar Lodge	7	-	(7)	-
Eastriggs	75	-	(75)	-
Completed developments	6	-	(6)	-
Total Cost	4,964	9,793	4,829	13,056
Capitalised Staff	241	-	(241)	-
Grant Income	1,108	2,587	(1,479)	3,449
Net New Build Costs	4,097	7,206	3,109	9,607

•**Lincluden** – Works recommenced on site in June 2020. Tender approval has been received at above benchmark. The Programme received from the contractor indicates a 12 week delay (lockdown) + 3 week delay as a result of COVID. Phase 1 completion – Sept 2020, Phase 2 completion February 2022.

•**Nursery Ave** – Group Development Committee approval received June for the project tender. Planning approval received 16 November 2020. A site start is expected in Feb 2021, subject to Technical Approval being received.

•**Sanquhar** - Works recommenced on site in June 2020. Programme received from the contractor at Sanquhar indicates a 12 week (lockdown) + 3 week delay as a result of COVID.

•**Monreith** site start achieved in August 2020. Works remain within budget. Completion expected beginning April 22.

•Feasibility work commenced for **Springholm, Glenluce and Johnstonebridge**.

•**Thornhill** – Site investigations instructed and largely completed. Development partner to be finalised.

•Demolition cost of £155k received for **Glenluce** as pre contract enabling works to allow site investigations to be undertaken across the full site. Discussion ongoing with neighbour and contractor in relation to the scope of the works.

6) Period 9 – Balance Sheet

Balance Sheet	31 December 20 £'000's	31 March 20 £'000's
Fixed Assets		restated
Social Housing Properties	370,703	365,783
Other Fixed Assets	1,202	982
Investment Properties	8,002	8,002
	379,907	374,767
Current Assets		
Stock	623	255
Trade Debtors	64	58
Rent and service charge arrears	2,537	3,001
less: provision for rent arrears	(1,258)	(1,377)
Prepayments and accrued income	537	568
Other debtors	639	1,398
Total Debtors	2,519	3,648
Due from other group companies	46	920
Cash & Cash Equivalents	66,494	63,756
	69,682	68,579
Creditors: within 1 year		
Trade Creditors	(717)	(5,536)
Accruals & Deferred Income	(2,479)	(1,159)
Prepayments of Rent and Service Charge	(545)	(395)
Other Creditors	(3,931)	(4,664)
Total Creditors	(7,672)	(11,754)
Amounts due to Group Undertakings	(1,111)	(577)
	(8,783)	(12,331)
Net Current Liability	60,899	56,248
Long Term Creditors		
Loans	(188,704)	(188,704)
Grants	(9,483)	(8,375)
Pension Liability	(2,765)	(2,765)
Net Assets	239,854	231,171
Capital and Reserves		
Share Capital		
Revenue Reserve	86,196	77,513
Revaluation Reserve	153,658	153,658
Shareholders' funds	239,854	231,171

Comments:

- **Fixed assets** of £379.9m reflect investment works carried out to date less depreciation and new build work in progress
- **Trade & other debtors** Net arrears of £1.3m are mainly due to timing of cash receipts, especially housing benefit. The provision for bad debts is calculated in line with the Group policy and reflects the age and recoverability of arrears balances
- **Stock** relates to repairs stock purchased from Saint Gobain and replenished weekly and £0.3m of investment materials on site which will be added to investment once investment work complete.
- **Cash at Bank** consists of £66.5m of cash including a £30m short term deposit with Barclays.
- **Short-Term Creditors** Includes amounts due to Wheatley and DGHP 3. Accruals for payroll 16th to 31st December and investment/ regeneration work in progress not yet invoiced
- **Long-Term Creditors** This relates to loans of £188.7m. Grant income received, deferred until the completion of new build properties, totals £9,483k.

7) Period 9 – Q3 2020/2021 forecast

Forecast at Q3 2020	Full Year 20/21		
	Restated Budget £k's	Full year forecast £k's	Variance £k's
INCOME			
Rental Income	44,353	44,440	87
Void Losses	(444)	(710)	(266)
Net Rental Income	43,909	43,730	(179)
Grant Income	1,367	-	(1,367)
Other Income	1,677	2,334	657
TOTAL INCOME	46,953	46,063	(890)
EXPENDITURE			
Employee Costs - Direct	6,656	5,600	1,056
Transformation budget	476	1,787	(1,311)
Direct Running Costs	4,844	4,638	206
Revenue Repairs and Maintenance	12,239	8,359	3,880
Bad debts	921	500	421
Depreciation	10,748	10,748	-
TOTAL EXPENDITURE	35,884	31,632	4,252
NET OPERATING SURPLUS	11,069	14,431	3,362
<i>Net operating margin</i>	24%	31%	
Interest receivable	241	132	(109)
Net Interest payable & similar charges	(6,451)	(6,649)	(198)
STATUTORY SURPLUS	4,859	7,914	3,055

INVESTMENT	Budget restated £k's	Full year forecast £k's	Variance £k's
TOTAL CAPITAL INVESTMENT INCOME	3,449	4,804	1,355
Total Expenditure on Core Programme	25,105	11,072	14,033
New Build	13,056	6,982	6,074
Other Capital Expenditure			
Premises	515	300	215
IT	1,030	150	880
TOTAL CAPITAL EXPENDITURE	39,706	18,504	21,202
NET CAPITAL EXPENDITURE	36,257	13,700	22,557

- The forecast shows the approved budget presented to the Board compared to the Q3 forecast, which has been prepared using the actual results to the end of December .
- A full year statutory surplus out-turn of £7,914k is forecast being £3,055k favourable to budget.
- Rental income is forecast at current rate to be £87k higher with homeless lets contributing. Voids at current rate result in void rate of 1.6% compared to a target of 1% .
- No grant income expected with new build completions now expected to move into 2021/22
- Total expenditure is forecast to be £4,252k lower than budgeted
 - Repairs spend is expected to be £3,880k lower with a move to a "Safety First " service in the fourth quarter. A number of repairs staff will be place on furlough.
 - £1,056k favourable in Employee costs due to furlough claims to date, and the effect of a number of staff leaving the business with the earlier changes to the staff operating model; higher costs are reported in the transformation budget as a result
 - £421k favourable in bad debts with the budget making additional prudent provision for an increase in arrears levels as more tenants move onto Universal Credit.
- Net finance costs are forecast to be £307k adverse to budget, £109k due to low deposit rates , and £198k relating to non utilisation fees.
- Core Programme is forecast to be £14,033k lower than budget with work in the last quarter impacted by the tightening of restrictions.
- New Build spend relates to the 4 live sites with 5 units now expected to complete in April 2021.
- In other capital, the design of the Dumfries office hub and the move to Group IT systems are underway. Costs planned in 2020/21 will fall forward into the coming financial year.





Report

To: DGHP Board

By: Matt Foreman, Managing Director, DGHP

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

Subject: Scottish Child Payment

Date of Meeting: 17 February 2021

1. Purpose

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

2. Authorising Context

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

3. Risk appetite and assessment

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

4. Background

- 4.1 The Scottish Child Payment was announced by the Scottish Government on 26 June 2019. This was a key commitment of their Tackling Child Poverty Plan 2018 – 2022 which made a commitment to 'work towards introducing an income supplement within the lifetime of the plan' for low income families. The overall aim of the plan is to lift children living in Scotland out of poverty and reduce the relative child poverty rate by 3% by 2022, with the Scottish Child Payment being viewed as a key way to do this.

- 4.2 Following an 18 month process reviewing various options for this income supplement, the Scottish Child Payment was launched formally on 3 November 2020 by the Cabinet Secretary for Scottish Social Security and Older People. It was announced that applications would be opened from 9 November 2020 with the benefit starting from 15 February 2021.

5. Discussion

- 5.1 The new Scottish Child Payment will be delivered by Social Security Scotland and will be paid to eligible low income families with children under 6. The payment is £10 per week for each child within an eligible household (where Universal Credit, Tax Credits, Job Seekers' Allowance or Employment Support Allowance is being paid). It is in addition to any other benefits in payment to the household and does not affect eligibility for any other benefits. There is no cap on the number of children it can be applied for within a household as long as the other eligibility criteria are met.
- 5.2 Entitlement will begin from 15 February 2021 and for those who have applied before this date, payments will begin from the end of February 2021. Applications were opened so far in advance in November 2020 due to the Scottish Government expecting a high demand for this payment and can be made online, by telephone and post. The Scottish Government have written to all families they believe may be eligible to apply to encourage take up of the benefit. While initially it will stop once a child turns 6, Social Security Scotland plan to extend this to include all children under the age of 16 from 2022
- 5.3 Using our customer data intelligence and insight we know that there are 848 households with 1,042 children living in DGHP homes that are potentially eligible for the payment. This would provide an additional £520 per child per year for these families and a total potential increase in household incomes of £541,000 per annum for families living in DGHP homes.

Encouraging Uptake Among Customers

- 5.4 Our new Whole Family Approach within our 2021-26 Strategy is focused on improving outcomes for our families and we are working proactively to maximise our families' incomes through promotion of the Scottish Child Payment. We are doing this by building on the success of previous proactive campaigns, not least of which when we contacted every customer personally at the beginning of the pandemic to offer support and our furlough campaign where we reached out to provide practical help and advice to all customers who we knew had been furloughed over the summer last year.
- 5.5 To support and encourage our customers to apply for this additional benefit, we used the annual rent campaign to get in touch with customers we knew might be eligible. We have proactively contacted them via their Housing Officer and our Welfare Benefits Advisors, as well as harnessing the power of digital communication to raise awareness across our websites and social media platforms, utilising Facebook and Twitter to push the take up campaign in conjunction with Social Security Scotland.

- 5.6 Now in January 2021, we have reviewed and refined our list of all customers who may potentially be eligible to apply for the Scottish Child Payment. We are following up on our initial phase of contact with a further proactive campaign to contact all customers who might be eligible to ensure they have applied and support those who need assistance to do so ahead of the launch date of 15 February 2021. We are using this target date in order to make sure customers get the payments from the day they are first entitled to receive it.
- 5.7 As part of this second phase, we will continue to highlight the new benefit on our social media channels as described in 5.6 and websites too. We will also utilise our new methods of communication that have been successful in previous campaigns including bulk text messaging and GIFs.
- 5.8 Our campaign is in addition to the Scottish Government and Social Security Scotland continuing to raise awareness of the benefit, including through their social media platforms, health visitor packs, information in baby boxes and guidance in schools and nurseries. Promotional materials are also available for organisations to access if required.
- 5.9 Customers who have already applied will receive an acknowledgment letter from Social Security Scotland four weeks after application. They will then receive a confirmation letter when a decision on their application has been made. This will provide details of any award, how much will be paid and when.

6 Key Issues and Conclusions

- 6.1 The Scottish Child Payment is a step forward to helping to reduce child poverty as part of the Scottish Government's Tackling Child Poverty Plan. Our take up campaign supports this and will ensure our eligible customers are financially better off. This is in line with our strategic aim of taking a whole family approach and wanting to support customers to maximise their income wherever possible, particularly in the midst of the global pandemic.
- 6.2 We have approached the take up aspect in two separate phases, more generally in the first phase as part of our annual rent campaign and will provide more targeted contact as part of the second phase in the run up to the launch of the benefit across Scotland in February 2021. We will use our customer data intelligence and insight data to focus on supporting those customers most likely to be eligible and will provide advice and support to apply where a customer needs this. We will also harness the power of digital communication to raise awareness across our websites and social media platforms in order to reach as many people who may benefit from this new payment as possible.

7 Consultation

- 7.1 Consultation has taken place with subsidiary leads and their representatives including discussion to refine the approach presented here.

8 Finance implications

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

9 Legal Implications

9.1 There are no legal implications.

10 Equalities Impact

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

11 Recommendations

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



Report

To: DGHP Board

By: Matt Foreman, Managing Director, DGHP

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

Subject: Delivery Plan 2020/21: Quarter 3

Date of Meeting: 17 February 2021

1 Purpose

- 1.1 This report updates the DGHP Board on performance against the Delivery Plan for the end of Quarter 3.

2 Authorising context

- 2.1 Under the terms of the Intra-Group Agreement between DGHP and the Wheatley Group, as well as the Group, Authorise, Manage, Monitor Matrix, DGHP's Board is responsible for approving regulatory returns including the Charter. It is also responsible for monitoring of performance against agreed targets. In the case of DGHP, this includes the on-going performance of its services. In addition, the Group Authorising Framework states that the DGHP's Board is responsible for approving any changes to their Service Delivery Model or arrangements which it may consider necessary in order to deliver the level of performance to achieve agreed targets.
- 2.2 This year's Delivery Plan has been heavily impacted by the pandemic and on that basis the Board agreed a different approach to target setting, including the use of phased targets as we remobilised services.

3 Risk Appetite and assessment

- 3.1 Our agreed Group risk appetite in relation to Board Governance is "cautious". This level of risk tolerance is defined as "*Preference for safe delivery options that have a low degree of inherent risk and may only have limited potential reward*".

4 Background

- 4.1 The Board agreed our 2021-26 strategy at their meeting in November 2020. Given the impact of COVID-19, the Board has previously recognised that 2020/21 will be a transitional/exceptional year and require an interim set of performance measures and targets. These do recognise a number of the themes of our strategy, while also recognising that normal performance has not been possible due to government restrictions.

- 4.2 We continue to review performance and key operational indicators are reported monthly to the Scottish Housing Regulator (SHR) to understand the impact of COVID.

5 Quarter 3 performance

- 5.1 This section outlines our performance as of the end of Quarter 3.

- 5.2 The following table presents DGHP's results for key measures. 11 of the 14 measures in Appendix 1 are meeting target except for number of gas safety checks met, gross rent arrears and tenancy sustainability despite the exceedingly challenging delivery circumstances during the COVID-19 pandemic.

Indicator	Target	Current Performance (Q3)	
Gross Rent Arrears as a % of rent due	4.4%	4.41%	
Average Days to Let (ARC) – Excluding lockdown days	32 days	21.6 days	
Average Emergency Repairs Times (hours)	3	1.78	

- 5.3 Whilst performance for adaptations remains on target it is also anticipated this will be impacted due to a number of adaptations that we were unable to deliver safely due to COVID restrictions. The delivery of adaptations has now recommenced, however the performance against this target will increase during the fourth quarter as these works are completed.
- 5.4 The three targets that have not been met at the end of quarter three relate to gross rent arrears, our annual gas safety checks and tenancy sustainability.

Gross Rent Arrears – have increased to 4.41% against a target of 4.4% This was impacted by the timing of £150k of direct debits received but not posted onto accounts due to the bank holiday period in the new year. Whilst this is reported as an amber this is a timing issue, and we would have been on target had the payments been posted onto accounts without the Bank Holiday. We remain confident that despite the challenges arising from COVID we remain on target to have less than 4.4% Gross Rent Arrears at the end of the fourth quarter.

Number of Gas Safety Checks not met - we have been 100% compliant with the Gas Safety Regulations since 4 September, 2020. Assuming our 100% compliance will continue for the remainder of this financial year, it will still not be possible to meet this key performance indicator due to the fact it was not permissible to access a number of properties between April and August due to the lockdown restrictions. This position is the same across all the Group subsidiaries.

% tenancies sustained for more than a year - the target in relation to our tenants sustaining tenancies for more than 12 months is 90% of all new lets. Our current position is 85.26 %. The figure still includes deaths and also positive reasons for moving on such as securing a larger home which might be more suitable for customers. If the positive reasons for moving are removed from the indicator this would improve our performance to 89 %. We have set up a focussed review of this indicator, including expertise from across the group, to identify targeted actions that will positively impact on this performance indicator. Initial analysis highlights that only 79% of our customers rehoused as a result of homelessness sustain their tenancy beyond the first 12 months. An action plan is being developed to identify the issues linked to this low level of tenancy sustainment and identify agreed actions and phased targets to deliver future improvements.

6 Gross Rent Arrears

- 6.1 At end of quarter three Gross Rent Arrears was 4.41%. Compared to the Group Average of 4.72%. Performance is generally positive and remains significantly better than the 6.38% reported by the Scottish Housing Regulator for the sector average to date during 2020/21.
- 6.2 There are however significant challenges ahead, not least the extension to the Government ban on evictions until at least the end of March 2021 and the impact of COVID on the income of households living in our homes. Our Officers have been involved in the wider Group's proactive campaign to target those tenants who face uncertainty in their employment to ensure they have all the appropriate advice and support to guide them through challenging times. This approach has been well received by our tenants.
- 6.3 In addition, the newly recruited Housing Officers have now taken up their new posts and income management is and will continue to be one of their key priorities. Linking in with Fuel Advisors, Benefits Advice, EatWell and other wrap around services, our Housing Officers will be ensuring our tenants are given access to all the support they need to manage household costs as efficiently as possible to ensure regular rent payments.
- 6.4 During quarter three, we have consistently seen approximately 40 new Universal Credit cases per month, cumulating to a total of 3002 or 30.3 % of all tenants now on Universal Credit.

7 Repairs

- 7.1 DGHP has carried out both emergency and non-emergency repairs within the target times. Emergency repairs were carried out on average within 1.78 hours, well within the target of 3 hours. This is excellent performance in the context of COVID restrictions, the launch of the new service this financial year and the geographical coverage for our services.
- 7.2 Our repairs service had remobilised during the months of November and December and we saw an increase in repairs activity back to near normal levels with 6,156 repairs carried out in November and December. 2,588 of these were emergency repairs and 3,568 were non-emergency repairs. Non-emergency work is being carried out within an average of 5.4 days, within the 5.5 day target and a significant improvement on last years performance. However, with effect from early January we have now reverted to essential repairs only in line with the latest Government Guidance.

8 Average Days to Let

- 8.1 Our key focus over the last few months has been to reduce the backlog of voids that resulted from the first lockdown. Phase 2 of letting remobilisation commenced on the 17 August 2020. We are measuring our average days to let against 2 targets:

Average days to let – Including lockdown days and;
Average days to let – excluding lockdown days.

- 8.2 Our ARC indicator of average days (including lockdown days) of 42.29 days has significantly improved from the 58 days reported at the end of quarter two. However, the cumulative total still reflects the real impact the Coronavirus pandemic and lockdown has had on our letting. With letting of properties suspended from 20 March through to 17 August 2020, other than the provision of additional temporary accommodation units to Local Authorities, honouring pre-allocations and to resolve homelessness, this level of performance is in line with expectations and it is anticipated that it will reflect the national picture when these statistics become available.
- 8.3 At the end of quarter three DGHP has let 564 homes to customers. Our average days to let (excluding lockdown days) is 21.6 days against a phase two 32-day target. This is excellent performance in the context of a voids backlog and challenges from COVID restrictions.

9 Homelessness

- 9.1 DGHP continue to play an important role, working very closely with the Council Homelessness team to ensure customers are rehoused and given priority through the impacts of COVID. To date 53% of all our lets have gone to Homeless households through direct allocations. This is above our projected target of 50%. We continue to work very closely with Dumfries and Galloway Council to ensure homeless households continue to get priority for rehousing during the most recent lockdown restrictions.

10 Sickness Absence

- 10.1 We are reporting low levels of sickness absence. In the year-to-date DGHP has lost an average of 1.53% of working time due to staff absence compared to the target of 3%. This rate remains low due to staff continuing to work from home and the levels of flexibility provided. DGHP also have a range of support mechanisms in place to support our teams during the lockdown restrictions including our new 24/7 confidential support helpline.

11 Strategic projects – progress at Quarter 3

- 11.1 Appendix 2 outlines progress on the strategic projects in the Delivery Plan at the end of quarter three.

Develop Group Homelessness Framework, including rapid rehousing -This framework is included in the February Board Agenda for consideration.

Work with Police Scotland to develop a Group-wide Antisocial Behaviour and Crime Prevention and Mitigation Framework -The development of the Group Anti-social Behaviour and Crime Prevention and Mitigation Framework is progressing well. The proposed framework has been shared with the service leads across the group subsidiaries. A final draft is expected to be submitted for Executive Team consideration by the end of February 2021.

Create a new engagement framework for customer engagement - The new engagement framework will be presented at the February Board meeting for consideration.

Establish DGHP in House repairs service – This project is progressing well. There was one milestone behind target which was the development of a new enhanced performance framework due by the end of December. This has now been completed as at the end of January and the remainder of the project remains on target. The key milestone during the fourth quarter will be the gas service TUPE in-house by April 2021. This is progressing well with a dedicated project to ensure this is successfully delivered.

Year 1 DGHP integration and transformation – We are progressing well with our ‘Time to Excel’ transformation programme which is subject to a separate presentation to the February Board.

Establish first TRA in Dumfries – We are progressing discussions with Dumfries and Galloway Council to develop our first Transformational Regeneration Area in Dumfries and Galloway as part of our approach to regenerate areas, strengthen local communities and build new homes.

- 11.2 Board will recall that in November they approved the targets for the end of the 3rd quarter covered by phase 2 targets. These will be amended for Q4 based on phase 3 targets.

12 Key issues and conclusions

- 12.1 The report outlines positive progress in achieving 11 out of 14 of key performance targets and the delivery of projects, despite the hugely challenging environment and ongoing transformation across DGHP. We anticipate achieving 12 out of 14 by the end of the fourth quarter with improvement in the end of quarter Gross Rent Arrears performance to achieve 4.4%.

13 Value for money implications

- 13.1 There are no direct financial implications arising from this report. Any financial requirements related to actions and projects within the report are subject to separate reporting and agreement.

14 Impact on financial projections

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

15 Legal, regulatory, and charitable implications

- 15.1 Registered Social Landlords are required to provide an Annual Return on the Charter to the Scottish Housing Regulator. The key indicators within this return are included in monthly performance reporting.

- 15.2 The Board approves the final return and this information is included in the year end performance report to the Group Board. We are also required to involve tenants in the scrutiny of performance (this is done through our Group Scrutiny Panel which includes representation from DGHP) and to report to tenants annually each year.

16 Partnership implications

- 17.1 Reports on the Delivery Plan can be used to identify areas where partnerships need to be strengthened to help DGHP achieve its strategic objectives.

17 Implementation and deployment

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

18 Equalities impact

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

19 Recommendation

- 19.1 The DGHP Board is asked to note the progress made against the Delivery Plan targets for the end of quarter three 2020/21.

List of Appendices







Appendix 1: Measures dashboard

Appendix 2: Strategic projects dashboard

Appendix 1 - DGHP Board - Delivery Plan 20/21

	2019/20	YTD 2020/21		
Measure	2019	2020		
	Value	Value	Target	Status
Average time for full response to all complaints (working days) - overall	4.35	4.59	8	✓
Average time taken to complete emergency repairs (hours) – make safe	2.27	1.78	3	✓
Average time taken to complete non-emergency repairs (working days)	8.44	5.4	5.5	✓
% reactive repairs completed right first time	82.58%	94.58%	92%	✓
Number of gas safety checks not met	0	298	0	✗
% of tenants who have had repairs or maintenance carried out in last 12 months satisfied with the R&M service	92.4%	98.37%	87%	✓
% tenancy offers refused during the year	28%	20.39%		📊
% ASB resolved	89.81%	99.73%	98%	✓
% new tenancies sustained for more than a year - overall	85.82%	85.26%	90%	⚠
% lettable houses that became vacant	9.84%	8.12%	9%	✓
Average days to re-let properties (ARC) – excluding lockdown days		21.6	32	✓
Average time to re-let properties (ARC)	28.23	42.28		📊
Average time to complete approved applications for medical adaptations (calendar days)	18.49	9.99	90	✓
Gross rent arrears (all tenants) as a % of rent due	3.97%	4.41%	4.4%	⚠
DGHP - Total number of jobs, training places or apprenticeships created including Wheatley Pledge		0	0	✓
% Sickness rate	4.74%	1.53%	3%	✓

Appendix 2 - DGHP Board - Delivery Plan 20/21 - Strategic Projects

Strategic Project	Delivery Date	Status	% Progress
Develop Group Homelessness Framework, including rapid rehousing	31-Dec-2020		<div><div>100%</div></div>
Work with Police Scotland to develop a Group-wide Antisocial Behaviour and Crime Prevention and Mitigation Framework	28-Feb-2021		<div><div>40%</div></div>
Develop a new framework for customer engagement (incorporating customer inspection process)	31-Mar-2021		<div><div>70%</div></div>
Establish DGHP in-house repairs service	31-Mar-2021		<div><div>35%</div></div>
Year 1 DGHP integration and transformation	31-Mar-2021		<div><div>70%</div></div>
Establish first TRA in Dumfries	31-Mar-2021		<div><div>30%</div></div>



Report

To: DGHP Board

By: Matt Foreman, Managing Director, DGHP

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

Subject: Transforming our rent payment methods

Date of Meeting: 17 February 2021

1. Purpose

- 1.1 This report seeks approval from the DGHP Board to modernise our approach to rent payment methods as we fully harness the opportunities presented by technology for the benefit of both customers and our business as part of our strategy, ***Your Home, Your Community, Your Future.***
- 1.2 The report also outlines how this modernisation is the first phase of a wider review of our Group approach to income and collection of rents and related service charges.

2. Authorising context

- 2.1 Under the terms of the Group Authorising Framework and Group Authorise / Manage / Monitor Matrix, the Board is responsible for monitoring operational performance and implementing the Board's strategy.
- 2.2 The Executive Team is responsible for ensuring that operations are well managed including approving how services are organised and delivered, such as payment methods. The Board is responsible for approving the overarching operating model and key elements within the model.

3. Risk appetite and assessment

- 3.1 Our risk appetite related to both digital (including channel shift) and Welfare Reform is Open, defined as willing to choose the one that is most likely to result in successful delivery while also providing an acceptable level of reward.
- 3.2 A detailed project risk matrix has been developed and outlines the key risks that require to be managed and mitigated as part of this project. A comprehensive Implementation and Deployment Plan has also been developed.

4. Background

- 4.1 Our 2026 vision is to enable our customers to reach their potential for a brighter future for themselves and their families. Our strategy for making this real will see us deliver an unprecedented shift in the balance of power and control towards our customers. Our customers will feel empowered, make choices about services and ways in which they want to engage with us. Our success will depend on our ability to make digital feel effortless, building on customer capacity to do more for themselves. Our performance will move from excellent to outstanding, as defined by our customers.
- 4.2 Our vision will be delivered against a backdrop of significant external challenges, not least the impact of Coronavirus and lockdown restrictions, Welfare Reform including Universal Credit, digital disruption, and rising levels of in-work poverty. Over 30,000 of our customers qualify for Housing Benefit or Universal Credit across the group with significant numbers having to manage on low incomes. DGHP now has 30% of our customers on Universal Credit.
- 4.3 We therefore, want to make it as easy as possible for customers to pay their rent. The group have been working to advance in this area over a number of years and as part of our transformation at DGHP we are looking to benefit from the group expertise as we transition onto some of the group wide platforms. The most recent advances, delivered as part of the group Digital Transformation Strategy, include;
- The launch of Wheatley's Self-Service, MyAccount, in 2015, enabling customers to access their account anytime, and not just for paying rent. Our customers can check their account, see when their rent is due, raise a service request, book a repair and report a neighbourhood issue.
 - MyHousing launched in 2018, providing customers with an online housing, advice and letting service including advice on the total cost of running a home, budgeting tools and benefit advice to help them maximise their income and build financial resilience. Once registered, the customer account seamlessly moves with them providing access to their new online rent account and wider services once they become a tenant with us.
- 4.4 DGHP currently offer 14 ways to pay rent with customers choosing to pay weekly, fortnightly, four weekly or monthly. Some of these payment methods, such as payment by cheque, are now outdated or obsolete but have not been reviewed for a number of years and requires DGHP to modernise our approach. Many of these options pre-date modern technological advances. A breakdown of transactions and income from each payment method in DGHP can be found at appendix 1. The most convenient and cost effective methods, apart from Housing Benefit and DWP payments are Direct Debit and Online Self Service followed by CSC Touchtone telephone. Customer behaviour for payment methods has already changed and 76% of our customers already pay via Direct Debit, Housing Benefit or Universal Credit.

- 4.5 Up-rating rents at the beginning of each year will be much more easily controlled and automated the more customers we have on Direct Debit. It also reduces the impact of DWP up-rating issues as we can ensure the correct amount is paid to us for those customers paying by Direct Debit and encourage them to inform DWP at the same time. These are huge business benefits that protect our income streams and support effective rent collection.
- 4.6 There is an opportunity to learn from wider customer service organisations and the banking sectors who have introduced recurring debit or credit card payments. This option offers same or next day payments at the start of a payment plan and provides another digital payment option for customers who wish to pay us in this way, which has become increasingly important during the Coronavirus crisis.
- 4.7 Our preference is for payment methods that will allow us and customers to manage a rent account in real time - no delay in the payment reaching a customer account such as the time it currently takes for a payment made through the Post Office to show on a rent account and where customers are able to self-serve and view their accounts as well as access additional services themselves. Payments will be digital, automated and will not rely on customers having to proactively remember or physically do something to pay their rent every month.
- 4.8 Bulk text messaging of rent reminders and overdue reminders where a payment is missed have been successfully introduced during the Coronavirus lockdown. Work is ongoing to automate this process as a result of the positive impact it has had in generating both contact from customers and payments.
- 4.9 A measured and managed approach to modernising our options will:
- use data intelligence to help us predict the most successful payment method based on customer characteristics to ensure ongoing payment success
 - ensure just in time and transparency of payments
 - increase control for customers, facilitating easier access to services and deliver exceptional customer convenience
 - prioritise efficient and effective payment methods to drive value for money, and
 - ensure no customers are left behind with services appropriately tailored to meet their specific needs.

5. Discussion

- 5.1 Our proposed payment channel shift will strengthen prevention capacity through Direct Debits, support more digitally enabled income collection methods and help to mitigate the impact of Coronavirus and Universal Credit while protecting our top quartile performance in the most cost-efficient way. It will also enhance customers feeling of control and having the information and access they want and need at their fingertips wherever they are.

- 5.2 We are proposing to retain the top five most effective and convenient payment methods and to phase out all other existing options. These are Direct Debit, Online Self Service and a modernised telephone payment system. We have also introduced secure payment links and Recurring Card Payments in November 2020 due to the minimum effort required by customers to make payments and deliver value for money.
- 5.3 Direct Debit will be our preferred default payment method and where this is not right for the customer we will use data intelligence to predict which of the other methods will be the most successful payment method based on customer characteristics to ensure ongoing payment success. We also need to gauge how easy customers feel it is for them to make a payment and their satisfaction with available services using our new approach to customer engagement. Our Housing team will ensure each customer receives an individual discussion and support to manage the transition on a 1-2-1 basis.
- 5.4 The value of scheduled Housing Benefit payments will continue to reduce over time as customers move onto Universal Credit and we expect to see a corresponding increase in the value of DWP payments. We continue to work closely with DWP improving information sharing to better track payments and customer outcomes. DGHP has now moved to daily payments from DWP and the impact so far has been positive.
- 5.5 The crisis surrounding Coronavirus has already changed the way some of our customers are making their payments, with traditional face to face payment methods reducing. It is worth noting that only 6% of our customers now use the PayPoint.
- 5.6 **Measures of success and outcomes** from moving to a new streamlined approach across group include:

Measure of Success	Baseline	Outcome	Timeline
% increase in customers paying by more efficient methods	26% (DD) Not available currently	Year on year % increase in usage of modernised payment methods All new tenancies signed up to Direct Debit	From 2020 From 2020
% increase in the no. of customers, in arrears, paying by DD and recurring card payment (new) to mitigate the impact of UC	19%	Payment Plans secured with 80% of customers paying by DD/recurring cards	From 2020
Modernised payments approach delivered	14 ways to pay	Phasing out of proposed payment options completed	By 2022
Reduced average transactional payment costs <i>**based on average rent payment of £425</i>	£0.98 to £3.93 £2.28 to £6.80	To less than £0.50 per transaction for customer facing methods To less than £2.00 per transaction for back office methods	By 2022 By 2022
The ways in which to pay rent perceived as easy to use by customers	Not currently measured	90% customer satisfaction	By 2023
Build financial resilience by increasing % customers paying by one month's rent in advance	9.6 % one month in advance in DGHP	10% year on year increase of credit rent accounts with **50% of customers having a credit balance <i>**From our learning journeys, we know that Gentoo, for example, aim to have 50% of their customers in credit.</i>	By 2026
Support improved income collection performance to deliver 2021/26 strategic targets	4.99%	% of gross debit at <4% across Group.	By 2026
Keeping UC customers' debt free	58%	80% of ALL UC customers paying by DD and/or APA	By 2026

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

Table1. Proposed Customer Facing Payment Methods

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

transaction value	(Instant Voice Recording) to suit campaign messaging etc; <ul style="list-style-type: none"> Value for money service; Free phone service. 	accessing additional info available via call handler or WSS; <ul style="list-style-type: none"> Requires significant amount of guidance and discussion (at least 2-3 times) to nudge customer towards this method and keep them there.
Recurring Card Payments £0.20 + 3% of transaction value	<ul style="list-style-type: none"> Allow regular/repeat card payments to be set up without repeat contact; No bank charges for customers if payment is declined; Same day set up and payment; less risk around guarantee – 120 days max rather than for life of mandate as for Direct Debit; More reliable than customer phoning or going online to make payment; Can add alternative cards to try automatically where first one fails, so less work to recover initially failed payments. 	<ul style="list-style-type: none"> Potential for higher failure rates due to cards being lost/stolen, reaching card spending limit for the day; Admin costs to keep card details up to date (potential additional system to administer); Need to develop automatic text reminder that payment is due.
Secure Payment Links (new) £0.25 per link	<ul style="list-style-type: none"> Secure e-mail or text link sent to customer to make payment by card Payment confirmed there and then Staff member is able to provide support to customer to make payment with improved PCI compliance Progress of transaction including confirmation of success or otherwise provided for staff and customer at time; opportunity to find alternative card/method while still in contact with customer reducing missed opportunities Payment shows next day in account in line with other card payments 	<ul style="list-style-type: none"> Need to have customer on phone/engaged with service Only able to send out links individually or in small batches of 30 and specific amount to be paid must be provided

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

Payment Method	Pros	Cons	If DD is not the default payment method. Customers are likely to channel shift to:
Paypoint (via local shops and including Post Office) £0.41 per transaction + £30 rent card	<ul style="list-style-type: none"> Local and convenient for customers; Allows cash payments to be made; Retained as residual payment method for customers who are unable to open any other kind of account (diminishing numbers); Has remained popular with some customers during Coronavirus crisis Prevent reputational damage for organisation. 	<ul style="list-style-type: none"> Rent card required to make payment; Takes around 5 working days for payment to reach rent account; Third party payment handler involved; Rent cards are expensive; Transaction limit of £200 – typically 2 transactions per monthly rent payment. 	Recurring card payments or Secure Payment Link by 2021 <p>*potentially retained for an extended period for DGHP customers due to their later starting point in the journey</p>
Ad hoc Internet 0.328% to 1.37% cost of transaction value	<ul style="list-style-type: none"> Quick payment method; May encourage disengaged customers to still make payment as no need to interact with staff member to do so; Only available for GHA, Cube and YP currently and was scheduled for phasing out in new financial year. 	<ul style="list-style-type: none"> Limited interaction with customer; No ongoing relationship with customer built on the transaction; Limits data availability for data intelligence; Possible missed opportunity for service personalisation; Campaign required to quickly move customers to alternative payment methods. 	It is anticipated that Cube, GHA & YP customers will move to Wheatley Online Self Service in line with the experience of other RSLs by March 2021; <i>propose it is kept as residual payment type while we are dealing with ongoing restrictions</i>
CSC Telephone Payments 0.328% to 1.37% cost of transaction value	<ul style="list-style-type: none"> Customer can speak to advisor; Payments taken 24/7; Customer can make multiple payments for different things at same time e.g. rent and council tax at same time. 	<ul style="list-style-type: none"> Takes longer than CSC Touchtone to process payment; Comparatively expensive – staff; Freephone number costs; High demand on Customer Service Centre lines can lead to missed opportunities to collect payments if customer does not wait. 	Migrated to Direct Debit or Wheatley Online Self Service

Bank Payments £0.22 - £0.40 per £100 transaction value	<ul style="list-style-type: none"> Convenient way for individual customers to make ad hoc payment at their bank. <p><i>** Within the 4,500 accounts paid by bank, a significant number are HB scheduled payments that we receive as a manual payment from smaller Local Authorities.</i></p>	<ul style="list-style-type: none"> Manual reconciliation of exception payments to individual rent accounts. 	<p>Direct Debit in the first instance from November 2020 or recurring card payment by 2021</p> <p><i>** Income Team will continue to manually process HB payments. It is anticipated this will diminish over time as customers move onto UC</i></p>
Chip & Pin** 0.328% to 1.2% of transaction value	<ul style="list-style-type: none"> Allow card payments to be taken in local offices; Allow safe payment of large amounts. <p><i>**It was proposed that Chip & Pin be retained as a back office facility only for one-off rent payments and primarily for rent arrears management. This method has been effectively phased out as offices have been closed since March due to the pandemic.</i></p>	<ul style="list-style-type: none"> Only available during working hours, predominantly in offices only; Numbers reducing over time – no payments from Chip & Pin since offices closed at end of March 2020 	<p>Direct Debit in the first instance from November 2020 or recurring card payment by 2021</p>

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

5.10 The next stage of our change programme is to transform our service model to offer unrivalled customer experience, identifying digital and tailored services. To support this, we will:

- a) complete a review of our Group approach to income and arrears collection, exploring data intelligence to help us tailor our engagement and communication through preventative support and help customers stay debt free. Improvements in management information and the use of technology will also enable us to strengthen income collection through proactive automated alerts reminding customers to ensure that they have funds in their account to pay their Direct Debit. Payment history will be used to progress proactive interventions; and

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

6. Proposals

- 6.1 In order to protect our income stream, a cautious approach is recommended with movement towards our proposed payment methods being facilitated in a controlled and phased basis. The first step will be to begin to phase out the least effective and costliest customer facing payment methods, namely PayPoint (including Post Office). Chip and Pin has effectively been phased out already as all customer facing offices are currently closed. PayPoint individual transaction limits of £200 demonstrate the fact that PayPoint was set up at a time when monthly rent levels were below this amount - our current average monthly rent across the group is £425. PayPoint now represents 6% of DGHP transactions.
- 6.2 Building on the work done during lockdown we will launch a major campaign to increase the number of customers paying by Direct Debit and drive down the use of telephone payments via CSC Advisors and ad-hoc online payments. However, it is proposed that this payment method remains for these customers in light of the pandemic but that we will continue to actively encourage them to move to other payment methods. Since December 2019, customers have also had the facility to set up a Direct Debit using their online account with no need for Housing Officer involvement with many customers taking up this option. We have introduced secure payment links which provide customers with the ability to make payment using their debit or credit card quickly and conveniently via a secure link sent to them via text or email and completed in the same way as many other online payments are made. Table 1 above discusses the benefits of Direct Debit including the uprating of rents at the beginning of each year. Customers who pay using this method are also less likely to be in arrears and have lower levels of arrears. Research, learning journeys and data analysis demonstrates Direct Debit as being the most effective payment option with around 80% of customers maintaining their arrangements.
- 6.3 Recurring Credit & Debit Card Payments will be promoted more fully in 2021 and also promoted to existing PayPoint, Post Office and ad-hoc Debit & Credit card telephone payment customers as part of our Implementation and Deployment Plan where Direct Debit is not the default payment method. It is expected that a significant proportion of customers will easily move to our preferred payment methods following some discussion with their Housing Officer around the benefits of moving. However, there will be a smaller group who will be more difficult to persuade and their movement will take a longer time, meaning we have given a more cautious time frame of two years for the full implementation of this project.

- 6.4 To manage the transition we will ensure each customer receives an individual discussion and support from their local Housing Officer as part of our new 1:200 Housing Management Service. The discussion will explore individual circumstances for each case to make sure we are supportive and consider the circumstances of each individual customer as part of the transition.
- 6.5 The modernisation of CSC Touchtone and agent payments is also currently being considered as part of our wider Group Digital Delivery Plan from 2021 to 2026.

7. Key issues and conclusions

- 7.1 While we do not want any customer to be left behind, failure to modernise our payment methods means we risk failing those customers who would currently benefit from interacting and transacting with us in the digital arena. Payment options are changing at a phenomenal pace and we need to keep up with this, to improve customer satisfaction and to ensure we are able to collect payments from individual customers as more and more move onto Universal Credit. This is even more important in light of Coronavirus, making face to face visits more challenging in terms of restrictions and time needed to carry these out.
- 7.2 Further work is required to analyse DGHP payment methods and patterns more fully, as well as any rural sensitivity particularly around Post Office payment facilities given the geographical spread. For the small number of customers that do not have access to a bank account, we will retain the option to make payments by Post Office in the interim and offer wraparound support through the Tenancy Support Service and Housing Officers to open a bank account as part of our Implementation Plan, promoting the benefits that come from having a bank account. Our Housing team will also ensure each customer receives an individually tailored discussion and support throughout the transition.

8. Value for money implications

- 8.1 More efficient methods of payments relate to the aim within our VFM Framework of improving flexibility and responsiveness and improving the life chances of our customers. Successfully implementing this change will reduce transaction costs across the wider group of £240,000 per annum which can be reinvested in other services for customers.

9. Impact on financial projections

- 9.1 There is no adverse impact on the financial projections, however a move to more efficient payment methods will help us to manage arrears balances and maximise rental income collected. Savings in the transactional costs of administering payments and the production of rent cards will go towards achieving running cost efficiency targets built into the financial projections.

10. Legal, regulatory and charitable implications

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

11. Partnership implications

11.1 There are no partnership implications arising from this report for DGHP.

12. Implementation and deployment

12.1 A Project Board will be established to drive this change programme, assisted by the Rent & Income Community of Excellence.

13. Equalities impact

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

14. Recommendations

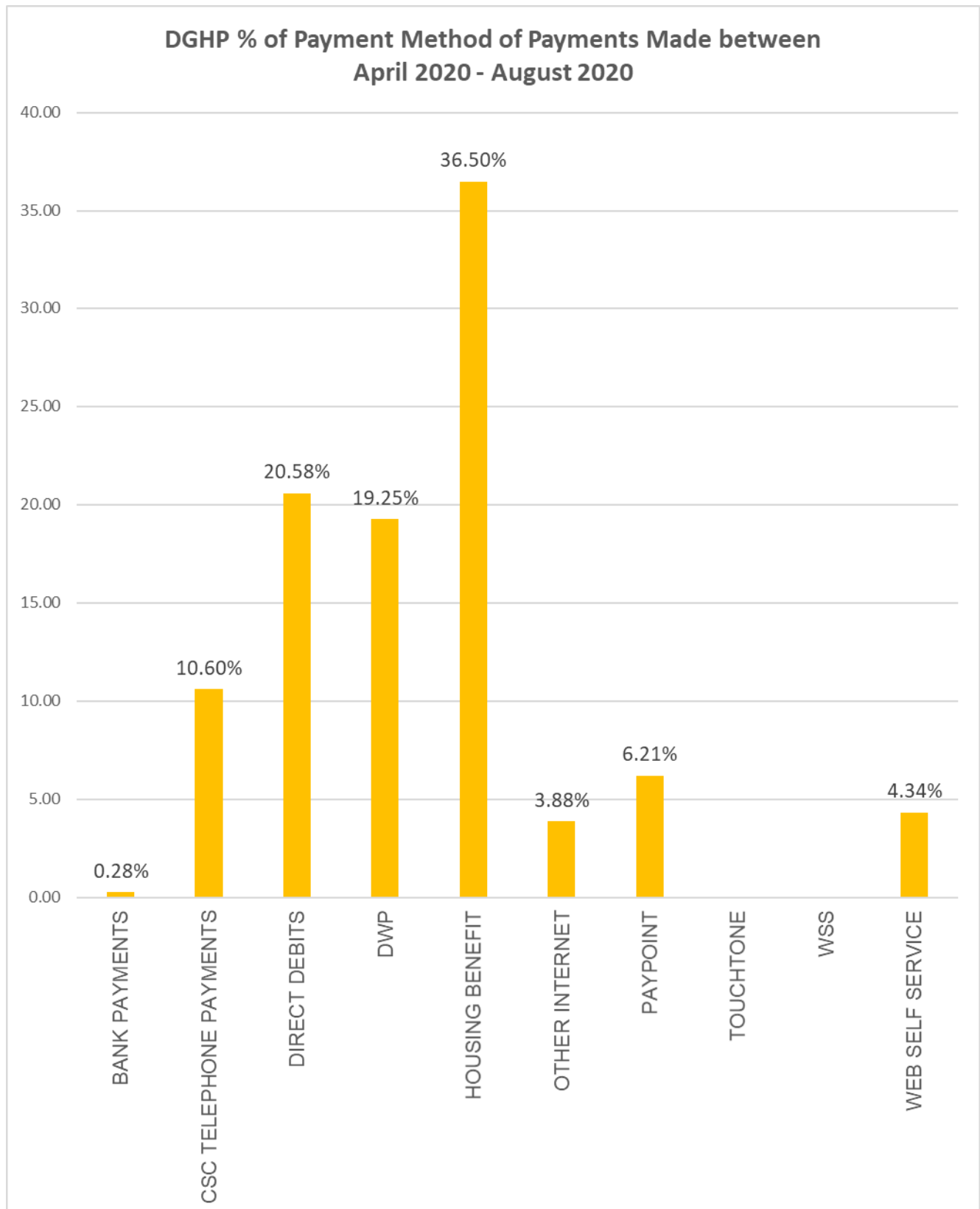
14.1 Board is asked to:

- 1) Approve modernising our approach to rent payment methods as we fully harness the opportunities presented by technology for the benefit of both customers and our business.
- 2) To note a wider review of the Group's approach to rent and income collection, with a progress report to be provided in 2021
- 3) Note that our current self-service offering will adapt as we move onto group IT systems as part of the DGHP transformation programme.

List of Appendices

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

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



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



Report

To: DGHP Board

By: Anthony Allison, Director of Governance

Approved by: Steven Henderson, Group Director of Finance

Subject: Governance update

Date of Meeting: 17 February 2021

1. Purpose

- 1.1 To update the Board, seeking approval as appropriate, on the following governance related matters:
- Transformation programme – leadership stream
 - Board recruitment and succession planning; and
 - Board reporting template

2. Authorising context

- 2.1 The Board is responsible for agreeing its Board recruitment and succession planning arrangements, which are thereafter subject to agreement by the Group Remuneration Appointments, Appraisal and Governance Committee.
- 2.2 The creation and dissolution of subsidiaries or Committees is reserved to the Group Board. In addition to this, as the direct parent of Novantie, the DGHP Board would require to agree any dissolution as well as the necessary arrangements thereafter including new contracting arrangements for services and leases.
- 2.3 The Group reporting template is a formal element of our Group governance framework. On this basis, the template, and any additions thereto are subject to Group Board approval.

3. Risk Appetite and assessment

- 3.1 Our agreed risk appetite for governance is “cautious”. This level of risk tolerance is defined as a “preference for safe delivery options that have a low degree of inherent risk and have only limited potential for reward”.
- 3.2 We mitigate this risk through having clearly defined roles and responsibilities across our governance framework and regularly updating the Board on governance related matters. We also engage expert external advisors as appropriate.

4. Background

- 4.1 All elements of our operational group governance framework, including Board succession planning, remains under review on an ongoing basis. In addition to this, there are governance related elements of our own Transformation Programme.

5. Discussion

Transformation Programme – governance

- 5.1 As part of our Transformation Programme, Leadership stream, it was agreed that we would:

“Explore respective roles of DGHP3, Novantie, Lowther and Wheatley Solutions to ensure maximum strategic and operational synergies”

- 5.2 We have now, in consultation with senior staff in DGHP, Wheatley Group and Lowther Homes explored the potential for synergies. Recommendations in relation to Wheatley Solutions are subject to a separate agenda item. Proposals in relation to the remainder are set out below:

Novantie/Lowther Homes

- 5.3 Lowther Homes recently absorbed YourPlace Property Management, having previously been sister companies within the Group. This followed a group strategic governance review where we identified strategic and operational benefits from having all our commercial activity in a single vehicle.
- 5.4 Lowther Homes became the Group’s vehicle for the provision of factoring services, the leasing of Mid-Market Rent (“MMR”) properties from Registered Social Landlords (“RSLs”) and managing commercial property portfolios on behalf of RSLs.
- 5.5 This has allowed us to have a common factoring services agreement and MMR lease in place across the Group. In addition to this, a single set of policies allows us to have a consistent approach to factoring and letting across the Group. This is further embedded by the single management structure, with staff seconded in from other parts of the Group.
- 5.6 The commonality of approach allows us to achieve operational efficiencies, for example: staff can be deployed flexibly as policies and processes are consistent; management structures can be more streamlined; communications and branding approaches are consistent; and a single set of policies and procedures are required.
- 5.7 In DGHP we have a mixed approach, with factoring services provided directly by DGHP, our MMR properties leased to our subsidiary Novantie and Novantie owning 1 MMR property and 16 commercial properties.
- 5.8 Lowther Homes are already working closely with DGHP factoring staff and the letting team within Novantie providing operational support and expertise. This has already taken the form of developing a new MMR Letting Policy for Novantie following new guidance from the Scottish Government issued in October 2020 which is closely aligned to the Lowther policy, using Lowther’s marketing platforms to advertise void properties, and drawing on Lowther’s expertise around factoring debt recovery.

5.9 It is proposed that we progress to aligning the DGHP approach with the wider Group as follows:

- Lowther Homes is appointed as our factoring agent, with the DGHP factoring team seconded to Lowther Homes
- Our MMR stock is leased to Lowther Homes
- We bring the 1 MMR unit and 16 commercial properties back into DGHP ownership and the commercial properties are managed on our behalf by Lowther Homes

This approach would allow us to then wind up Novantie, reducing complexity within our own DGHP and the wider group governance structure.

5.10 The proposals would involve a number of legal and technical steps. Subject to the Board's agreement on progressing alignment a series of more detailed reports would be brought back to the March and May Board covering:

Area	Update
Factoring	<ul style="list-style-type: none">▪ Factoring Services Agreement for Board approval▪ Secondment arrangements for DGHP factoring staff to Lowther Homes▪ Presentation from Lowther Homes MD on factoring delivery model
MMR (leased)	<ul style="list-style-type: none">▪ Update on the MMR portfolio▪ Secondment arrangements for DGHP letting staff to Lowther Homes▪ Lowther Homes standard lease term for Board approval▪ Presentation from Lowther Homes MD on letting approach
Commercial Property	<ul style="list-style-type: none">▪ Terms of the management agreement with Lowther Homes
Governance	<ul style="list-style-type: none">▪ Legal process for the asset transfer from Novantie, including external legal advice as appropriate▪ Update on regulatory requirements
Finance	Financial implications of the proposed changes

We will also update the Novantie Board separately.

DGHP 3

5.11 DGHP 3 is part of our Group, but not our VAT Group. This allows VAT savings to be made on new build developments by permitting VAT recovery on fees incurred by DGHP3 (such as architects' fees), by virtue of the fact it is able to sell on zero-rated new build homes to DGHP. If these fees were incurred by DGHP directly, or if DGHP3 were in the same VAT group as DGHP, then the main supply for VAT purposes is exempt rental income, meaning no VAT could be reclaimed.

5.12 HMRC is currently consulting on mandating VAT grouping for all legal groups, which could remove any VAT advantage and by extension undermine the purpose of DGHP3. We will therefore await the outcome of the consultation and advise the Board of the implications in due course.

Board recruitment and succession planning

- 5.13 We are currently in the process of recruiting for two additional Non-Executive Directors, including a successor for George Thorley who retires on 31st March. We are currently shortlisting candidates and expect to progress to virtual interviews in the coming weeks.
- 5.14 Given that the Board has yet to fully remobilise, it is proposed that we progress with one appointment to replace George in the short term and review the position when we are fully remobilised.
- 5.15 We currently do not have a formal Board three-year succession plan. It is intended that the Chair will virtually meet all Board members to discuss this and a plan developed for Board approval. Delaying the recruitment of the second vacancy also allows us to align the recruitment with a Board review of our three-year succession plan.

Board reporting template

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

1. Strategy alignment

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

2. Integration

- 5.22 We have reviewed previous reports and identified areas which are, in practice, so closely aligned that having separate sections can lead to duplication.

We therefore propose to merge the following:

- Discussion, key issues and conclusions, and implementation and deployment
- Financial and value for money implications
- Authorising context and partnership implications (as noted above)

5.23 A clean and tracked change version of the proposed template is attached at Appendix 1A and 1B respectively. The revised template will support implementation of our new strategy. It will also retain core governance elements which allow the Boards to make informed decisions, such as risk assessments, financial implications and legal/regulatory/charitable issues. The template itself also provides guidance for staff on the content which should be included in all sections.

5.24 Although not relevant for recurring papers such as governance, finance and delivery plan performance we do wish to recognise our increased focus on environmental and sustainability issues. We will therefore provide guidance to staff to incorporate the implications in relevant papers more clearly.

5.25 The template will come into effect in May 2021 following the launch of our new strategy. The additional sections will allow us to reinforce how reporting should be linked to our strategy.

6. Key issues and conclusions

6.1 The proposals in the report allow us to continue the progression of our Transformation Programme as well as ensure the Board to continue to exercise its strong oversight and decision making in relation to governance related matters. This is consistent with our agreed risk appetite in this area.

7. Value for money implications

7.1 There are no value for money implications arising from this report.

8. Impact on financial projections

8.1 There is no impact on our financial projections arising from this report.

9. Legal, regulatory and charitable implications

9.1 The SHR Regulatory Framework, Regulatory Standard 6, requires all RSLs to formally and actively succession plan. The development of a formal succession plan supports us evidencing compliance with this requirement.

9.2 We will engage our legal advisors as required throughout any future integration process, including on any charitable implications.

10. Partnership implications

10.1 There are no partnership implications associated with this report.

11. Implementation and deployment

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

12. Equalities impact

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

13. Recommendations

- 13.1 The Board is asked to:
- 1) Agree that we progress the alignment of our governance arrangements as set out in paragraph 5.6 and that Group Board agreement be sought;
 - 2) Agree that we delay the recruitment of one vacancy until the Board is fully remobilised and has agreed a 3-year succession plan; and
 - 3) Note the new Board reporting template which will take effect from the May Board cycle.

List of Appendices

Appendix 1A – Clean revised Board reporting template

Appendix 1B – Track changed revised Board reporting template



Report

To:

By:

Approved by:

Subject:

Date of Meeting:

1. Purpose

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

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

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

2. Authorising and strategic context

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

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

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

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

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

3. Risk Appetite and assessment

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

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

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

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

4. Background

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

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

5. Customer Engagement

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

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

6. Discussion

Part 1

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

Part 2

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

7. Digital transformation alignment

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

8. Financial and value for money implications

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

9. Legal, regulatory and charitable implications

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

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

10. Equalities implications

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

11. Recommendations

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

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

LIST OF APPENDICES:-

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



Report

To:

By:

Approved by:

Subject:

Date of Meeting:

1. Purpose

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

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

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

2. Authorising and strategic context

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

- Intra-Group Agreement (IGA);
- Group Standing Orders (GSOs);
- Group Authorising Framework (GAF);
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- Scheme of Financial Delegation.

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

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

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

3. Risk Appetite and assessment

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

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

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

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

4. Background

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

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

5. Customer Engagement

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

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

6. Discussion

Part 1

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

Part 2

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

5.1

~~6. Key issues and conclusions~~

Commented [AA1]: New section

Commented [AA2]: To be consolidated into discussion section

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

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

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

7. Digital transformation alignment

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

7.2 Where the proposals are not already included within the Digital Transformation Programme this section must:
- detail why it is they are not in the existing plan
- detail how they will be resourced within the proposed timescale

7. Value for money implications

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

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

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

8. Financial and value for money implicationsImpact on financial projections

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

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

Commented [AA4]: Consolidated into finance section

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

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

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

9. Legal, regulatory and charitable implications

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

9.2 It should include:-

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

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

10. ~~Partnership Equalities~~ implications

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

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

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

11. ~~Implementation and deployment~~

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

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

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

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

~~12. Equalities impact~~

Commented [AA7]: Repositioned

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

~~13~~101. Recommendations

~~13~~110.1 This section should clearly set out what the ~~recipient governing body~~ is being asked to do, ~~eg~~ specific approvals and decisions that are being sought. This should reflect the purpose section.

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

LIST OF APPENDICES:-

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