



**DUMFRIES & GALLOWAY HOUSING PARTNERSHIP
BOARD MEETING
Wednesday 26th May 2021**

AGENDA

1. Apologies for Absence
2. Declarations of Interest
3. a) Minute of meeting on 31st March 2021 and matters arising
b) Action Tracker

Main Business Items

4. CBG update (Presentation, Alan Burns, Executive Director, CBG)
5. Business and Remobilisation update
6. a) Asset Management update
b) DGHP Five Year Asset Investment Plan 2021-2026
7. DGHP Transformation Programme
8. 2020/21 ARC return and year end performance
9. Performance Framework and Strategic Projects 2021/22
10. Fire Prevention and Mitigation update
11. [redacted]

Other Business Items

12. Strategic governance review
13. Finance Report
14. [redacted]
15. Corporate Risk Register
16. AOCB

Report

To: DGHP Board

By: Matt Foreman, Managing Director

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

Subject: Business and Remobilisation Update

Date of Meeting: 26 May 2021

1. Purpose

- 1.1 To provide the business update and an update on the current remobilisation position for DGHP and indicative plans for bringing all services back to full capacity.
- 1.2 The report also updates the Board on a wayleave permission granted under the terms of the Disposals Policy and seeks agreement to continue to match homeless households to suitable available homes, in advance of a wider review of our allocations policies later this year.

2. Authorising and strategic context

- 2.1 The Group CEO has responsibility for business operations across the Group. The pandemic has had a significant effect on these operations and to reflect this the Board previously agreed the principles of our approach for how we might continue to develop our service. This approach remained subject to the rate at which Scotland moved through the phases of Scottish Government's route map. The 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 regular Board reports for DGHP.

3. Risk appetite and assessment

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

4. Background

- 4.1 The Scottish Government updated its Coronavirus (Covid 19): Scotland's Strategic Framework in late February 2021, following a tightening of restrictions in January. Subsequent updates by the First Minister have set out a more detailed timeline for restrictions easing, subject to supportive data.
- 4.2 The current timetable for transitioning down levels within the Framework is as follows:
- 17 May: all of Scotland will moved to Level 2 (with the exception of Glasgow and Moray);
 - 7 June: all of Scotland will move to Level 1; and
 - June (late): all of Scotland will move to Level 0.

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.

6. Discussion

- 6.1 In recent months we have continued to remobilise services where possible. With a more definitive timeline for the easing of restrictions now in place, underpinned by a national vaccination programme, we have undertaken a full review of our remobilisation plans across the Group. A summary of the changes over the coming months is set out below. This is based on our services and investment delivery functions being fully remobilised by September, with face-to-face activity increasing since the end of April.

	End April	End May	June-August	September onwards
Repairs	Fully remobilised Customer comms plan launched		End June - backlog cleared	Fully remobilised
Investment	Non-complex internal investment commences		Internal investment scales up to full remobilisation	Fully remobilised
Compliance		Standalone electrical inspections, TMV maintenance and M&E works recommenced	Fully remobilised	Fully remobilised
Housing Officer	Increased patch-based activity	Increased visibility in patches and increasing visits	Fully remobilised	Fully remobilised
Income collection	Increased Doorstep visits	Increased home visits	Fully remobilised	Fully remobilised
Allocations/ Homelessness	Mutual exchanges resumed		Fully remobilised	Fully remobilised
Stair cleaning		Phased reintroduction	Fully remobilised	Fully remobilised
Environmental	Fully remobilised			
Anti-social Behaviour, Group Protection	Doorstep visits	Increased visibility in patches and increasing visits	Fully remobilised	Fully remobilised
Fire Safety Visits	Fully remobilised			
Care / support			Services remobilised with blended model for some outreach services	Fully remobilised
New Build	Fully remobilised			
Factoring/MMR/ PRS letting	Virtual viewing model retained – Repairs, Investment and Environmental services remobilised in line with RSLs			Fully remobilised
Foundation	Emergency response Fund closed	Bursary programme launched Environmental apprentice recruitment	Fully remobilised	Fully remobilised

6.2 These service changes will take place in parallel with the re-introduction of more face-to-face contact for staff teams and the DGHP Board. This is an important part of enabling the full flexibility of our new blended-working staff model for those who have been working from home throughout the pandemic. The proposed approach over the rest of the year is shown below.

	April-June	July-August	September onwards
Staff meetings	Staff current working from home continue to do so – no face-to-face meetings in group premises. 1:1 social contact eg for coffee - supported in line with government guidelines	July-Aug: introduction of limited ability for staff to meet in specified offices in groups of up to 6	Works on Hub buildings in Edinburgh and Dumfries started Staff permitted to attend external meetings in person.
Boards/ Committees		August DGHP Board in person in Dumfries. Venue to be confirmed.	Full in-person Boards and Committees resume.

- 6.3 We envisage that our use of the furlough scheme will end during May, other than for a very small number of staff with particular circumstances that may mean they remain unable to work. We will assess those who were shielding to establish that there are no impediments to them returning to work, and that they have had both vaccine doses, before they resume contact with other staff and customers.
- 6.4 A communications plan is being finalised in order to ensure that staff, customers and wider stakeholders, including elected members and MSPs/MPs, understand what will happen in the coming months. Given its importance, a specific stand-alone communication on repairs is being provided to customers.
- 6.5 A more detailed update on the current position and future remobilisation for our services is set out below.

Housing Services

- 6.6 During the pandemic we have continued to operate the vast majority of our services with staff largely home based. Contact with customers has been primarily through digital channels and phone calls, with essential visits only. The gradual easing of restrictions by the Scottish Government now allows us to step up mobilisation into our new service model.
- 6.7 Our new model helps to implement our strategic vision of stronger customer engagement, increased digital service and a way of working which is based primarily among our customers and neighbourhoods rather than in offices.

Housing Officer role

- 6.8 For most of 2020 and all of 2021 housing officers have been based at home. We have provided invaluable support and contact to customers, primarily through the use of telephone and digital means. This contact has enabled us to check up on customer welfare, provide advice on income maximisation and to support customers to pay rent. In line with Government restrictions, we have visited customers only where there has been exceptional need, although during the summer of 2020 we were able to carry out more visits while restrictions were eased. These visits have been at the doorstep only.
- 6.9 From 26 April our officers have strengthened their patch-based customer approach. In line with our strategy, our new model will mean that customers do not need to come to an office. In most circumstances they will either use digital contact, or housing officers can come to them and meet them on their doorstep.
- 6.10 As a first stage in increasing visibility in neighbourhoods our officers will undertake a walkabout review in their neighbourhood. This will be cross referenced with the record of priority outstanding jobs that our repairs colleagues already have in place. In addition, this will allow customers to visibly see the change in approach. Officers will be able to deal with customers as they meet them as we remobilise our housing teams. During this mobilisation phase contact with customers will continue to be outdoors in local neighbourhoods. This will also provide an opportunity for our teams to broaden our engagement with customers as part of our new strategy. We will canvass ideas or views to inform our neighbourhood improvements as part of our improvement programme for 2021/22.

- 6.11 With further relaxation of restrictions, housing officers will be able to increase their presence in local neighbourhoods. PPE and social distancing requirements will be in place in line with operating safety manuals already used by our teams.

Income collection

- 6.12 Maintaining our rental income to fund our services and supporting our customers to pay their rent have been key priorities through the pandemic. As a result, we have maintained a sector leading arrears position.
- 6.13 Housing officers continue to successfully operate our virtual model of support through telephone and digital contact. This 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.
- 6.14 In addition to this we continue to utilise our most experienced income officers as peer leads for our newly recruited Housing team, supporting their colleagues to provide optimum support to customers through the pandemic as well as ensuring we maintain our rental income so we can continue to deliver services.
- 6.15 We suspended home visits for rent issues on 5 January in line with lockdown restrictions. Visits could only take place where there were acute welfare concerns. This approach will be revised in line with the lifting of restrictions as we remobilise housing officers into local neighbourhoods.
- 6.16 Our total arrears consisting of the current and total former tenant arrears was 3.86% as at the end of March 2021. This is ahead of target despite a hugely challenging year, demonstrating the outstanding commitment of the team and the commitment from our customers to continue to pay their rent as a priority in difficult times.
- 6.17 The 6-month notice period for Notice of Proceedings and evictions has been extended by the Scottish Government until 30 September 2021. The new escalation processes which we have developed to take account of this are now well embedded. This includes the potential to escalate to Notice of Proceedings where we are satisfied that the household 'won't pay' rather than 'can't pay'. This will only be done following a review of each individual case, including an assessment of any covid-19 impact and any potential vulnerabilities.
- 6.18 As we remobilise we will continue to build on the innovation we have undertaken throughout the year. Our housing officers now have access to bespoke reporting which distils complex information into easily readable visuals and data such as Power BI dashboards for tracking Universal Credit arrears, and easily identifying customers at risk of arrears.
- 6.19 Welfare Benefits and Fuel Advisers continue to support customers via telephone and digital means, assisting customers with maximising their income and helping customers to be financially resilient. Welfare Benefits Advisors are utilising technology to support customers at virtual appeal hearings. These digital methods will continue to be used, where required. Our welfare benefits team have worked with a further 254 customers since 1 January 2021.

- 6.20 Allocations have been remobilised since August 2020 and are operating in a business as usual mode with additional safe working procedures. Providing homes for homeless households and other priority households continues to be the priority and we have:
- Continued to focus on reducing the number of available vacant homes. As of 3 May we only have 55 vacant homes that are undergoing repair or relet processes;
 - Continued to provide support to D&G Council with additional properties leased to homeless for temporary furnished accommodation. D&G Council currently lease 97 properties from DGHP, this remains an increase in provision to D&G Council from 80 properties pre-COVID;
 - Successfully flipped 26 temporary furnished flats in DGHP to permanent tenancies; and
 - Let 465 homes to homeless households in the year to date, the vast majority since the start of phase 2 of our letting in August.
- 6.21 In 2020-21 reporting year we let 50.25% of all allocations to homeless households. It is proposed that we continue with the successful process which matches homeless households to suitable alternative accommodation. This has had a significant impact on speeding up the time for households to get a home and has also reduced the number of offers we make which are refused by households. It is, however, a change to our current published Homes 4DandG policy approach, and Board approval is sought to make this change pending a wider formal review of our allocation framework which is planned for later this year.

Wheatley Care and Support Services

- 6.22 Management of DGHP formally became the responsibility of Wheatley Care on 1st April 2021. We have aligned practices/protocols/generic risk assessments in line with Wheatley Care, this has enabled us as per service remobilisation plans to plan the re-introduction of walk about visits at sheltered services. These have been very well received by our customers.
- 6.23 Lateral flow testing commenced from 15th Feb at care services. All staff have been engaging in this process. We have adequate PPE stock at the services and there is a clear stock check to ensure this remains in place as we remobilise.
- 6.24 We have commenced discussions with Dumfries and Galloway Council (DGC) to review the future funding of the Young Persons Service which ends in March 2022. From initial discussions DGC are eager to retain this service.
- 6.25 Wheatley Care submitted a tender for Housing Support Service and was successful in securing the contract to deliver the Dumfries and Galloway (homeless services). The new service commenced on 1st April 2021 which will help improve our tenancy sustainment rates for DGHP. As part of the new service we have recruited a team leader and four members of the support team, providing five new employment opportunities as part of our growth in support and care services.

- 6.26 We expect that all care services will be fully remobilised by the end of June if progress continues as is set out within the SG timetable. However, we envisage that a number of outreach services will continue to operate a blended approach of service delivery, working from home where able, to sustain reduced footfall and adequate social distancing. Communal areas in our homeless building-based services and Supported Housing developments are likely to remain closed until the end of August, with alternative arrangements in place such as improved outdoor spaces for planned activity and safe social interaction in larger groups.

Wraparound support

- 6.27 We continue to provide support to our customers through our wraparound service. Since March 2020, we have undertaken 75,079 outbound contacts via a combination of Housing Officers, Supported Housing Officers and the Customer Service Centre Advisors. A total of 47,196 of those were welfare contacts.
- 6.28 The EatWell project in Dumfries and Galloway has been a huge success with 4527 households receiving support through food parcels, supermarket vouchers and the emergency response fund. This includes 1096 supermarket vouchers with a value of over £40k.

Fire safety, Anti-social Behaviour, Group Protection

- 6.29 Fire safety visits for vulnerable households were recommenced last summer and have continued through the current lockdown.
- 6.30 Our Home Safety, ASB and the Group Protection Teams are now well established in their new, primarily digital model. Contact with relevant agencies is almost entirely digital and has worked well throughout the pandemic. As with housing officers, officers will be able to increase our presence in response to group protection concerns as restrictions are lifted.
- 6.31 There continues to be particular concern for the victims of domestic abuse during this period who may have had less opportunity to seek out support. It is likely that there will be increased reporting of abuse as restrictions ease. Our staff are well trained on domestic abuse and this provides them with the knowledge, skills and experience to best support victims, connecting them to our services or to bespoke domestic abuse support. The Group Protection Team provide specialist knowledge and can guide staff dealing with complex cases.
- 6.32 We are continuing to work with the group Community Improvement Partnership to align our service to the new operating model and we have focussed on improving the way DGHP and other partners across the region deal with our most serious cases including MAPPA, MARAC and Domestic Abuse. We have held meetings with the Chief Social Worker and Heads of Service for Social Care in Dumfries and Galloway Council in order to ensure we continue to improve our partnership working and strategically align our resources to support our customers alongside statutory agencies. As part of our alignment with Wheatley Solutions we have successfully recruited a dedicated DGHP resource into the Group Protection Team. This new role is working closely with statutory stakeholders in the region focusing on high level multi agency work with some of our most vulnerable and high-risk customers.

- 6.33 Group Protection and CIP Team are working on a training plan to be delivered to all DGHP Housing Officers in Q1 of 2021.
- 6.34 Since March we have dealt with a further 159 incidents of Anti-Social behaviour and have issued 25 written warnings and 8 final written warnings. We have also sent 3 drug warning letters, 1 Pre – ASBO warning letter and 1 Acceptable Behaviour Contract breach.

Stair cleaning

- 6.35 The decision was made to suspend stair cleaning at the beginning of January. This was done in the light of Scottish Government guidance, the confined space available within stairs which makes it very difficult to distance if anyone needs to pass and the information on the increased transmissibility of the new Covid variant.
- 6.36 Given the close contact nature of stair cleaning this was reintroduced on a phased basis from the end of April in line with the easing of national restrictions.
- 6.37 Board will be aware that we are mobilising our new NETs service for DGHP. We have made positive progress to start the mobilisation in advance of the launch in July 2021. We have also met with the Director of Communities at Dumfries and Galloway Council who was very supportive of the new service model we are aiming to implement. DGHP have also been invited to the Councils Communities Committee in June to share our plans with elected members.

Customer engagement

- 6.38 Our new customer engagement framework was approved by the DGHP Board in February 2021. It provides the basis for delivering our strategic aim of increased customer control.
- 6.39 The plan is intended to be wide reaching and will include both traditional methods of engagement as well as increasing digital engagement. Our aim is to grow our newly engaged cohort of customers, particularly those who have been previously difficult to reach.
- 6.40 We will be introducing community and estate walkabouts where customers will have the opportunity to work alongside our housing officers in local communities. In addition, we have started a programme of informal conversations with 50 customers on different aspect of service delivery such as repairs or how well we are doing when we allocate properties. These new initiatives are helping us to continuously improve as well have having customer driven service delivery.
- 6.41 Initial pilot work is included in the DGHP engagement plan as part of the development of our new engagement framework. This includes the identification and DGHP pilot for our first “You Choose Challenge” where residents choose to use community benefit funding to develop a priority in their local area. In addition, mechanisms are being developed to support customer engagement to inform the delivery of environmental improvements as part of our investment programme for 2021/22.

- 6.42 An engagement app is currently being developed to be tested across group. This will help us explore our customers' appetite for this means of engaging with us beyond our current offerings of face-to-face; phone; and web self-service.
- 6.43 DGHP have also engaged with the Independent Tenants Federation, providing updates against the transformation programme and asking for views and feedback against our investment programme. We have also set up further engagement session to get customer views to inform and shape the DGHP NETs service due to be launched in July.
- 6.44 We will continue to work alongside the Tenants Federation, Tenants and Residents associations and all other stakeholder and community groups closely, meeting regularly throughout the year ahead, continuing to promote this method of engagement.

Repairs, Investment and Compliance

Repairs

- 6.45 Since lockdown, over 26,720 repairs have been completed to DGHP customer homes. Emergency repairs were delivered on average in 1.90 hours, delivering an exceptional service given our challenging geography. The volume and nature of the repairs carried out have varied in line with changing government restrictions on undertaking works in and around homes. The table below summarises the main shifts in our repairs service over the last year.

Date	Key changes
23 March 2020	All non-essential works ceased including appointment and programmed repairs, cyclical maintenance, investment programmes and works to void housing for general needs allocations. Moved to the delivery of essential and compliance services only comprising of emergency repairs, gas servicing, gas breakdowns, lift breakdowns and essential works to void properties for temporary accommodation and homelessness.
21 June 2020	Reintroduction of some non-essential elements of the repairs serviced where it was safe to do so reflecting revised working practices including to ensure 2 metre separation, the use of PPE and the introduction of customer questionnaires to establish the potential of COVID in the property.
4 October 2020	Begun remobilising repairs with a view to transitioning to a full service in early December except where the complexity or time required to undertake the work would make it unsafe to do so.
4 January	Latest lockdown, essential only service introduced in line with Government guidelines; similar to June 2020 service offering.

- 6.46 Throughout the last year, the focus has been on maximising the repairs service that could be provided to ensure customer needs are met where possible, while always operating in line with government guidance, and keeping customers and staff safe. We have also applied learning throughout. This is illustrated by the revised essential repairs service that was introduced on 4 January 2021 being more comprehensive than that from the first lockdown as a result of safe working practices that were developed and refined throughout.

- 6.47 We have made good progress against the backlog of repairs since remobilising services on 26 April. This has reduced from a peak of 2205 repairs to 1555 repairs as at 14th May. Provided lockdown eases as expected, we are aiming to have this backlog cleared by the end of June 21.
- 6.48 In parallel with this, the repair service returned to operating as normal from 26 April 2021 except where the work required means that guidance on social distancing cannot be achieved e.g. large jobs where the customer is at home or complex multi-trade work. An illustration of this would be rot works if the customer is unwilling to decant. In the first two weeks after 26 April 2021 we completed 1,686 reactive repairs.
- 6.49 A communications plan has been developed to make sure that customers and other key stakeholders are fully informed as the repairs service remobilises. Two aspects of this are particularly key:
- 1) Writing to all tenants and key stakeholders (such as local MSPs and councillors) as lockdown eases to reinforce that our repairs service is operating at near normal and that repairs should be raised as usual through our contact centre; and
 - 2) Follow-up communications to customers, encouraging them to contact us with any repairs that they have not been raised to date. A dedicated contact line will be provided for this so customers have a prioritised route for raising a repair they have not reported to us during lockdown.

Handyperson service

- 6.50 The handyperson service has been suspended across the Group throughout the pandemic. This has been due to the fact that it involves work within people's homes and also that the client group is highly vulnerable. With the effective roll out of vaccines to the initial priority groups and the Government's easing of restrictions we intend to introduce the handyperson service during May.

Investment

- 6.51 The external investment workstreams continued throughout the lockdown since January and are progressing well. However, due to the restrictions introduced at the beginning of January internal work streams were suspended to ensure the safety of our customers, contractors and staff.
- 6.52 We have remobilised internal works from 26 April 2021 with the initial focus being on jobs in one area of the home that can be completed quickly with less tradespeople such as replacing doors or boilers.
- 6.53 Our customer engagement process for investment works has been developed to support this and provide enhanced assurance to customers around our robust approach to health & safety when delivering improvement works in their homes. Our approach includes a suite of new customer communications with key safety messaging and individual calls from staff to discuss the planned works, answer any queries and to seek customer commitment to providing access. These 'customer commitment' calls will help to assure customers and reduce waste through no access or refusals at both survey and installation stages.

- 6.54 More complex works involving multiple trades within the home for longer periods (e.g. kitchen replacement) are planned to begin from July onwards as lockdown continues to ease. Planning and customer engagement in advance will take place including to allow products to be manufactured.
- 6.55 We are striving to achieve full compliance with SHQS and EEESH. SHQS compliance has been supported by the external work streams being remobilised since October 2020. Compliance with SHQS is 87.07%. Including abeyances and exemptions this increases to 93.82%. We are focussing on delivery of the remaining 6.18% as we remobilise our full investment programme.
- 6.56 The suspension of internal workstreams has had an impact on EEESH, current compliance is 78.02%, or 87.26% including exemptions. As workstreams are remobilised we anticipate full compliance with SHQS and EEESH by the end of August 2021.
- 6.57 Aids and Adaptions works have been prioritised based on both need and risk of our customer referrals. In 2021/22 101 adaptations have been carried out. We continue to prioritise customer needs and works are progressing, it is anticipated that the held adaptations that were unable to be completed will be cleared by June 2021. There is detailed engagement with customers to ensure that they understand the process for the adaptation installation and the procedures we will follow to keep them safe.

Compliance

- 6.58 Our compliance works include programs to meet our legal and regulatory obligations, as well as works we undertake as part of keeping our customers and assets safe. All programs to meet our legal and regulatory obligations are operational despite current restrictions including gas safety, legionella prevention and smoke and heat detector installations. The current status of each is as follows:
- 6.59 **Gas safety** – Work in this area has continued during the latest lockdown, with our gas safety compliance at 100%. This performance has been maintained since the backlog of expired gas safety certificates was cleared in September 2020.
- 6.60 We are delighted to confirm that we completed the in-sourcing of heating servicing and maintenance from Saltire on 1 April 2021 and our new colleagues are now delivering emergency repairs (including out-of-hours), non-emergency repairs, void gas safety checks and annual gas safety inspections.
- 6.61 **Legionella testing/water management** – work is continuing as planned and all required works have been carried out. This was achieved through delivering an accelerated programme in the last nine months to offset some delays earlier in the year as adjustments were made during the early COVID lockdown.
- 6.62 **Smoke and Heat Detector Installation** –work in this area is continuing as it is considered essential under the guidelines for the restrictions introduced since January. Good progress has been made with 8968 or 86.7% of installations carried out. It is forecasted that we will be fully compliant by August 2021 which is well before the deadline of February 2022 set by Scottish Government.

- 6.63 **Periodic electrical inspections** – At present, this work is being carried out alongside smoke and heat detector installations to minimise the time our trades operatives are spending in customer homes and inconvenience for customer through a ‘one and done’ approach. Good progress has been made with 8391 or 81.1% of inspections carried out. It is forecasted that we will be fully compliant by August 2021.
- 6.64 We also intend as lockdown eases to restart wider compliance programs such as Thermostatic (water) Mixing Value (“TMV”) servicing. The table below summarises the current service across a range of areas, as well as the planned approach to remobilising or increasing service as lockdown eases.

Work Stream	Current Status	Approach as lockdown eases
TMV maintenance and Installation	Reported repairs being carried out through essential service	Planned programme recommences May 2021
Emergency Lighting Installations	Ongoing – works tend to be in common areas	Continuing as now
Lift Insurance Inspections	Continuing as normal	Continuing as normal
Proactive Lift Maintenance	Continuing s normal	Continuing as normal
Mechanical and Electrical Works	Works proceeding within common areas and landlord controlled areas	Works within customers’ homes will recommence in May 2021

Land Disposal, Wayleave and Servitude

- 6.65 In line with our Disposals Policy the Board are asked to note that Scottish Power Energy Networks (SPEN) sought wayleave permission from DGHP to lay 10m of underground power cable and make good a piece of land on Main Street, Beattock. This was accessed to service a local new build scheme under development in Beattock. DGHP received £150.00 for the wayleave permission which is in line with the amount expected for access by the Utility Company. In line with the scheme of delegation consent was given by Matt Forman, MD for the wayleave to be granted.

Development

- 6.66 The construction industry continues to be in Phase 4 of its remobilisation which allows operation with social distancing measures and/or COVID PPE in place. Construction work on new build sites continues as at 10 May 2021. Ashleigh and City Building have confirmed their operating procedures have been updated to reflect these changes and remain compliant with COVID guidance and legislation.
- 6.67 In January 2021 the Scottish Government announced an addendum to the construction industry site operating guidance, in response to a resurgence of Covid-19 infections in the community. This introduced a number of enhanced measures including: reviewing all site arrangements for social distancing, hygiene, ventilation, site inductions, vehicle sharing protocols, outdoor toolbox briefings, wearing of face coverings etc. On site productivity is impacted.

- 6.68 All 12 units at Sanquhar have now been completed and handed over from contractor Ashleigh to DGHP. All properties are now let and the Development Team will continue to monitor defects for the next year.
- 6.69 The Monreith project, being delivered by City Building, commenced on site on the 10 August and works are progressing with social distancing and/or PPE in place. An extension of time is expected as a result of covid related matters. A completion date of 20 May 2021 has been indicated and we await formal notice.
- 6.70 The Lincluden project continues to progress well on site with the 26 new build properties due to hand over in August 2021 and the 6 converted properties programmed to hand over in February 2022.
- 6.71 Planning approval and Scottish Water technical consent have been received for the Nursery Avenue project in Stranraer. A site start is expected with McTaggart's Construction in May 2021. The contractors Health and Safety plan including COVID related operating procedures will be provided and reviewed ahead of the site start. A letter will also be issued to local residents ahead of site start to provide contact details and information about temporary parking and bin arrangements resulting from a road closure to facilitate construction.
- 6.72 The Scottish Government approved the tender application for 18 units at Eastriggs and a site start is expected with Ashleigh in June 2021.
- 6.73 Work continues to progress the other legacy sites. Approval is being sought to let a demolition contract at Glenluce, clearing the site for investigations, subject to the legal and technical position of the adjacent property. A design team is also progressing technical work at Springholm, in particular to unlock access and drainage capacity. Progress is being made on technical investigations and design work at Curries Yard with a tender approval programmed this financial year. Options continue to be explored to progress the site at Thornhill.
- 6.74 We have taken legal advice regarding the buyback of Herries Avenue, Dumfries. A response letter has been issued by our solicitors to Building and Craftsmen's solicitors, reconfirming our position on the buy-back of the site and proposing a meeting between the parties to resolve the matter. Should Building Craftsmen be unwilling to agree to progressing the buy back, the next stage will be to initiate legal proceedings.

Factoring and Letting

- 6.75 Our factoring and Private Rental Sector ("PRS") letting services are largely business as usual with staff working from home and engaging with customers using primarily the phone and digital tools to offer support to customers. Our repairs, investment and environmental services follow the same timelines as set out above for DGHP.
- 6.76 Our virtual letting model developed in the first lockdown has been key to our continued ability to let throughout the restrictions. We have let 10 Novantie MMR homes since we remobilised in June 2020. We have also undertaken virtual viewings where customers ask the letting agent on site questions and view every aspect of their property using video conferencing tools. We plan to continue with this model, moving to offering physical viewings on request only for properties which we are finding it harder to let because some features are better seen in person.

- 6.77 Our income collections activities in letting continue to be impacted by Covid legislation preventing evictions and extending the notice period for applications to the First Tier Tribunal for evictions on the grounds of arrears from 3 to 6 months. We have been promoting to tenants the Scottish Government's Tenant Hardship Loan Fund launched in December to help those with arrears or fears about their income pay their rent as well as continuing to offer support and access to our welfare benefits and fuel advice services.

Staffing

- 6.78 We are reporting low levels of sickness absence. In the year-to-date DGHP has lost an average of 1.46% of working time due to staff absence compared to the target of 3%.
- 6.79 Consultations took place with staff across DGHP in March and April 2021 to bring our teams into alignment with Wheatley Solutions and Wheatley 360. We also consulted with Housing Management teams to align their terms and conditions with those of colleagues across the group. The consultation was positive and has now been successfully concluded.
- 6.80 We are also carried out consultation to harmonise four sets of terms and conditions with our Repairs teams. Overall the proposals have been positively received by our repair teams. We have received some feedback from the repairs teams which we are taking time to consider in more detail before responding as part of the consultation. We anticipate this consultation will be successfully concluded by the end of May.

Key issues and conclusions

- 6.81 The Scottish Government's current roadmap out of lockdown now provides more definitive timescales for changes. This has provided us with greater certainty in terms of our remobilisation plans than at any previous stage.
- 6.82 As indicted in the report, a key focus is how we clearly communicate the changes to customers, in particular in relation to repairs. An equally important element will include internal communication to staff, including ensuring our health and safety protocols and procedures continue to be well understood.
- 6.83 The easing of restrictions more widely will also benefit our staff in terms of their mental health and home working environment.

7. Digital transformation alignment

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

8. Financial and value for money implications

- 8.1 Our remobilisation plans are reflected in the 2021/22 budgets.

9. Legal, regulatory and charitable implications

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

10. Equalities implications

- 10.1 We will continue to take special account of those who have underlying health conditions.

11. Environmental and sustainability implications

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

12. Recommendations

- 12.1 The Board is asked to:
- 1) Note the plan for remobilising services across the business;
 - 2) Note the wayleave permission for Main Street Beattock, in line with the Disposals Policy; and
 - 3) Agree that DGHP should continue to match homeless households to suitable available homes, in advance of a wider review of our allocations policies later this year.



Report

To: DGHP Board

By: Matt Foreman, Managing Director DGHP

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

Subject: Asset Management update

Date of Meeting: 26 May 2021

1. Purpose

- 1.1 This report provides the Board with an update on the progress of the Strategic Return on Investment appraisal for all DGHP Stock and the Principles for the Collaborative Transformational Regeneration Area (TRA) at Lochside, Dumfries.
- 1.2 The report also seeks approval to:
- Rehouse 13 households that are living within 12 blocks of flats in Lochside, consisting of 4 privately owned properties and 9 DGHP tenants;
 - Buy back 4 properties that are privately owned within the 12 blocks at Lochside;
 - Demolish the 12 blocks once all are vacant; and
 - Re-profile the Demolition and Buy-back budget.

2. Authorising and strategic context

- 2.1 Under the Group Authorising Framework contained in the Group Standing Orders, the DGHP Board are responsible for our development strategy, approval of demolitions and approval of any acquisitions and disposals. Approval of individual contract awards for new build projects that form part of our five-year development plan are then delegated to the Group Development Committee.
- 2.2 Making the most of our Homes and Assets is a key strategic theme that this report is aligned to. We are working with the Council, one of our key stakeholders in developing the proposal for the TRA and building the community voice and engagement. Identifying poor performing stock that is having a negative effect on our communities.

3. Risk appetite and assessment

3.1 There are two areas of risk raised:

Customer satisfaction – The risk appetite in this area is **Hungry**. This level of risk tolerance is defined as “Eager to be innovative and choose options offering potential higher business rewards”.

Stock condition – The risk appetite in this area is **Averse**. This level of risk tolerance is defined as “Avoidance of risk and uncertainty is a key Organisational objective”.

4. Background

4.1 DGHP have made positive progress to better understand our asset data that can be used to help inform a strategic approach to investment and regeneration plans for our housing stock.

4.2 There are two key areas of work being progressed to inform this strategic approach. We have transferred DGHP asset data onto the group PIMMS system and are using this to develop our strategic Return on Investment assessments (ROI). This is supplemented by housing management intelligence about the demand, sustainability, and broader neighbourhood issues for each neighbourhood.

4.3 Alongside the strategic asset review we have also progressed discussions with Dumfries and Galloway Council around the principles for a Transformational Regeneration Area (TRA) in Lochside, North West Dumfries (Appendix 1). The TRA sets out to develop a long-term partnership approach that empowers the community and ensures the neighbourhood is thriving, healthy and sustainable for years to come. The Dumfries and Galloway Housing Strategy also supports this regeneration approach.

4.4 Within the Lochside area DGHP has some significant demand issues. The DGHP Customer Services Committee and DGHP Board previously presented papers outlining the long term demand issues for Lochside dating back to 24 July 2013 and 16 February 2015, respectively.

4.5 The DGHP Customer Service Committee agreed in July 2013 to suspend the letting of three blocks; 120-130, 102-118 and 8-30 Dalswinton Avenue up to November 2013. The Committee were to receive a further report on the proposals for the blocks but we are unable to locate any board papers that followed up on this at a later date.

4.6 Board agreed in 2015 not to re-allocate any properties that became void in a further seven blocks of flats in Lochside until a strategy was in place regarding their viability. The blocks are as follows;

Block	Number of properties
[redated] Dalswinton Avenue	6
[redated] Dalswinton Avenue	6
[redated] Dalswinton Avenue	9
[redated] Dalswinton Avenue	9
[redated] Dalswinton Avenue	6
[redated] Dalswinton Avenue	6
[redated] Adamhill Road	9
[redated] Findlater Court	9
[redated] Findlater Court	9
[redated] Findlater Court	6
[redated] Rankin Avenue	6

- 4.7 In addition to the blocks listed above DGHP has not been actively reletting flats in 64-74 Findlater Court, Lochside since 2015 and the block is now vacant. We are unable to find any Board papers for the decision to stop letting this block, however we assume this may have been an oversight as allocations to this block stopped at the same time as the other blocks approved by the Board.

5. Customer engagement

- 5.1 Subject to Board approval, consultation with the customers directly affected will commence to actively rehouse the remaining 13 customers in these blocks and start the demolition process for the blocks.
- 5.2 Subject to Council Committee and Board Approval the TRA proposal will evolve into a Community Advised Masterplan co-designed between the partners and people of Lochside. This will include a comprehensive community consultation strategy.

6. Discussion

Strategic Asset Information

- 6.1 As part of our proactive asset management approach we have transferred our asset management data onto the group wide PIMMS IT system. This has allowed us to strategically analyse our data to provide a more comprehensive strategic picture that considers the full ROI for all our homes across the region. The ROI appraisal considers the long-term investment needs and management costs compared to the long-term income generated by each home to give us a Return on Investment. This is supplemented by housing management intelligence about the demand, sustainability, and broader neighbourhood issues to identify properties with a low or negative return on investment or housing management sustainability concerns.
- 6.2 The Strategic Return on Investment appraisal is making positive progress. We expect to be in a position to bring a detailed paper and presentation to the Board in Autumn 2021.

Transformation Regeneration Area

- 6.3 The Collaborative Regeneration Proposal with Dumfries and Galloway Council for a Lochside TRA provides a unique opportunity to not only deliver new energy efficient, warm, safe and high-quality homes for people to live in but to drive real economic and social benefit through the community, acting as a catalyst with which to transform the lives of those who live in the area.
- 6.4 An agreement in principle to progress a Lochside TRA will be taken to Dumfries and Galloway Economy and Resources Committee on 15 June 2021. Subject to approval by the DGHP Board and Council Committee, a Masterplan will be prepared that will set out the vision to create sustainable housing choice that will have a positive impact on the long term well-being of the community.

Lochside demand

- 6.5 The Lochside area has 1058 properties, of which 565 are flats (53%), including 216 two beds and 122 three beds that are in low demand. The following is our stock profile in Lochside:

Archetype	Quantity	Percentage
Bungalow	45	4.3%
House	443	41.9%
4-IN-A-Block	5	0.5%
Flat	565	53.4%

Archetype	Bedrooms	Quantity	Percentage of stock in Lochside
Bungalow	1	35	3.3%
Bungalow	2	10	0.9%
House	2	286	28.0%
House	3	123	11.6%
House	4	33	3.1%
House	5	1	0.1%
4-IN-A-Block	1	5	0.5%
Flat	1	227	21.5%
Flat	2	216	20.4%
Flat	3	122	11.5%

- 6.6 The current demand for two and three bedroom flats is as follows:

Property type size	Transfers	Homeless	Strategic Need	Waiting list	Total
2 bed flat – Ground Floor	16	20	0	42	78
2 bed flat - First floor	6	19	0	23	48
2 bed flat – Second floor	5	13	0	13	31
2 bed flat – Third floor	0	0	0	0	0
3 bed flat – Ground Floor	2	1	0	7	10
3 bed flat - First floor	1	1	0	1	3
3 bed flat – Second floor	0	0	0	1	1
3 bed flat – Third floor	0	0	0	0	0

- 6.7 While there may appear to be a small amount of demand for 3 bed ground floor flats from general rented applicants the allocations teams have advised that the applicants registered as looking for accommodation in Lochside would be extremely unlikely to accept one of the flats highlighted in this report if it were to be offered to them as many of the applicants are all families that prefer a house.
- 6.8 In the last 12 months there were 56 offers on 2 or 3 bed flats in Lochside. Of these 23 were refused. This is a refusal rate of 41.1% compared to overall DGHP rate of 19.8% (2020/21).
- 6.9 There is a higher demand for 2 bedroom flats, however this has an increased turnover with 20 flats becoming vacant over a 12 month period (9.25% of 2 bed flats).
- 6.10 There is reasonable demand for houses and turnover low with 15 houses becoming vacant (4.15%) over a 12 month period.
- 6.11 There is action required to address the concerns of the remaining 13 households that are within the 12 blocks of flats that have not been actively let following previous DGHP governance decisions. Whilst we are in the process of developing the TRA we want to take a positive and proactive approach to deal with the 12 blocks that are vacant or partially let to make a positive impact on the Lochside environment.
- 6.12 If approved, the vacated sites will form part of the TRA area as the masterplan is developed. However, it is proposed that once empty the blocks are demolished as they are detracting from the local environment, attracting anti-social behaviour, fly tipping and becoming increasingly unsustainable to manage. Photographs and a map of the affected blocks are provided in Appendix 2.
- 6.13 It is important that we ensure the safety of the blocks and residents in Lochside whilst we have vacant properties in their neighbourhood. The vacant flats / blocks are currently secured and have gas supplies capped. All vacant blocks are fully secured so they are not accessible. Our housing officers inspect the areas on a regular basis and as part of our insurance arrangements we have a Technical Inspector visit the blocks once a week to specifically inspect each block.
- 6.14 Through the stock viability exercise, assessing the quantitative data and qualitative information provided by our Housing colleagues it would be recommended through the Strategy that once void these blocks be demolished. The current Net Present Value (NPV) for the 87 properties is a negative average of **-£39,454**.
- 6.15 Three of the owners of properties have previously approached our Factoring Service in 2019 to express their interest in selling their properties to DGHP to allow DGHP to take full control of the blocks. The Council's Housing Strategy supports they buy-back of this type of stock to tackle low demand issues.

- 6.16 Before the block became void a valuation was carried out on 155 Dalswinton Avenue which is a two bedroom flat on 17 February 2020, and had a market value of £45,000 at that time. Subject to approval we propose to offer rehousing to all thirteen households. This includes the 9 DGHP tenants and the 4 owner occupied homes.
- 6.17 Early discussions with the Council Officers has indicated that they would be supportive of DGHP carrying out demolitions where appropriate in Lochside.

7. Digital transformation alignment

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

8. Financial and value for money implications

- 8.1 In line with Home Loss Payment Regulations, customers will be entitled to compensation for being displaced. Tenants are entitled to a flat rate of £1,500 homeloss payment and if we purchase the owners properties they would be entitled to up to 10% of the market value of their home.
- 8.2 In addition to the Home Loss payment, in line with the Group approach, each tenant will receive a disturbance payment of £1,250. This will cover costs such as carpets and white goods to support our customers in moving.
- 8.3 A valuation was carried out on [redated] Dalswinton Avenue which is a two bedroom flat on 17 February 2020. The valuation was received on the basis of the block being fully occupied, with 20% owners in each block and in a good condition for the surrounding environment. This provided a market value of £45,000 at that time. To allow for legal fees and possible compensation of up to 10% of the market value an estimated sum of £50,000 has been attributed to the costs, this will be subject to individual valuations for each of the four properties.
- 8.4 Estimated cost breakdown per block as follows:

		Tenant Home loss & Disturbance	Owner occupier buy back and home loss	Total costs to vacate the blocks
[redated]	Dalswinton Avenue	1		£2,750
[redated]	Dalswinton Avenue	1	1	£52,750
[redated]	Findlater Court	1	2	£102,750
[redated]	Findlater Court	3	1	£58,250
[redated]	Rankine Avenue	3		£8,250
Totals		£24,750	£200,000	£224,750

- 8.5 DGHP are working with the Council and Scottish Government to explore options for the demolitions to be grant funded through the Affordable Housing Supply Programme. Pending the outcome of these discussions it is assumed that DGHP will be front funding the demolition costs until such time as the TRA proposal is agreed.

- 8.6 The Demolition and Buy-Back budget is £4M over the next 7 years with a £244k forecast spend for this year. In 2018 DGHP received a quote to demolish the 12 blocks which was £459,250. Allowing for the buy backs, home loss and demolition costs the estimated total cost of the 12 blocks is estimated to be between £700,000 and £800,000. (subject to updated valuations and demolition costs). Therefore, if the proposal to rehouse the remaining tenants, buy back the 4 owner occupied homes and complete the demolition is supported we would have to increase the 2021/22 demolition and buy back budget which is currently at £244k.

9. Legal, regulatory and charitable implications

- 9.1 Our charitable objects include the provision of housing for those in need. The proposals outlined in this report support the provision of rehousing for the households directly affected by the proposals.
- 9.2 Legal Support will be provided through the Property Legal Team (and framework providers) in relation to the buy backs, the terms of the demolition contract and any amendments to the DGHP transfer agreement.

10. Equalities implications

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

11. Environmental and sustainability implications

- 11.1 Subject to Board approval, an environmental impact assessment will be carried out as part of the demolition process for the 12 blocks.
- 11.2 As part of the procurement process contractors will be required to demonstrate their environmental management procedures, this includes recycling of materials, reduction of materials going to landfill and how they would dispose of non-recyclable materials.

12. Recommendations

- 12.1 Board is asked to:
- 1) Note the progress being made against the strategic return on investment appraisal which will form part of a future presentation to the Board in Autumn 2021;
 - 2) Note the progress being made with the Council to develop the principles of a TRA area in North West Dumfries. This will be considered at Dumfries and Galloway Council's Economy and Resources Committee on 15 June 2021;
 - 3) Approve the consultation with the remaining 13 households living in the 12 affected blocks within Lochside;
 - 4) Agree to repurchase the 4 privately owned homes within the 12 blocks. These will be subject to independent valuations with an anticipated valuation in the region of £44,000 to £55,000 anticipated per flat;
 - 5) Agree to offer rehousing to the remaining 13 households and payment of the home loss and disturbance payments;
 - 6) Approve the demolition of the 12 blocks in Lochside; and
 - 7) Increase the 2021/22 demolition budget to £800k and the re-profiling of the Demolition budget following the strategic appraisal. This is the estimated costs of the proposals (subject to up to date valuations and demolition costs).

List of Appendices

Appendix 1 – Lochside Transformation Regeneration Area Principles Proposal

Appendix 2 - Map and Photographs of 12 x 3 storey blocks in Lochside

Lochside Transformational Regeneration Area (TRA)

Collaborative Regeneration Proposal

May 2021



Lochside TRA Outcomes: -

Green Infrastructure

New Green Infrastructure and habitat in complement to the Council and community partners' investment proposals within Glentool Park

Community

Establishment of a Local Delivery Group helping to shape and drive forward the masterplan ambitions for Lochside.

The LDG will assist in pursuing external funding opportunities linked to regeneration

Added Value

Partnership approach best to attract match funding opportunities from external sources.

Mix-tenure procurement more attract Private developers

Long-term guaranteed capital receipts including profit sharing

Housing

Creating New High-Quality Mixed Tenure Housing Choice in Lochside

Tenure Blind Development promoting the ethos of *Sustainable Communities*

Employment & Equality

Promoting new jobs, apprenticeships and training opportunities for the people of Dumfries through our *Community Benefits* with Contractors

Health & Wellbeing

Providing safe, secure and affordable homes and active travel routes within Lochside which promote physical and mental wellbeing

Contents

1. Introduction
2. About us: A Uniquely Placed Partner
3. Transforming Communities: Glasgow – A Successful Model of Collaborative Regeneration
4. Wheatley Group Collaborative Regeneration Experience
5. Lochside TRA Proposals
6. Summary & Next Steps



Introduction

1.0 Introduction

Investment in new build homes can have a transformative impact on the lives of those within our communities, providing quality, energy-efficient housing with greater choice for customers, directly improving people's health and wellbeing. However, it is much **more than simply bricks and mortar**, it creates **better homes and better lives**.

Our Partnership Proposal aims to outline the significant '**added value**' benefits that Dumfries and Galloway Council (DGC) and the Wheatley Group could achieve, through **collaborative partnership regeneration**, in Lochside. This partnership would be built on the approach adopted with the hugely successful **Transformational Regeneration Areas Programme** (TRAs) in Glasgow.

Our experience of working in collaboration with Glasgow City Council and the Scottish Government as a partnership to **strategically plan** and **deliver** regeneration areas similar to Lochside has shown that only by taking a partnership approach and working with the community can we create a **truly sustainable mixed-tenure neighbourhood**, with added value benefits such as:

- **Attracting investment** through Private Sector Partners who can successfully deliver **both** affordable and private housing **in line with an agreed masterplan**
- Securing not only a **better and guaranteed capital receipt for land** sold for private sale, but also **additional overage income** as a **regeneration multiplier** effect
- **Attracting external funding sources** due to having a joint masterplan in place, joint governance structures and a track record of delivery

This approach would require the **setting aside of potential short-term income** from the sale of surplus Council land, to engage upon a long-term Regeneration strategy, **pooling our land, combining skills and experience** of both public and private sector parties, **mitigating risk** and **sharing reward**. From our experience this will provide a better opportunity to encourage high-quality homes, environmental improvements and economic stimulus over a **longer period** than a standard one-off approach to land disposal, with **ring-fenced income re-cycled to remove barriers to regeneration**.

A partnership approach to Regeneration in Lochside can also help us jointly tackle wider Council objectives such as the **Climate Emergency Action Plan** through a focus on **Green Innovation, new Green Infrastructure** and areas designated entirely for habitat growth. It would also facilitate significant **employment, apprenticeship** and **training opportunities** in the area, through the **construction contracts we jointly procure, at a scale** that could only be achieved in the region, through this type of partnership proposal.

The partnership's collective commitment to this long-term regeneration approach, with the continuity and variety of work that it will offer, **will continue to support young people into employment and apprenticeships**, and can help the Region heighten its attractiveness as a place to live, retaining its best young people in roles which, in parallel, **supports the Green Recovery** ambitions of Dumfries and Galloway.

Lochside (with a population of c.4,000) has the greatest concentration of people in the Region living within an area categorised as amongst the most deprived 5% in the country, Scottish Index of Multiple Deprivation (SIMD) – ranked 188 of 6,976 data zones nationwide. **The Lochside TRA will act as a catalyst for positive change** for those 4,000 residents, with **opportunities to replicate our joint learning** from this approach in other Council Priority Regeneration Areas, focussing on areas of low demand and poor quality housing, such as other locations within Dumfries, **Stranraer**, Gretna, **Lockerbie**, Annan, **Upper Nithsdale** and Langholm.

Through our decade of experience as a TRA Partnership, we are aware the **multiplier benefits** that could be achieved through working in partnership with DGC in Lochside to secure additional social, economic and environmental outcomes for the community. Our **collective land and property interests** present us with a **unique opportunity** to leverage this additional benefit for the local community, and the long-term sustainability of the area, through this **holistic approach** to place based regeneration.



About Us: Wheatley Group

2.0 About us: A uniquely placed partner for DGC

The Wheatley Group is Scotland's leading housing, care and property management organisation and one of Scotland, the UK's and Europe's best-accredited group of organisations. We own or manage over 93,700 homes and deliver award-winning services to over 210,000 customers, across 19 Local Authority areas in Scotland across central and the South of Scotland. We directly employ 2,700 people and a further 2,000 through our joint ownership of City Building (Glasgow), all of whom are driven in our mission to make homes and lives better.

We pride ourselves on our ambition and strive to be the best in our field. As a Group, we are a trusted delivery partner of the Scottish Government, and have delivered over 4,000 new build homes across Scotland since 2015, significantly contributing to the Government's More Homes target by 2021. By using our combined size and scale, we are contributing to improving housing, care and regeneration at a national level; however, we remain deeply rooted in our communities.

Our vast development and procurement activities across the Group contribute significant multiplier impacts to local and national economies and make a significant contribution to the work of our charitable organisation, the Wheatley Foundation. The Foundation provides invaluable assistance to 10,000 people each year, helping them to reach their full potential. We do this by ensuring all our contracts include training, employment and community enhancement opportunities for our customers, their families and others within our communities. Every house that we build equates to a contribution of £775 to the Wheatley Foundation.

We benefit from having, highly experienced a multi-disciplinary team across the development and regeneration spectrum who have a strong track record of:

- Working in partnership with the Scottish Government, local authorities, private house builders and developers to deliver large scale, mixed tenure regeneration.
- Delivering development across all tenures including social rent, mid-market rent, market rent and independent living for those over 55.
- Creating economic and social opportunities through our activities to deliver transformational change, supporting the lives of our customers and the sustainability of local communities.
- Levering added value through strategic partnership regeneration including facilitating private sector investment, capital receipt betterment and securing external funding.

In particular, our team have decades of experience planning and delivering the hugely successful **Transformational Regeneration Areas (TRAs)** Programme in Glasgow over seen an SPV known as **Transforming Communities: Glasgow**, of which we are joint members with the council and Scottish Government.

In addition to our collective TC:G experience, our Director of Property Development and Initiatives represents the Group as an RSL Board member of the Homes for Scotland Board, collaborating closely with private house builder partners across the country on a wide range of housing issues, including regeneration and new supply.

In Dumfries and Galloway, we have committed to ambitious development plans that will deliver around 800 new, high quality social rent homes in the region over the next five years (to 2025/26). We plan for around 40% of this target to be delivered through regeneration of existing neighbourhoods. With our highly experienced team, and replicating a similar model to the TRA Programme, we believe we can deliver better regeneration outcomes in areas such as Lochside in Dumfries.

Our Regeneration Team



Tom Barclay
Executive Director of Property and Development

Tom oversees our Group's multi-award winning Property and Development Team. Tom holds a number of senior positions within the industry, including as Co-Chair of the Scottish Government Joint Housing and Delivery Group, represents Scotland on the RICS Global Board and is the former RICS Scotland Chair.



Jackie McIntosh
Director of Property Development and Initiatives

Jackie has over 20 years' experience in housing with a decade in senior positions at Glasgow City Council, playing a leading role on a number of large scale, mixed tenure regeneration projects including the Commonwealth Games Village, the city's eight Transformational Regeneration Areas since inception in 2009 and later set up of Transforming Communities: Glasgow. Jackie leads the Group's ambitious strategy for future Asset Growth.



David Fletcher
Director of Development (Programme)

David led Glasgow Housing Association's approach to community regeneration in 2003 prior to being appointed to lead on the Group's new build, demolition and regeneration programme in 2008. David has been involved in the Transformational Regeneration Areas since inception in 2009 and currently oversees the Group's affordable housing development programme which is the largest in the UK.



Ian Davie
Property Development and Initiatives Manager

Ian is a Chartered Surveyor with over 15 years of commercial property experience in a variety of public sector roles including, acquisition and disposal, investment and valuation. He has been involved with Transforming Communities: Glasgow since 2012 for both Glasgow City Council and the Group, since joining in 2018, and is currently the Lead Officer which includes advising the GHA Board members.



Lindsay Lauder
Development Manager

Lindsay leads the DGHP development team, bringing 18 years of affordable development experience in the region from her previous role as Director of Property and Development at Loreburn Housing Association. Lindsay was also formerly Managing Director of Dumfries and Galloway Homes. Lindsay is leading the delivery of 1,000 new, affordable homes across Dumfries and Galloway over the next 5 years.



Craig Vesey
Property Development and Initiatives Coordinator

With a background in Urban Design, Craig has 10 years' experience in affordable housing development and regeneration, including delivery of infrastructure, community and arts led projects and the leveraging of grant funding. He has been involved in high profile, place based regeneration programmes including the Clyde Gateway Urban Regeneration Company and, since 2019, Transforming Communities: Glasgow.

Transforming Communities: Glasgow A Successful Model for Collaborative Regeneration

3.0 Transforming Communities: Glasgow : A Successful Model for Collaborative Regeneration

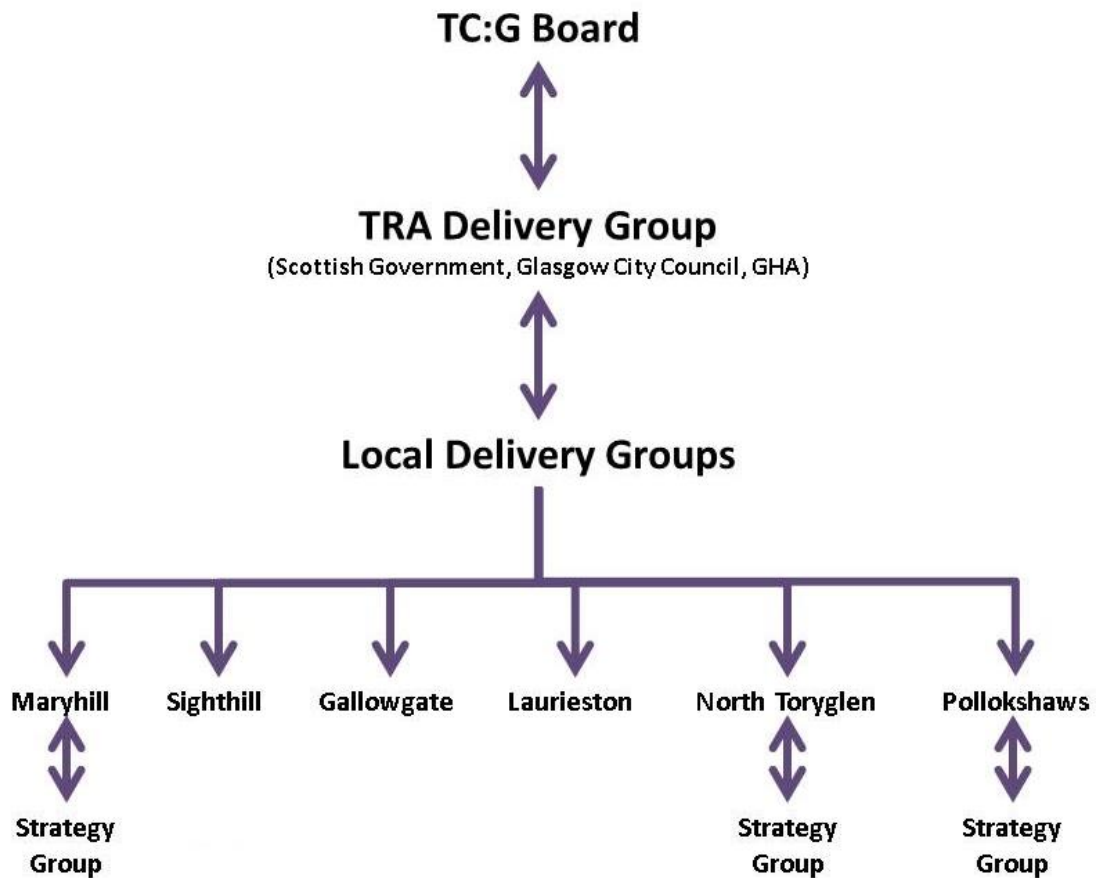
Transforming Communities: Glasgow (TC:G) is a strategic partnership, registered and operating as a company and charity. The company directors are two Senior Civil Servants from Scottish Government's More Homes Division (David Cowan and Caroline Dicks), two Council Elected Members (Councillor Kenny McLean and Councillor Gary Gray) and two Wheatley Board Members (Bernadette Hewitt and Bryan Duncan).

TC:G oversees the regeneration and development programme across eight neighbourhoods in Glasgow that have been identified as Transformational Regeneration Areas (TRAs).

Through our membership of TC:G, we have led on major demolition work on unsustainable properties with low demand and high investment needs and played a leading role in delivering new, award winning, mixed tenure neighbourhoods in partnership with private house-builders.

TC:G's approach to regeneration is through housing-led placemaking driven by local communities and partnership working. In addition to new and improved housing, appropriate infrastructure, community facilities, amenities and green spaces are key to the success of the TRA programme. TC:G also seeks to maximise the creation of employment, training opportunities and community benefits through these regeneration activities.





The work of TC:G is already being guided and driven by active **Local Delivery Groups (LDG)** across the six TRAs. The LDGs are comprised of local residents, Councillors, the strategic partners and other organisations and partners delivering activities within the TRAs (for example community groups and private sector development partners).

The LDGs meet quarterly with the aim of communicating progress within the TRA acting as a conduit to wider community information and engagement. Where appropriate, **Strategy Groups** are formed to concentrate efforts of appropriate LDGs on specific issues. For example, a Greenspace Strategy Group is driving proposals for a £3.3m environmental improvement project at North Toryglen.

PEOPLE MAKE GLASGOW HOME

Transforming Communities

www.glasgow.gov.uk/tcg

GLASGOW CITY REGION City Deal

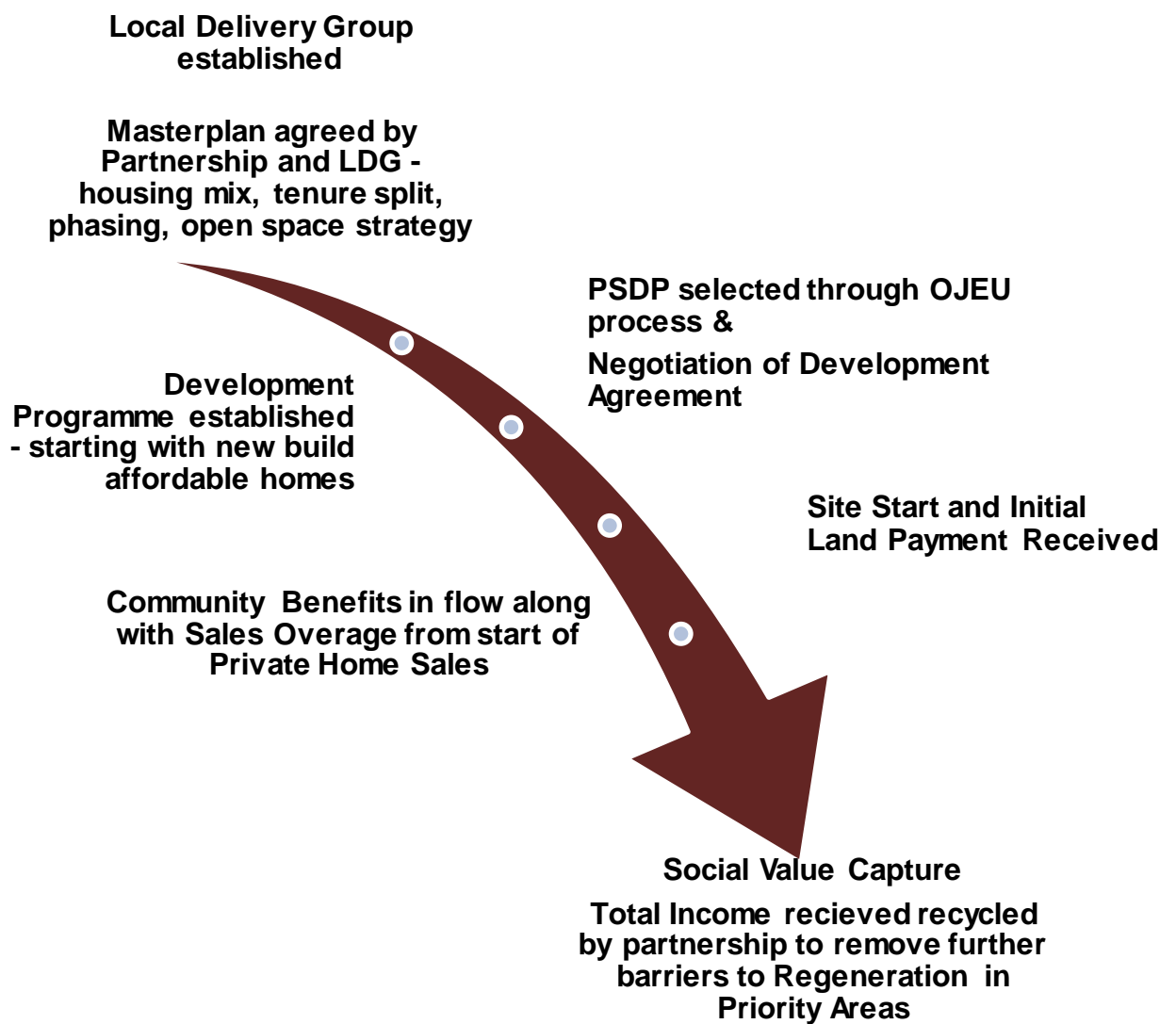
Transforming Communities Glasgow

Glasgow City Council

A photograph of a diverse group of smiling children is positioned on the right side of the banner.



TRA Model Journey



In the Transforming Communities: Glasgow Partnership, both GHA and Glasgow City Council **ring-fence capital receipts** from land disposals which are then recycled within the TRAs. The Scottish Government has agreed to set aside the Disposals Clawback Agreement providing there is a signed **Activation Agreement** between the TCG Members which sets out the joint ambitions for the area and regeneration masterplan for each area, this means that capital receipts gained from the sale of land to private developers within the TRAs can be recycled within the programme rather than being directed back to the Scottish Government.

This helps to facilitate accelerated development delivery by funding infrastructure and development constraints, such as land assembly, demolition and flood defence works. In the case of Lochside, Senior Officers within Scottish Government would need to consider an approach for Ministerial consent to waive the DCA, subject to a collaborative partnership between Wheatley and DGC built upon a masterplanned delivery strategy.

Ring-fenced capital receipts from the Lochside TRA could be recycled within the TRA boundary itself, or within one or more of the Council's other Priority Regeneration Areas, to address barriers to regeneration.

TRA Approach : Collaboration

Lochside's community will be at the forefront of decisionmaking and planning through the Regeneration journey

Joint OJEU Procurement Process to identify Private Sector Development Partner to deliver both Affordable Housing and Housing for sale
Income is generated from land (inc. overage payments)/ Land value uplift via Regeneration Premium

Long-Term Masterplan Strategy.
Income Recycled to support identified regeneration priorities

Retains partnership control of development through bespoke Development Agreements which extend beyond housing i.e. environmental commitments.
Returns additional community benefits to Lochside (jobs and work placements)

Partnership approach will drive better quality homes, green environment and deliver tenure diversification

Strength of partnership programme helps lever additional external funding

Traditional Approach: Individual Disposal

Land sold to highest bidder
Receipt often doesn't materialise and may be marketed several times over a number of years.
Often re-negotiated sold on at a premium to the affordable housing sector to make viable

No long-term public sector involvement, outwith statutory roles.
Loss of development control.
Sites can often lie vacant until viewed as economically viable

Limited control over design and phasing

Community consultation restricted to statutory process involvement

This benefits and collaborative approach has TC:G Highlights since 2012

446

New homes sold.
347 new homes for sale
commenced.
6 self-build plots
commenced.

£5m

Land receipts secured to
date and £8.2m in other
funding secured.

Sighthill Regeneration Project in partnership with



Transforming
Communities:
Glasgow



Keepmoat
Homes



Scottish Government
Riaghaidas na h-Alba
gov.scot

GHA



£24m

Infrastructure and community
projects underway or
completed.

TC:G contribution of £9.4m
leveraging £14.6m

2,252

New affordable homes
completed (1,621
Social Rent, 553 MMR
and 78 NSSE)

£244M

Investment in new,
affordable homes
£125m grant secured
£119m private finance

**Reprovision
complete
and final
demolition
contract let**

We have taken a leading role in the development of new housing across all the TRA's, providing new homes for social rent, amenity and supported customers. The re-provisioning for our existing customers in the TRA's, through new build homes to replace unsustainable properties, was completed with the final handover of the Gallowgate Phase 2 project in November 2019.

We have also delivered key interventions by **encouraging tenure diversification** in the TRAs through the introduction of mid-market rent homes, via our commercial subsidiary, Lowther Homes. Our mixed tenure Hinshelwood Drive development within the East Govan/Ibrox TRA is an example of this approach, where we delivered 152 affordable, high quality, energy efficient flats, 116 for social rent and 36 for mid-market, within the East Govan/Ibrox TRA. Demand for the mid-market flats was exceptional, with over 80 viewings and 30 formal offers on the first weekend alone, demonstrating the success of the design and stimulating further private sector development activity in the local area.



In our Maryhill TRA, TCG's focus on place-making in initial phases of affordable housing has encouraged high quality design from the private sector delivering homes for sale on later phases. The entire development of 52 houses for sale sold out off-plan at the Botany within the Maryhill TRA and achieved strong values on a site without any form of sales market, this would not have been achieved without the TRA partnership approach.

Spotlight On: Community Enhancement, Pollokshaws TRA

The LDG identified an important heritage opportunity as the Auldfield Church bell had been temporarily re-housed in another part of the city following demolition in the 1970s. The LDG, Loretto and Councillors worked together to bring the bell back to Pollokshaws. It was refurbished and housed in a new structure at the centre of the new square, which was officially opened with the first peel as part of the Pollokshaws Community Carnival in June 2019. In addition to the physical objectives delivered by the project, the contractor, CCG, delivered 2 apprenticeships, 3 work placements and created 4 new jobs through the contract, supporting the socio-economic regeneration aims of TC:G.



Spotlight On: External Funding, Maryhill TRA

The strength and delivery track record of the TC:G partnership enables the partners to collaborate to source additional, external funding including:

- City Region Deal Funding
- Vacant and Derelict Land Fund
- Regeneration Capital Grant Fund
- Housing Infrastructure Fund and
- Green Infrastructure Fund



These additional grant awards, some of which are match funding, help achieve a variety of planned works including environmental improvement, ground remediation, infrastructure provision and listed building restoration within the TRAs. **These funds could not have been leveraged without the TC:G structure and commitments.**

Collaborative Regeneration Case Study: North Toryglen

The North Toryglen TRA in the South of Glasgow was one of the first to be formally activated, in 2012, and will be the first to complete physical regeneration work. The neighbourhood was constructed between 1963 and 1968 and comprised two, 23 storey tower blocks, a 20 storey slab block and a variety of maisonette blocks, all dispersed amongst large swathes of low-grade open space.

Housing stock was unsustainable and unsuitable for long-term needs and demands and the area developed a reputation for entrenched deprivation. Clearance commenced in 2005 and proposals were initially drawn up for a high density, redevelopment of the area, however, this was not progressed due to the 2008 financial crash.

The TC:G partners procured Barton Willmore to deliver a revised masterplan and delivery strategy in 2011. This focused on a lower density development with new streets overlooking usable greenspaces, utilising existing site infrastructure and engineering as far as possible.

A robust delivery strategy was developed on the basis of soft market testing and community consultation to determine density, mix and phasing across immediate and long term opportunities. The feedback demonstrated the likely development potential to focus on the lower, entry level product to attract first time buyers and first time move-ups. The most challenging factor identified through market testing was the need to **address perceptions of the area.**



Our agreed delivery strategy formed the creation of a **new delivery model, retaining high levels of public sector participation,** resource commitment, financial investment and risk sharing with a private sector development partner.

A traditional approach would have seen the public sector transferring all of the assets and risk on to the private sector, however our approach was deemed to better reflect the market and our continued involvement was a key force in **establishing quality standards in North Toryglen.**

The first new build development in the area included delivery of an initial 100 affordable houses along with housing for sale and then packaged the future private sector sites for delivery under a Development Agreement.

The procurement was evaluated on the basis of: -

- ✓ price to deliver the affordable housing;
- ✓ residual land values for the first phase of private sale housing;
- ✓ legal compliance;
- ✓ risk analysis of the masterplan and delivery strategy;
- ✓ a community benefits strategy, and;
- ✓ a sales and marketing strategy.



Cruden Homes West were appointed as the private sector delivery partner in 2013 and worked alongside TC:G partners to develop the detailed proposals based on the masterplan and delivery strategy. Phase 1 affordable housing provided accommodation for the existing community and set the quality standards for the remaining phases. The delivery strategy had several strategic outcomes:-

- First phase of new affordable homes significantly **improved quality standards** in the area, creating a physical transformation in **placemaking** terms.
- This in turn transformed the **perception** of the area, stimulating demand and leading to the successful delivery of housing for private sale in phases.
- This delivery has been facilitated through an **improved cashflow** position given the private sector risk was reduced during the initial phase through the affordable contract and kicked in once already mitigated by placemaking enhancement.
- This also created a mechanism to **drive up standards** in the housing for private sale, which had to match that of the affordable housing.
- Importantly, however, the affordable housing delivery was prioritised and re-provisioning undertaken so the **existing community** had the opportunity to remain in North Torglen and benefit from the enhancements.

The success of North Toryglen is most starkly demonstrated via the **accelerated delivery timescales**, achieved through strong sales rates. Although currently three years ahead of programme, there are longstop provisions to control delivery and prevent land banking.



Housing for private sale has consistently achieved strong sales rates based on an appropriate mix and density identified by the delivery strategy. The consistent approach to design has created a tenure blind yet mixed community.

Longstop Date	2016	2021	2023	2025
Phase	Phase 1 155 homes	Phase 2 49 homes	Phase 3 69 homes	Phase 4 58 homes
Actual Completion	2017	2018	2020	In Planning

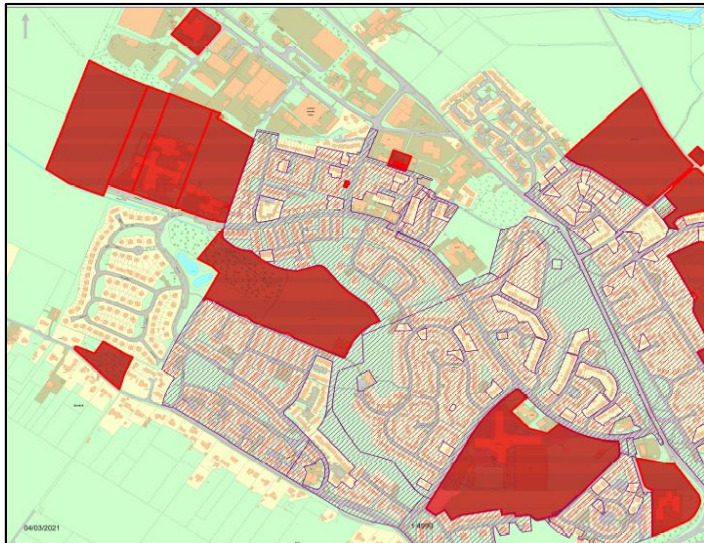
A key aim of the masterplan was to rebalance and structure the green network. The TC:G partners therefore engaged with Urban Roots, an existing charity in North Toryglen, to deliver **community-led transformation** in this aspect. Urban Roots developed proposals with the local community to encourage active travel, enhance local parkland, wetland and woodland and deliver a bike pump track, natural play areas and a multi-use games area that will enhance the amenity for local young people.

TC:G committed £250,000 to the Green Space and Active Travel proposals which has successfully leveraged £2.55m in additional grant funding.



Lochside Transformational Regeneration Area Proposals

4. Lochside Transformational Regeneration Area Proposals



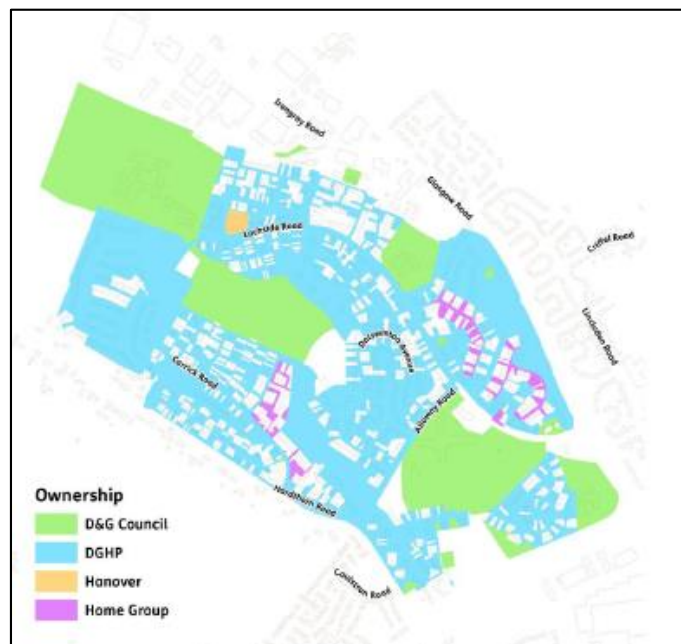
The Lochside neighbourhood is located approximately 1.8 miles north west of Dumfries Town Centre, on the edge of the urban area, and benefits from a good level of accessibility, abundant open space and proximity to economic activity.

DGHP owns and manages a high proportion of housing within the neighbourhood (shown in blue in the plan below), whilst DGC owns and manages the majority of open space, as demonstrated on the

plan adjacent, in Red. There are two other housing associations owning and managing stock within distinct areas of the neighbourhood and pepper-potted private ownership across the entire area.

The existing physical structure, ownership arrangements and active community within Lochside, presents an exciting opportunity to deliver a **Partnership Regeneration Proposal** that will ensure the neighbourhood is a thriving, healthy and sustainable place for decades to come.

The Lochside TRA will empower the community, and partners, to increase green infrastructure as part of a holistic regeneration solution, not only in the planning of new development, but also in the heart of the existing community.



The Local Housing Strategy supports this Regeneration approach, and with community involvement and engagement from the very outset through the early establishment of the Lochside Local Delivery Group, key decisions for the long-term future of the area can be consulted on with those who matter most. Key items such as housing mix and tenure, and the direction of the masterplan, will be addressed linked to Council Housing and Open Space Strategies, targeting how collectively we can improve upon the existing environment, for the local residents

We know that the people of Lochside face multiple barriers, with most SIMD data zones across the neighbourhood ranking amongst the most 5% deprived across almost all indicators: -

- Income;
- Employment;
- Health;
- Crime
- Education, and;
- Housing.

The Lochside TRA masterplan will set out the vision to create both sustainable housing choice, and an environmental standard, that will have a positive impact on the wellbeing of the local and wider community, improving opportunities for biodiversity and habitat growth, creating linkages to local natural resources, existing parks, utilising environmental services to improve climate change adaptation with surface drainage through introduction of swales, new tree avenues, rain gardens and where applicable the removal of large areas of surface concrete.

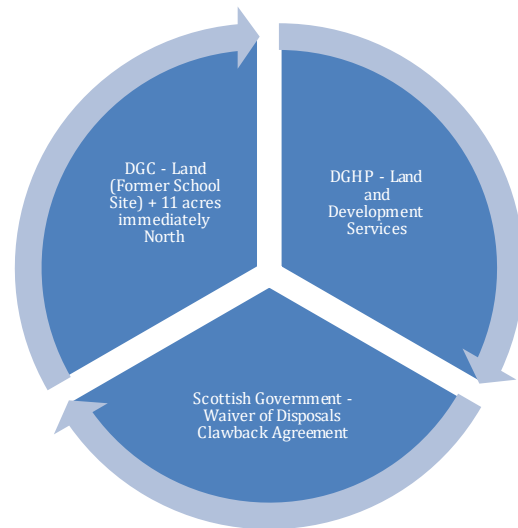
On the 27th June 2019, DGC announced their Climate Emergency Action Plan and the Lochside TRA can play a significant role in positively responding to the Council's climate change emergency and in transitioning towards a carbon neutral region.

Potential Lochside TRA Boundary



Given the remote nature of the Dumfries and Galloway region, the ability to create **scale** will be of critical importance in attracting the private sector to Lochside. Lochside can also benefit from DGHP's wider investment and development programmes across the region where the issue of scale is critical in the ability to attract resource.

Scale can also make wider outcomes more achievable, for example encouraging innovation in construction and green technology, all of which have outstanding potential to minimise disruption and deliver transformational change for the Lochside community but are issues generally tempered by various cost pressures. **Small infill sites created through demolition of inappropriate housing stock are not likely to be viable in isolation and will necessitate a programme approach.** We will consider the future of our own unsustainable properties within the area, as part of the regeneration plan. The more development that can be accommodated within the area as part of a wider, potentially rolling, programme, the more attractive to contractors and developers and better value for money often known as the **regeneration premium**.



Collaborative regeneration also ensures protection of existing investments, such as the NWCC, ensuring a thriving population remains to facilitate demand and make use of the services and also as a means to provide some of the additional outcomes of a regeneration programme. The NWCC has a vital role to play in the improvement of SIMD statistics suffered by the Lochside community. **Working collaboratively will create a more attractive opportunity for the private sector which would otherwise be challenging.**



There are a number of 3 and 4-storey flatted blocks within Lochside, consisting of larger two and three bedroom properties which are of particularly low demand given the low density nature of the estate, which favours family homes. In addition, following a recent stock condition survey, DGHP has identified further flatted blocks within the neighbourhood which have a limited lifespan.

DGHP has been managing these tenancies of these blocks for a number of years now and the majority of properties are now vacant. There are a small number of owner occupiers remaining in some of the block. The Council's Housing Strategy supports the buy-back of this type of stock to tackle low demand issues, and the demolition and rebuilding in place, where refurbishment is not a sustainable and viable option. An

ideal proposal would be as part of the Lochside TRA, whereby a mixed-tenure, holistic, tenure blind re-development will create a better environment to live in.

Our experience has proven that combining affordable housing and private housing development in to one development opportunity encourages developers to invest in regeneration areas such as Lochside. Typically, an early phase of affordable housing built in tandem with a first phase of housing for sale this supports short term cash flow for the house builder/developer and through early placemaking, builds confidence in the area for the sales market.



In addition to this involving potential house building partners and developers in design and construction programming can also prove invaluable; developing proposals that are commercially deliverable, setting and fulfilling clear expectations with and for the Lochside community. By adopting this collaborative longer term strategic approach all parties **mitigate risk and share reward**. There is also better opportunity to encourage quality as a mechanism to actually achieve reward over a longer period rather than being sacrificed to mitigate risk as is often the case in a short term approach.

The key benefit of a collaborative regeneration proposal is the means to coordinate the wide range of community, political and professional elements and representatives that are necessary to deliver transformational change. A clear communication and governance structure will enable identification of the key issues requiring improvement, agreement of clear and realistic expectation setting and a forum to reach shared vision and ambition.

By working collaboratively and pooling land resource, investment can be properly phased to ensure a coordinated delivery that best serves local residents and minimises any disruption. This will allow enhancement rather than displacement of the existing community and ensure the right homes are upgraded and developed in the right places. Regeneration is a long-term initiative and partnership working will enable open and transparent communication with the local community to deliver shared expectations.



Agreement structures with the private sector will enable D&GC and DGHP to influence and control delivery timescales rather than depend on market timescales, which may otherwise result in land banking, to syphon value uplift on completion of public sector investment programmes. Collaborative working will also ensure community priorities can be factored into programmes and communicated with more certainty.

Community Engagement

Our partnership proposal would focus on a placemaking and collaborative regeneration programme, which could unlock significant additional benefits and value for the community, DGC and DGHP – **creating new job opportunities and attracting people to live in Lochside.**

The Lochside community and DGC are already advancing works to improve areas of underutilised greenspace across the neighbourhood. Given the central location of the open spaces, there is opportunity to better realise its potential to serve the community in terms of useable amenity, green infrastructure, active travel routes and biodiversity. All of this is central to the Scottish Government and DGC's emerging policy direction on the climate emergency, a just transition to net zero carbon and becoming a wellbeing economy. In addition, Lochside is ideally structured to deliver the 20- minute neighbourhood which is central to the Scottish Government's 'Protecting Scotland, Renewing Scotland, Programme for Government 2020-2021'.



Lochside has a huge resource at the heart of the neighbourhood which we believe will form a central focus for community participation, unlocking funding sources and serving as an exemplar model of sustainable place transformation. The success of such transformation requires strategic thinking and coordinated delivery, to ensure holistically aligned infrastructure serves all needs of the local community. This can be developed collaboratively through community advised masterplanning and delivery strategy processes with clear and deliverable routes for implementation.

Lochside Key Stakeholder Groups: -

We want to work with the community from the outset to collaboratively shape the next steps in the Regeneration of Lochside.

Our Regeneration proposals will evolve into a Community Advised Masterplan, co-designed between the partners and the people of Lochside. We want to hear from the residents about what the most important issues are to them, and we will use this feedback to tailor our future consultations as the project evolves.

Our local community consultation will begin in Summer 2021 and, subject to Covid restrictions, we intend to carry out these engagements in Lochside, in person, involving established groups and forums, including:-



5. Summary and Next Steps

Our Collaborative Regeneration Proposal with Dumfries and Galloway Council for a Lochside TRA provides a unique opportunity to not only deliver new warm, safe and high-quality homes for people to live, but to drive real economic and social benefit through the community, acting as a catalyst with which to transform the lives of those within the area.



Through a programmed partnership approach, **combining our land and property** within Lochside, we can use our collective experience, scale and skills to work closely the local community and private sector development partners to set out a long-term, masterplan strategy which will: -

- Lever in private investment
- Provide certainty of delivery and give greater control of sites and their development
- Generate a higher land value than a traditional approach to capital receipt collection
- Create a mixed tenure community with quality green space,
- Generate community benefits at a scale which could only be delivered through collaboration
- Lever in third party funding sources

Our proposal is one which is already established within Glasgow and heralded nationally as an exemplar case study of regeneration success through a truly community-led partnership approach. It also has a track record of securing vital external funding streams which would not be possible through delivery of isolated investment projects.

If the Lochside TRA pilot approach is adopted, it presents great opportunities for the Partners to replicate our joint learning in other Council Priority Regeneration Areas, focussing on areas of low demand and poor quality housing, such as other locations within Dumfries, Stranraer, Gretna, Lockerbie, Annan, Upper Nithsdale and Langholm

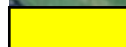

Next Steps

- 
- Governance approvals for the principle of a TRA by DGC and WHG
 - Develop Partnership Agreement and TRA Group Structure
 - Develop and implement Community Consultation Strategy
 - Prepare Masterplan Brief & Procure Masterplan Consultancy Team
 - Governance Approvals for TRA Partnership Agreement
 - Soft Market Testing for Development Partner on Masterplan Vision
 - Request Ministerial Consent to waive Disposals Clawback

Lochside Blocks

Block Type	Quantity
5 Storey	7
4 Storey	9
3 Storey	30 (incl. the 12)



	Void Block
	Partially Void

Held Three Storey Blocks - Lochside





Report

To:- DGHP Board

By:- Matt Foreman, Managing Director

Approved by:- Tom Barclay, Group Director of Property and Development

Subject:- DGHP Five Year Asset Investment Plan 2021-2026

Date of Meeting: 26 May 2021

1. Purpose

- 1.1 To seek Board approval of DGHP's Five Year Asset Investment Plan. This plan underpins our strategic asset management approach, specifically our ambition to continue investing in our existing homes and communities – a key theme of our 2021-2026 strategy, Your Home, Your Community, Your Future.

2. Authorising and strategic context

- 2.1 Under the Group Authorise, Manage, Monitor Matrix, the DGHP Board is responsible for the approval of its business plan which forms part of the Group business plan.
- 2.2 The DGHP Board is also responsible for the approval of the key business planning considerations which arise from the approved business plan, including the approval of its investment profile, priorities and capital investment plan. Where any specific investment project is in excess of £6m then Group Board approval would be required, in line with the Group Scheme of Financial Delegation.

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". This risk appetite is mirrored here in relation to the Investment programme.

4. Background

- 4.1 Our asset investment delivery plan is updated annually to reflect changing customer priorities, new regulatory requirements and strategic investment decisions. This report seeks board approval for changes from the previously approved plan. All amounts include irrecoverable VAT where appropriate.

5. Customer engagement

- 5.1 As a landlord, we have a legal responsibility to keep our tenants safe in their homes. These safety and compliance duties drives an allocation of this element within the overall budget. With our remaining resources however, our aim is to increase customer involvement in future investment decisions, both in relation to the type and timing of investment, putting customers firmly in control of their homes.
- 5.2 The allocation of the discretionary elements of the budget beyond compliance and safety work has been informed by customer feedback in recent years, such as that gathered through pop-up local events pre-pandemic, from customers satisfactions surveys, rent consultations and the input of heads of housing and housing teams, reflecting the views coming from customers in local communities.
- 5.3 Over the next five years, we propose to go further, through our 'Stronger Voices, Stronger Communities' framework. This framework:
- Gives customers greater control of their home by choosing how and where investment is delivered;
 - Uses both online and offline approaches to make it easier for customers to engage and to share their priorities; and
 - Adopts new technologies such as community voice app to enable interactive engagement e.g. voting on investment proposals, ordering improvements for their home, making choices and providing feedback on our investment and asset services.
- 5.4 As an initial step, our investment plan includes a new 'Customer Voice' budget in support of this framework, which will deliver £3.7m of customer driven investment work over the life of our 5-year plan. This budget will be used for local priorities and will be informed exclusively by our tenants working with our frontline housing teams. This is in addition to over £55m already allocated to deliver current customer priorities for windows, heating, kitchens and environmental improvements.

6. Discussion

Overall programme

- 6.1 We have a strong reputation for delivering outstanding services for customers and communities. This includes continuing to invest and maintain our existing housing assets, to ensure that our homes and neighbourhoods remain viable and desirable in the long term.
- 6.2 Our 5 Year Asset Improvement Programme is an important component of our wider Asset Delivery Plan and plays a key role in the delivery of our Group Strategy. The approved 2021/22 financial projections include provision for **£107.8m** of investment in our existing properties. The approved investment programme includes **£86.7m** over the next 5 years for core capital investment work including the £3.7m for customer driven projects. In addition, other key elements of the capital programme include £15.4m for void works and £5.7m for capitalised employees associated with the delivery of the investment programme.

6.3 The £86.7m commitment to improving our homes and communities over the next 5 years has a continuing focus on delivering investment that our customers want to see in their home and in their communities whilst also protecting our assets and ensuring value for money and ensuring DGHP delivers compliance against regulatory standards. Our investment programme has three broad themes:

- Warm, High Quality Homes;
- Safe Homes; and
- Great Neighbourhoods.

Details of the programme that make up these themes including spend in each year of the programme is provided at Appendix 1.

Warm, High Quality Homes

6.4 A range of investment activities fall within this theme including for example:

- Energy Efficiency Measures (Heating, Wall Insulation, Windows, Doors);
- Kitchens, Bathrooms and Rewiring; and
- Common Area Improvements (Close Decoration).

6.5 We plan to invest £39m over the next 5 years in improving the energy efficiency of our homes. These improvements will include window replacements, external and internal wall insulation, the pro-active lifecycle replacement of existing gas heating boilers with new highly efficient models and improving the efficiency and operability of electric heating for homes in non-gas areas. Such improvements will not only benefit our customers in terms of reducing fuel poverty but will also assist in relation to sustainability and delivering our legislative obligations in relation to EESSH2 standards. This new standard requires RSL properties to reach Energy Performance Certificate (“EPC”) Band B by 2032, although exceptions appear to be permitted on the grounds of cost and feasibility; this is an area which we expect will be further clarified by the Scottish Government.

6.6 Maintaining excellent internal housing quality standards is essential in ensuring that our homes remain desirable in the long term. As such we plan to commence a lifecycle kitchen replacement programme with over 2600 modern kitchens planned for delivery over the 5 years commencing in 2021/22.

6.7 The delivery of common improvements for customers living within mixed tenure properties continues to represent a significant challenge due to owners being unwilling or unable to participate. Our approach to this will continue through a range of measures including:

- Identification of grant funding to support factored owners with the financial burden of major repair and improvements; and
- Embracing innovative technologies to deliver improvements for DGHP tenants where majority consent cannot be attained e.g. Internal Insulation.

Safe Homes

- 6.8 Our planned asset investment has a strong emphasis on ensuring our homes are safe and secure, and helping to support the Group's Fire Prevention and Mitigation Framework.
- 6.9 Our Safe Homes programme includes the upgrade of smoke and heat detection with 10,339 homes requiring this work to be completed by February 2022, following the government's extension of the deadline. To date we have upgraded 8968 homes with a further 1371 homes still to be completed. We are forecasted to complete all works by August 2021 well ahead of the governments' deadline.
- 6.10 Our 5-year investment programme also continues to fund additional fire safety measures for some of our most vulnerable customers through supporting our fire safety officers in providing innovative solutions to help keep people safe. Measures include enhanced smoke/heat detection, portable fire suppression systems, fire retardant blankets and stove guards.

Great Neighbourhoods

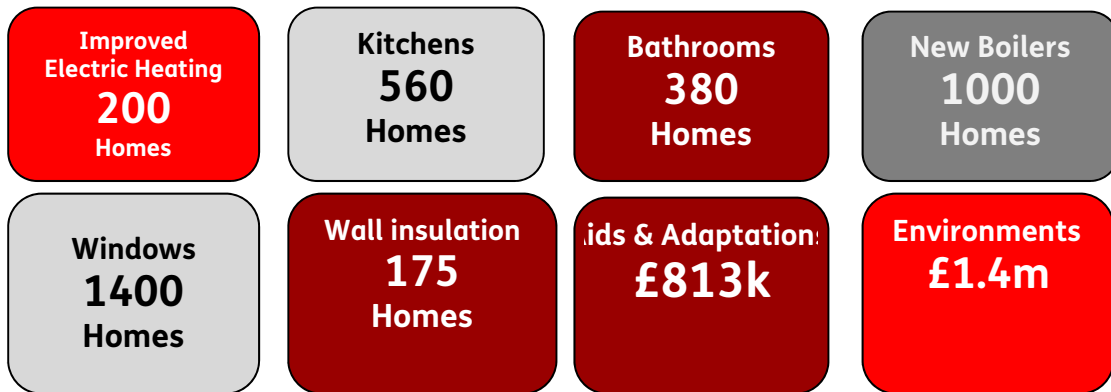
- 6.11 We are committed to investing in our wider communities through the improvement of our common areas and environments. Improving the 'kerb appeal' of our communities is an integral part of our robust approach to managing and realising the value of our assets and maintaining the desirability of our neighbourhoods.
- 6.12 Our Investment Programme will help to support the delivery of our 'Keep Scotland Beautiful' environmental quality standard through works to improve controlled entry, common areas and backcourts as well as fencing, paths and steps in our main door properties.

Year 1 programme

	Revised Budget	Previous Budget
Investment Programme Theme	£'000	£'000
Warm, High Quality Homes	26,006	15,409
Safe Homes	979,	nil
Great Neighbourhoods	300,	300
Customer Voice	1,532	nil
Capital Total	28,881	15,709

- 6.13 Year 1 (2021/22) of the 5-year plan has a total core programme value of £28.8m. This takes account of the impact of the Coronavirus pandemic on our 2020/21 internal investment commitments with £4.2m worth of suspended projects carried forward for delivery in early 2021/22. In addition, £4m of our customers Ballot Promises has been carried forward and will be delivered as part of accelerated investment. During Quarter 1 our primary focus will be on external works with some "soft start" internal projects such as boiler replacements and windows beginning from May 2021. We will look to commence other more intrusive works such as kitchen installations from Quarter 2, building up the programme throughout the remainder of the year.

- 6.14 Overall our 2021/22 programme will deliver a range of work types and associated outputs including:



Specific considerations

Continuing implications of Covid 19

- 6.15 Various considerations have shaped the programme for the year ahead and beyond including the continuing impact of Covid, customer priorities and emerging requirements such as EESSH 2.
- 6.16 The Coronavirus pandemic had a significant impact on our ability to deliver our planned improvement programmes in 2020/21. The nationwide lockdowns imposed by the UK and Scottish Government necessitated the suspension of all on-site activities in March 2020, whilst also preventing the commencement of new projects planned throughout most of 2020/21.
- 6.17 It is anticipated that despite restrictions gradually easing that some customers may continue to feel uneasy about providing access to tradespeople to undertake non-essential improvement works within their home. To provide reassurance, we have developed a new 5 step engagement approach, which looks to improve communication with our customers, specifically around our robust health & safety approach. This approach includes calls to every customer due to receive internal investment by a member of our asset teams to discuss the work and to seek their commitment to provide access for the work to take place.
- 6.18 We have already begun communications with customers who are scheduled to receive internal improvements shortly. Feedback so far has been positive with only 10% of customers contacted expressing apprehension. This is similar to the level we would expect in normal operations. Going forward, this approach will continue to be used for all planned internal investment work, with the expected benefit of driving down waste in terms of no access and refusals.

SHQS and EESSH/EESSH2

- 6.19 Our investment activities will contribute towards the delivery of our SHQS (Scottish Housing Quality Standard) and EESSH (Energy Efficiency Standards for Social Housing) by improving both the condition and energy efficiency of our assets. We are currently 87.07% compliant, 93.82% including abeyances and exemptions with the SHQS standard. It is anticipated that we will achieve full compliance by August 2021.

- 6.20 The 2020 EESSH targets required stock to have an EPC of band D or above. Our current compliance in EESSH is 78.02%, 87.26% including exemptions. The 2021/22 programme makes provision for the delivery of energy efficiency improvements to non-compliant stock with full compliance with the standard anticipated by August 2021. Our 5-year plan includes various works that will help us towards achieving EESSH 2 such as external wall insulation, more efficient central heating systems and window replacements.
- 6.21 The plan also includes provision for a specific 10-year programme from 2021/22, focussed on the EESSH2 standard. The make-up of this programme will be developed taking account of expected Scottish Government consultation on the standard this summer. In parallel, work is underway to develop a group wide EESSH2 policy statement, which will set out our approach to achieving this standard including how we will make decisions around investment and the development of a regime for data collection to demonstrate compliance. We have included an initial budget allocation of £3.2m to support innovative investment interventions over the next 5 years as we develop an investment approach and understand investment requirements and associated costs to achieve compliance with the ambitious target of all homes to have a 'B' EPC band by 2032. An early illustration of this innovation is the planned retrofitting of smarter controls to 200 existing storage heating systems, as part of our warm, high quality homes theme, to provide customers with greater control of their heating and significant savings on their energy tariffs of around £300 per year. This innovation is expected to provide a 14-point improvement to EPC rating, which is more than is achieved by over-cladding or installing a gas boiler.
- 6.22 In addition to energy efficiency measures we are also looking at the decarbonisation of our assets. DGHP have been awarded £1.4m in match funding from Scottish Governments Low Carbon Infrastructure Transition Programme for our Decarbonisation and Renewables Project. The project will see a total of £2.8m being invested in 101 of our homes that currently have solid fuel as their primary source of heating. These properties will be upgraded through the installation of air source heat pumps (ASHPs), solar photovoltaic (PV) panels and battery storage technology to decarbonise heat provision in these homes and bring further benefits to customers in terms of utility bill savings.
- 6.23 This project will go one step further than the current innovative Battery Storage installation project that Warmworks Scotland are currently delivering for DGHP utilising the Green Economy Fund. Over 100 Tesla Powerwall Batteries have already been installed and have been welcomed by our customers with an average annual saving of between 10%-15%.
- 6.24 It is intended that this project will act as the initial phase in our drive to reach EESSH2 by 2032 and contribute towards Scottish Government's fuel poverty and net zero targets. The insight gained from this pilot will allow us to take forward a long-term plan of decarbonisation, with customer outcomes at the centre of our considerations.

Management and Delivery

- 6.25 The Asset Investment and Compliance Team will provide day-to-day management of our investment programmes including all project management functions, customer communication and all performance, financial monitoring and reporting. The team's approach will include analysing performance and asset condition data to inform bespoke investment interventions and appraisals where required, ensuring we are investing in the right stock and at the right time. This approach will ensure that our investment decisions are transparent and justified, whilst also helping to protect and drive maximum value from our existing asset base.
- 6.26 In addition to City Build Glasgow there are three other principal contractors carrying out investment works. Anglian, Procast and SERS who are carrying out window replacements, roofing and external wall insulation works, respectively. The contracts with these contractors are due to conclude by the end of 2021.

Communications

- 6.27 We will look to refresh our branding, marketing and communications approach to make sure the value and impact of our investment is well understood. Our objectives will be to:
- share the story of DGHP's £86.7M investment in homes, reaching key audiences including customers, staff and stakeholders and strategic partners at key stages;
 - create greater understanding of the value Wheatley and DGHP brings to customers and communities, housing and the wider economy;
 - encourage people to feel proud of where they live by explaining and creating a buzz around the improvements in their area; and
 - support strategic objectives for greater tenant engagement by promoting opportunities for residents' local involvement through the £3.7m Customer voices fund.
- 6.28 Digital communication will be prominent as we explain and engage customers on the investment taking place across Dumfries & Galloway. As well as our social media channels such as Facebook and Twitter, we will increase the use of direct messaging to customers in local areas through text (including "GIF" images for those with Smartphones) and secure messaging.

Measuring impact

- 6.29 Our ambition is to have 80% of our key RSL performance measures within top quartile. We understand the influence that our investment programme has on customers' overall perception of DGHP and that our investment programme has the ability to drive positive satisfaction outcomes in relation to:
- Quality of home;
 - Management of neighbourhoods;
 - Opportunities for customers to participate in decision making;
 - Keeping tenants informed of services and decisions; and
 - Achieving value for money.

- 6.30 To support this and ensure the programme remains on track, we are developing a new performance management framework across a range of our services including Repairs, Investment and Compliance, which will enable us to monitor performance against a range of customer and business measures including customer satisfaction, repairs end to end times, call handling performance rates, expenditure, productivity and compliance.

7. Digital transformation alignment

- 7.1 We will look to align our investment services with our digital transformation strategy. Historically we asked our customers to make a visit – often at a time of our choosing - to an office to view investment plans and make choices. Now, we will look to provide more interactive and convenient methods for the customer to inform investment in their homes. An example of this will be developing tools that make kitchen design and colour choices a digital experience.
- 7.2 We will also aim to reduce and gradually phase out whitemail customer surveys shifting individual project investment satisfaction surveys via text or other digital methods.

8. Financial and value for money implications

- 8.1 In accordance with the Group's value for money statement the investment programme will deliver value for money in a number of ways including:
- **Meeting customer aspirations** - Our investment plan supports the delivery of customer investment aspirations with our locality planning process and customer voice approach forming a key role in the development of the programme and priorities;
 - **Quality of life** - Our investment plans help to improve our customers' quality of life and tackle fuel poverty through the provision of warm and affordable homes, which meet SHQS and EESSH standards in relation to quality and energy efficiency. Our investment planning also recognises the importance that a good quality environment can have on the desirability of our communities and on quality of life, with significant funds committed to deliver improvements in these areas;
 - **Environmental maintenance** - Our approach to the delivery of environmental improvement will help to build capacity by reducing the maintenance burden on this service, enabling resources to be focussed on other key service priorities;
 - **Factored home owners** - Our 5-year plan demonstrates a commitment to seeking innovative solutions to assist factored home owners to participate in our investment programme, helping to reduce the financial burden where possible, whilst also benefitting DGHP tenants living in mixed tenure stock;
 - **Joint Venture with City Building Glasgow** – our relationship facilitates a more efficient approach to investment planning and delivery, maximising our buying power with suppliers to drive value for money and deliver wider community benefits and apprenticeships; and
 - **Asset sustainability** - By continuing to deliver investment in our existing assets we ensure the long term sustainability of our assets, helping to drive down responsive repair costs, whilst giving assurance to our lenders that we have a robust approach in place to manage and maintain our assets.

Impact on financial projections

- 8.2 The Core Investment Programme of £86.7m is contained within the overall £107.8m five year capital investment programme as set out in the 2021/22 financial projections.

9. Legal, regulatory and charitable implications

- 9.1 There are no specific legal implications arising from the creation of the Investment Programme.

10. Equalities implications

- 10.1 Our aspiration is for our homes to meet the long term needs of our customers, enabling them to remain in their home and to live as independently as possible. Our approach to medical adaptations enables customers to self-refer for minor adaptations such as handrails and lever handle taps. Major adaptations such as level access showers and structural alterations are also funded through the capital programme following a referral from an Occupational Therapist.
- 10.2 We have a robust approach to the identification and assessment of customer requirements as part of our project planning activities. Individual customer needs are considered on a project-by-project basis and this helps to inform the project design and specification.
- 10.3 Our communications strategy takes account of the broad cultural mix of our customer base with the ability to tailor correspondence to a range of different languages.

11. Environmental and sustainability implications

- 11.1 The Scottish government have set ambitious targets for the reduction of carbon footprint and the country's green agenda and response to climate change. DGHP will look to embrace this challenge and contribute towards Wheatley's overall objectives in these areas. We plan to deliver £39m of energy efficiency improvements over the life of the 5-year plan, which equates to 45% of the total core programme spend.
- 11.2 Our investment programme includes the use of new innovative technologies through our connected response programme of electric heating upgrade, installing Solar PV and battery technology. These projects will contribute positively towards the reduction of fuel poverty whilst also providing improved comfort and use flexibility with their heating.
- 11.3 Our investment programme recognises the challenge of EESSH2 with a new dedicated budget line now included within our programme to support the delivery of new innovative solutions to help deliver compliance with this ambitious standard over the next 10 years. This is in addition to existing work programmes such as heating upgrades, window replacements and external wall insulation which all contribute positively towards our EESSH2 commitments.

- 11.4 In preparation for the first EESSH2 regulatory reporting period we are currently developing a property-by-property assessment of energy performance characteristics in order to determine the exact requirements up to 2032 for each dwelling. For now, our investment programme recognises the challenge of EESSH2 with a new dedicated budget line within our programme to support the delivery of new innovative solutions to help deliver compliance with this ambitious standard over the next 10 years. This is in addition to existing work programmes such as heating upgrades, building fabric insulation, window replacements and the recently approved LCITP 'Social Housing Net Zero Heat' innovation project; which all contribute positively towards our EESSH2 commitments. Year 1 (2021/22) investment items have an anticipated carbon reduction value of 3035.58 tonnes CO₂. The carbon impact assessment is based on analysis using the Energy Saving Trust Carbon Calculator, Energy Performance Certificate Emissions Factors and OFGEM Typical Domestic Consumption Values. This analysis shows the following anticipated CO₂ reduction impact.

Area of the programme	CO ₂ reduction
Heating Upgrades	772.39 t
Window / Door Improvements	296.08 t
Building Fabric Insulation	289.01 t
LCITP ('Net Zero Heat Fund')	1728.11 t

12. Recommendation

- 12.1 The Board is asked to approve DGHP's 5 Year Asset Investment Programme 2021-2026.

List of Appendices

Appendix 1 - DGHP 5 Year Investment Plan 2021-26
Appendix 2 – Example of Investment scheme communications

DGHP 5 Year Investment Plan: 2021 - 2026

Over the next five years **£86.7m** will be invested in our homes and communities across the whole of DGHP. Output projections for some of the **key** investment work streams over the next 5 years are shown below:

Heating

Our heating programme is worth **£11.4m** over the next 5 years. The heating programme consists of £7.6m for boiler/full system replacements and a further £2.8m for electrical heating upgrades that will benefit **2790 homes** across the region.

EESSH

Our dedicated EESSH budget of **£3.2m** will help to support the delivery of additional investment interventions to increase the energy efficiency of our homes such as smart sensor technologies, Solar PV and battery technology. Work is underway to understand the scale of this programme and the investment work required at an individual property level to achieve compliance with this standard. The programme will therefore develop over the next 12 months.

Low Rise Fabric

The Low-Rise Fabric (LRF) programme consists of the provision of External Wall Insulation (EWI) and roof replacement works. We have planned investment of **£8.9m** over the next 5 years to accommodate the delivery of EWI and roofing replacements. 2021/22 will see the completion of the **£924k** accelerated EWI programme identified as a ballot promise priority.

Kitchen and Bathroom

We plan to invest **£22m** in new kitchens and bathrooms over the next 5 years. £20m is allocated to delivering lifecycle replacement kitchens for **2600 homes** and a further £2m will be invested in bathroom across the 5 years benefiting **1600 homes**.

Windows and Doors

We plan to spend **£21.9m** on window replacements over the next 5 years, benefitting over **4600 customers**. The programme will include one off installations where we have previously been refused access in addition to planned lifecycle replacements across the DGHP. 2021/22 will see the completion of the **£1.9m** accelerated window replacements programme identified as a ballot promise priority that will benefit **619 homes**.

Environmental

We will invest **£2m** in improving the environment within our communities over the next 5 years. The programme will include backcourt improvements for tenement stock including new bin storage provision and paths. 2021/22 will see the completion of the **£1.1M** accelerated environmental programme identified as a ballot promise priority.

Common Works

We have allocated **£3.9m** to deliver common area improvements encompassing investment such as improved security and decoration of foyers and landing areas.

Customer Voice

We are committed to putting our customers in control of investment decisions, which affect their homes and communities. We have allocated **£3.7m** to deliver customer driven investment works over the next 5 years. Our dedicated Customer Voice budget will help our local housing management teams deliver on their customers' investment priorities identified through the ongoing engagement activities.

Capital Compliance

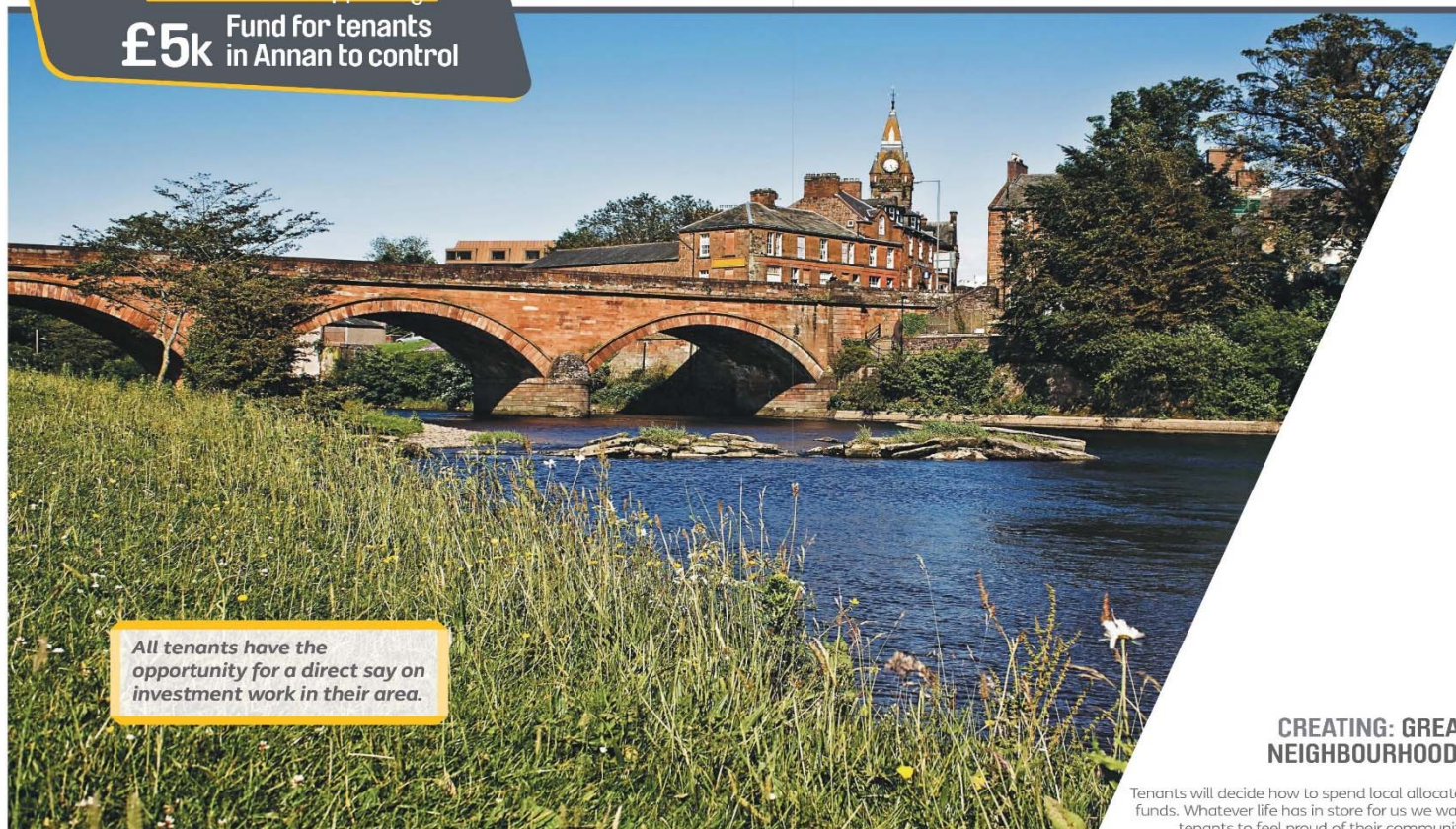
£936k of capital compliance works will be delivered over the next year to ensure our homes are safe and secure and to provide assurance that we are meeting our statutory and regulatory compliance obligations. This programme is predominantly installation of smoke and heat detectors across our stock which is nearing completion.

Wheatley Group
wheatley-group.com

WG_5 year investment
Brand consideration

Example: Inside
content:
DGHP

Five year investment programme and customer priorities



Look what's happening
£5k Fund for tenants
in Annan to control

All tenants have the
opportunity for a direct say on
investment work in their area.

**CREATING: GREAT
NEIGHBOURHOODS**

Tenants will decide how to spend local allocated funds. Whatever life has in store for us we want tenants to feel proud of their community.

Please note all locations/service examples/ '£' amounts are for example purposes only.



Report

To: DGHP Board

By: Matt Foreman, Managing Director

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

Subject: DGHP Transformation Programme

Date of Meeting: 26 May 2021

1. Purpose

- 1.1. This report provides the DGHP Board with a year end update against the DGHP transformation programme and sets out our approach to align the delivery of future strategic projects as part of the delivery of our new strategy, ***Your Home, Your Community, Your Future 2021-26***.

2. Authorising and strategic context

- 2.1 Under the Group Authorise/Manage/Monitor Matrix, the DGHP Board has responsibility for authorising new operating/service delivery models in its areas, such as those that the transformation programme will deliver. The Wheatley Board has responsibility for ensuring progress with key strategic projects such as DGHP's migration to operating successfully as part of Wheatley.

3. Risk appetite and assessment

- 3.1 The transformation programme is covered by the Operating Model (modernising services) category in the Group's risk appetite framework. Risk appetite in this area is "***Hungry***". This level of risk tolerance is defined as "eager to be innovative and choose options offering potentially higher business rewards (despite greater inherent business risk)."

4. Background

- 4.1 In January 2020, the DGHP Board approved the 'Time to Excel' transformation programme that delivers on the promises, commitments and outcomes enshrined in the Partnership Proposal endorsed by tenants in the tenant ballot and the associated Business Case approved by the DGHP Board. The transformation programme was established to gather pace and momentum into the delivery of services and improvements for customers.

- 4.2 As a result of the pandemic DGHP had a unique opportunity to redesign our transformation programme to reflect the new world we are operating in but remaining steadfast to the promises that were made to customers as part of the Partnership Proposal. A revised transformation programme was approved by the Board on 12 August 2020 and we have made excellent progress against our transformation ambitions over the last 12 months. A detailed update against the transformation plan is included at Appendix 1.
- 4.3 The transformation programme was structured into five themes. The following are some of the key highlights and achievements against the transformation programme:

Leadership

- Strengthening of the DGHP Governance arrangements with the implementation of the new governance framework as part of the Wheatley Group. This includes DGHP representation on the groupwide Development Committee, Audit Committee, Wheatley Foundation Board and Wheatley Solutions Board. We have also appointed a new DGHP Board Chair and a new DGHP Board Member.
- A new senior team has been recruited to lead DGHP including a new Managing Director, Head of Repairs, Development Manager, Head of Investment and Compliance and two new Heads of Housing.
- Agreed our new DGHP strategy, ***Your Home, Your Community, Your Future, 2021-26***, setting out our ambitious plans for the next 5 years of our journey.
- Significantly strengthened our partnership working with Dumfries and Galloway Council, Scottish Government, Police Scotland, Fire and Rescue Service and other statutory agencies across the region.
- Contributed to the development of the draft South of Scotland Regional Economic Strategy that is currently out to consultation.

Customer service

- Agreed our new engagement strategy, ***Stronger Voices, Stronger Communities*** to give customers more power and control of their services.
- We successfully completed the TUPE transfer of the DGHP repairs service from Morgan Sindall; securing 93 jobs and launching new IT systems, dynamic resource scheduling and a sector leading supply chain arrangement with Saint Gobain that will help realise 9% savings on materials. This resulted in DGHP receiving the award for innovation at the Chartered Institute of Scotland Awards.
- We have successfully completed the TUPE transfer of the gas service team from Saltire in April 2021.
- Delivered 26,720 repairs since the launch of the new repairs service, with an average response time for emergency repairs under 2 hours.
- We have appointed 23 new Housing Officers to implement our new operating model with a 1:200 patch size to deliver a locality based outstanding customer service through small patch sizes and excellent working relationships with our customers.
- We have provided 73 homes for use as temporary emergency accommodation and rehoused 465 homeless households since March 2020.

- We have rolled out a pilot of the Alertacall service for elderly customers to reduce isolation and provide reassurance.
- We have implemented wrap-around services much faster than had been anticipated. Since March 2020 we have supported over 4527 households to access Eatwell, energy advice, fuel top ups and the emergency funds during the pandemic.
- Our welfare benefits team have supported customers to access just under £1.5 million in benefits.
- Reviewed our Neighbourhood Management Service and agreed to implement the Wheatley Neighbourhood Environment Team (NETs) service from July 2021, creating new employment opportunities including the roll out of Modern Apprenticeships at DGHP.
- Wheatley Care have been awarded and mobilised a new homelessness support contract by Dumfries and Galloway Council, with over 40 households already benefitting from that support.
- We have agreed to provide up to 20 homes to deliver the Housing First pilot in the region.
- We received unanimous support from the Homes 4D&G Partners to review the current lettings scheme across the region.
- Implemented the group wide 24/7 contact centre approach, proving a broad range of services to customers at a time that suits them.

Our People

- We have consulted our repairs teams to harmonise four different sets of terms and conditions following the TUPE transfer from Morgan Sindall.
- We have aligned our teams with Wheatley Solutions, Wheatley 360 and Wheatley Care, benefitting from extensive capacity and expertise provided by teams across the group.
- We have launched My Academy and W.E. Rewards for the DGHP Teams, providing increased learning and development opportunities for staff and financial savings as part of the improved employment offer.
- The Foundation have awarded 14 Bursaries to support DGHP customers to pursue further education and recruited our first two Ignite Graduates.
- We have secured the long-term employment of 114 employees TUPE'd into DGHP from Morgan Sindall and Saltire, securing local employment opportunities. We are working with Wheatley Foundation to collate the training and job opportunities generated as part of our new build and investment programme.
- We have made significant progress in our shift to deliver a digitally enabled agile workforce across the region as part of our new operating model.

Business Infrastructure

- We have successfully refinanced the funding arrangements for DGHP, benefitting from extremely competitive rates and providing funding to invest in the quality of our current homes and the delivery of new homes.
- We have agreed our new operating model and new office structure as part of our new agile delivery model, including the purchase of a new Centre of Excellence in Dumfries Town Centre.
- We have adopted the Group risk management and performance framework.

- We have implemented the second of a three-year promise to cap rent increases to no more than 2%, providing savings to our customers against the previous rent increases in the business plan before joining the group.

Asset and Development

- Invested £6.89m into our investment programme in 2020/21 and improved our SHQS to 87% full compliance or 93.8% including abeyances and exclusions at the end of March 2021.
- We have agreed our 5-year development programme approved by the DGHP Board.
- We have completed our first new build development scheme since joining the group at Sanquhar, providing 12 bungalows as part of our commitment to providing new homes and in particular new homes for older people.
- We have new build schemes on site at Lincluden and Monreith with a start on site imminent for Nursery Avenue. We have also secured £1.4m additional funding to deliver 18 homes at Eastriggs.

5. Customer engagement

- 5.1 The transformation programme incorporated the customer promises that DGHP customers were consulted on as part of the Partnership Proposals. In March 2021 DGHP met online with the Independent Tenants Federation and presented an update on progress with the transformation programme which was positively received. As part of the **Stronger Voices, Stronger Communities** framework DGHP have set out an engagement plan for 2021/22 which ensures we continuously engage with customers to give them more power to influence services.

6. Moving from transformation to strategy delivery

- 6.1 DGHP, including through its transformation plan, has reached the point where it operates like any other partner in Wheatley Group with its own strategy and priorities shaped by its customers. This reflects the significant progress at pace against our transformation programme. Reflecting this, we are proposing going-forward to mainstream the delivery of transformation and service improvements as part of the Group-wide approach to delivering strategic priorities through the Strategic Delivery Plan. Strategic Delivery Plans provide a framework within which all strategic projects are incorporated to ensure delivery of strategy.
- 6.2 Progress against the projects is reported to the Board every three months as part of the performance framework. As DGHP move from transformation towards delivery of our strategy this provides a natural point at which to make that transition, whilst continuing to provide the DGHP Board with an overview of progress against key strategic projects on our quarterly basis.
- 6.3 To ensure we keep our focus on the delivery of promises to customers we have reviewed the DGHP transformation programme and the promises made to customers from the Partnership Proposal in 2019. A summary of the progress against the transformation programme is attached as appendix 1 and a summary of progress against the Partnership Promises is attached at appendix 2.

- 6.4 A proposed Strategic Delivery Plan for DGHP which incorporates our key strategic projects for 2021/22 and any remaining Partnership Promises is at appendix 3. It is proposed this will form the DGHP Strategic Delivery Plan which will be reported to Board on a quarterly basis.
- 6.5 The Group Executive Team will continue to provide executive level oversight with monthly reporting of all Group wide Strategic Delivery Plan Projects. This is underpinned by the DGHP Strategic Delivery Group which meets every two weeks and is chaired by the DGHP Managing Director.

Key issues and conclusions

- 6.6 Over the last 12 months DGHP have made significant progress against the transformation programme which has enabled us to deliver change at significant pace, despite the challenges of the pandemic.
- 6.7 Appendix 3 sets out the proposed 2021/22 DGHP Strategic Delivery Plan, incorporating any transformation actions not yet completed and any customer Partnership Promises. Progress against the Plan will be reported to the DGHP Board on a quarterly basis.
- 6.8 Proposed implementation timescales are included in Appendix 3 for key DGHP Strategic Delivery Plans and any remaining Partnership Promises. This will be reported to the DGHP Board on a quarterly basis as part of the performance reporting framework.
- 6.9 Strengthening DGHP and its ability to deliver local priorities including new build and employability opportunities through the transformation programme will enhance its relationship with key stakeholders.

7. Digital transformation alignment

- 7.1 The DGHP Transformation programme includes a number of digital transformation projects that have been implemented over the past 12 months including the delivery of the new in-house repairs service. In January 2022 DGHP will move onto group wide IT systems which will help further unlock the benefits of the group IT systems for customers and DGHP staff. This will bring with it increased access to online services and also provide our Housing Officers with **Go Mobile** as we continue to enhance the customer service in local communities.

8. Financial and value for money implications

- 8.1 The transformation programme will be delivered within existing DGHP and Wheatley Business Plans.

9. Legal, regulatory and charitable implications

- 9.1. There are no legal or charitable implications arising from the transformation programme. We continue to provide regular updates to the SHR as part of our routine engagement across the Wheatley Group.

10. Equalities implications

- 10.1 Equalities implications will be considered as part of detailed scoping and delivery of applicable activities within the transformation programme.

11. Environmental and sustainability implications

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

12. Recommendations

- 12.1 The Board is asked to:

- 1) Note the progress made to deliver the 2021/22 transformation plan; and
- 2) Agree to the 2021/22 DGHP Strategic Delivery Plan at Appendix 3.

List of Appendices

Appendix 1 – DGHP Transformation Plan 2020/21

Appendix 2 – DGHP Partnership Promises

Appendix 3 – Proposed DGHP Strategic Delivery Plan 2021/22

**Time to Excel - DGHP Transformation
Implementation Programme and
Partnership Promises**

Project	Measures	Completed	Comment
Heads of Housing recruited	Heads of Housing in place		
Restart external investment works July 2020	External works restarted in line with Covid restrictions		Works recommenced but paused due to new lockdown restrictions in January 2021.
24/7 out of hours service with Wheatley Contact Centre	24/7 out of hours service in place		
Start recruitment for vacant housing posts in September 2020	23 Housing Officers appointed and new 1:200 operating model in place		
Develop new DGHP Strategy	Strategy approved by DGHP Board		
Train new teams on processes, wraparound toolkits and 'Think Yes Together'	Induction programme for all new teams and staff		
Start consultation with DGHP support services to align with Wheatley Solutions and Wheatley 360.	Terms and conditions aligned throughout the team and with Group		
Start review of DGHP supported housing to align with Wheatley Care quicker	DGHP support teams formally reporting via Wheatley Care and Care improvement plans developed for 2021/22.		
Delivering new repairs service at scale	Full repairs service rolled out as Covid restrictions ease		Remobilised 26/04/21 due to Covid restrictions
TUPE Heating/gas Service into DGHP	In-house heating service in place following TUPE of 21 employees from Saltire, securing future local employment for this service.		
Review Repairs teams terms and conditions	Repairs team consulted to harmonise four sets of Terms and Conditions across repairs teams.		Consulted repairs teams on new T and Cs offer. Overall very well received with some minor amendments to conclude consultation feedback.
Develop business continuity plans in line with agreed group policy	Business continuity plans reviewed and revised in line with agreed group policy		
Apprenticeship roles recruited to and started	Ignite Trainees recruited and in place at DGHP.		
Phased role out of enhanced staff support: WE Rewards, occ health etc	Staff can access enhanced service including WE Rewards, 24/7 confidential helpline and new Occupational Health Support		
Develop Investment Plan with Development Committee to deliver 1000 homes	5 year development plan in place		Carried forward - part of Group Strategic Delivery Plan 2021/26
Handy person service	Handy person service in place and rolled out to customers in May 2021 in line with easing of covid restrictions		Implemented from May 2021 due to Covid restrictions
Consult on rent increase no more than 2%	Consultation complete and rent increase implemented		
Develop and launch new DGHP website	Website developed, engagement complete, website launched		
Review Homes 4D&G Partnership	Agreement by strategic partners to review Homes 4D&G.	31/01/22	Carried forward - part of Group Strategic Delivery Plan 2021/26
DGHP digital technical integration	DGHP onto Group wide systems	31/01/22	Carried forward - part of Group Strategic Delivery Plan 2021/26

Make decision on new hub delivery locations based on smaller touchdown hubs with new agile and blended delivery model	DGHP Dumfries Hub complete - 28/2/22	28/02/22	Carried forward - part of Group Strategic Delivery Plan 2021/26
Brand developed and agreed		Paused	DGHP Board agreed to defer and review at later date.
Home Comforts	Develop Proposal for roll out of Home Comforts for DGHP	31/03/2022	Explore and develop suitable delivery model for role out of Home Comforts in DGHP.
My Savings	My Savings rolled out to customers	17/05/2021	Carried forward - part of DGHP Strategic Delivery Plan 2021/22
Deliver SHQS and EESH compliance	Achieve compliance with regulator standards	31/08/2021	Carried forward - part of DGHP Strategic Delivery Plan 2021/22

DGHP Partnership Promises

Customer Promise	Measures	Completed	Comment
Eatwell	Eatwell - food parcels/vouchers in place		3415 Eatwell parcels and £40,910 in vouchers delivered to DGHP customers
Improved frontline and customer services with more staff working much more closely with customers and communities	23 new housing officers recruited. New 1:200 patch model implemented and improved 24/7 out of hours contact centre in place.		
Additional investment capacity to improve homes, making them modern, warmer and more energy-efficient	We have invested £6.89m in 2020/21 and have a 5 year finance plan agreed including £45.7m over 2021-23. (£27.8m 21/22, £17.9m 22/23)		Investment lower in 2020/21 due to Covid restrictions but increases in 2021/22 approved within DGHP Business Plans.
Lower rents than planned with increases	Second year of 2% increase rent cap implemented in 2021/22		
Fuel advisors/energy advice, fuel top ups and emergency fund	Fuel advisors in place along with fuel top ups and access to emergency fund		925 customers receiving advice/fuel top ups
DGHP will be stronger, allowing us to do more for tenants and communities	Added benefit improvements drawn down from group expertise include; support throughout pandemic, improved website, 24/7 contact centre, dedicated protection resource in Wheatley 360 with access to improved fire safety, ASB and Police resources, improved finance and treasury management assurance and improved governance support.		
Retain and develop our locally-based staff and grow the DGHP workforce by bringing the repairs service in-house	Repairs service being delivered in-house, along with heating/gas servicing		This has been further enhanced with the TUPE of the gas service from April 2021 and the pending insourcing of the NETs service in July 2021.
Work closely with the other housing associations which are already part of Wheatley Group.	We work closely with other group housing associations to benefit shared learning, skills and to draw on the group expertise to improve services		Closer working with Group CIP team to tackle ASB, improved fire protection advice and support, expertise to help shape and deliver our new build programme. Close working to support customers throughout pandemic. DGHP teams are active membership of group wide Communities of Excellence networks.
Have our own Board who would make decisions and set the strategies and policies. We would also have a place on the Wheatley Group Board, influencing Groupwide decisions	DGHP Board in place and strengthened with improved governance arrangements and new Chair		
Achieve better value for your money as we could take advantage of the size and strength of a group and all its expertise	Additional benefits leveraged for customers as result of joining Wheatley Group in first year. This included significant financial benefits from refinancing by DGHP Board to support investment and new build programme.		
A free handyperson service	Handyperson implementation in May 21 as part of remobilisation plans.		
Additional services, over and above our existing sheltered housing, to help older people stay independent in their home for longer	Handyperson role being delivered from May 21. Alertacall pilot rolled out to DGHP customers. 12 new build bungalows built in Sanquhar. 101 adaptations competed in 2020/21.		Further development of Older Persons Service included in 2021/22 Strategic Delivery Plan for Care Phase 1 alignment which will also develop plans for roll out of Livingwell model at DGHP.
1000 new-build houses in the region	5 year development programme in place		First new build site completed at Sanquhar. Five year development programme in place. 86 homes in first 5 sites approved for development with overall investment of £15.9m
Up to 500 new jobs, training places and apprenticeships in our communities created through the expanded investment and new-build programmes and Wheatley Group's employability schemes	2 ignite graduates recruited, 14 bursaries. Roll out of Wheatley Works to be implemented in 2021/22 Strategic Delivery Plan.		Further progress to be made in 2021/22 with implementation of Wheatley Works as part of Strategic Delivery Plan Projects.

Home Comforts	Develop delivery model to roll out Home Comforts in DGHP		
W.E. Benefits	W.E Benefits to be implemented for DGHP customers from May 2021.		
Keep our name and our identity in the partnership	DGHP recognised in D&G and strengthened by strategic partnership working with DGC		

DGHP Strategic Delivery Projects 2021/22		
Project	Outcomes	Target
Introduce in house NETs service to DGHP	Improved quality of environmental management services measured against Keep Scotland Beautiful criteria (KSB) with increased customer engagement opportunities.	31/07/21
Identify potential DGHP new build opportunities via stock viability appraisal	Completion of Strategic Asset Return on Investment to inform investment and regeneration opportunities for DGHP.	31/10/21
DGHP Care phase 1 alignment	New Support contract implementation to improve homelessness support Care wraparound services utilised in DGHP Care Review of Young Persons Service/Temp accommodation funding and model	31/12/21
Carry out a review of common housing registers and choice based letting systems currently used within the Group	Review of Homes4D&G with partners and DGC will help inform groupwide review of lettings	31/01/22
Digital Repairs Service enhancements introduced	Book It, Track It, Rate It introduced in DGHP	31/01/22
DGHP digital technical integration	DGHP onto Group wide systems improving self service options for customers and delivery of Go Mobile for DGHP staff	31/01/22
Implement Group corporate estate model - phase 1	DGHP Dumfries Hub complete	28/02/22
Expand Wheatley Works into DGHP	Delivery of increased employment opportunities working with local employability delivery partners. Roll out Wheatley Pledge offering to local employers Introduce Modern Apprenticeship programme Expand Changing Lives programme into DGHP Capture increased job and training opportunities as part of 500 promised in the Partnership agreement.	31/03/22
Develop and agree joint plans for DGHP Transformational Regeneration Area (Lochside)	Strategic agreement with Dumfries and Galloway Council for Transformational Regeneration area and draft masterplan outlining long term approach to regeneration	31/03/22
Implement new engagement framework - Phase 1	Engagement Plan developed for DGHP 21/22 to include recruitment of Tenant Voice, Recruitment to Customer Voices, Roll out of Keep Scotland Beautiful assessors and pilot You Choose Challenge in DGHP	31/03/22

DGHP Promises 2021/22		
Project	Measures	Target
Implement My Great Start	Implement My great start for new tenants to increase tenancy sustainability	31/06/2021
Implement WE Benefits	Access to WE Benefits will provide savings for DGHP customers and increase disposable incomes to support tenants to maintain their tenancy.	31/05/21
Home Comforts	develop delivery model for Home Comforts in DGHP	31/03/22
Assess options for DGHP3	Review of DGHP3 completed as part of intragroup agreement	31/03/21
Deliver SHQS and EESH compliance	Achieve compliance with SHQS / EEESH standards	31/08/21
Develop strategic agreement with DGC	Strategic agreement in place to outline new partnership approach between DGHP and DGC.	30/11/21



Report

To: DGHP Board

Report by: Matt Foreman, Managing Director

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

Subject: DGHP Annual Charter Returns and Delivery Plan Year-End update

Date of Meeting: 26 May 2021

1 Purpose

- 1.1 This report seeks approval of the Annual Return on Charter (“ARC”) results for GHA for 2020/21. It also provides a year-end update on progress delivering the targets and strategic projects in the Delivery Plan 2020/21.

2 Authorising and strategic context

- 2.1 Under the terms of the Authorising Framework, DGHP Board is responsible for setting the overall Performance Framework and approving the delivery plan for each year. Under the Group Authorise/Manage/Monitor Matrix, the Board has an ongoing role monitoring performance in DGHP against the key indicators agreed under the performance framework.
- 2.2 The figures reported for the ARC are at a draft stage and are subject to further validation and checks by DGHP and the Scottish Housing Regulator. Final validated figures are published by the Regulator in the autumn.

3 Risk appetite and assessment

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

4 Background

- 4.1 Our Annual Return on the Charter covers the 2020/21 financial year. This was an exceptional year due to the COVID-19 pandemic. The pandemic had a significant impact on our ability to deliver services, which in turn had ramifications for our performance. It is worth reflecting that despite the exceptional landscape, performance has held up well in relation to lettings, rent, repairs and tenancy sustainment. To reflect the challenging operating context, the Board agreed a phased set of targets for the year which were best on assumptions regarding remobilisation of our services. GHA has delivered the performance noted below whilst also moving to a new more agile operating model.

- 4.2 Social landlords are responsible for meeting the standards and outcomes set out in the Social Housing Charter and are accountable to their tenants and customers for how well they do so. The Charter is part of the SHR's assessment of how these outcomes are being met. All RSLs and local authority housing services are required to complete the Charter indicators and submit these by 31 May each year. The SHR publishes results for all organisations.
- 4.3 The SHR uses the Charter results to focus attention on important risks and key aspects of landlord performance. The outcomes apply to all social landlords, with the exception of those relating to local councils in relation to their homeless duties and to councils and registered social landlords that manage sites for Gypsies / Travellers.

5 Customer engagement

- 5.1 A summary of the results in this report will be benchmarked against national performance when published later this year and presented to the Tenant Scrutiny Panel in October.
- 5.2 Due to the impact of COVID-19 on customers, we decided it was not an appropriate time to carry out the full annual survey on our customers. Qualitative research using interviewers would not have been allowed or appropriate under social distancing restrictions, and paper-based surveys may have resulted in a low response rate that may have been adversely affected by personal circumstances relating to the pandemic and outwith our control. The full suite of the services that would have formed part of the traditional annual survey were not being delivered to enable a valid survey.
- 5.3 This decision has had an impact on some of our ARC measure reporting, as we have not carried out the usual annual survey of our tenants. The SHR allows results to be used for three reporting years and as a result, we are reporting satisfaction figures that we have reported in 2019/20. As a result, we did not set targets this year. A similar situation also affects our repairs satisfaction figures, which are based on a 12-month rolling figure using surveys submitted by customers on the completion of a repair. With the launch of the new in house DGHP repairs service we had planned to use the handheld technology to collect repairs satisfaction. This was not possible to implement due to the pandemic, however we have introduced an interim text satisfaction survey in until we can revert back to our original plans as restrictions are lifted.
- 5.4 We plan to conduct a customer survey later in 2021/22 to ensure we have data to report next year. We will carry out a survey of tenants and customers in 2021/22 that will focus on their experiences and the impact of COVID-19. In 2022/23, we will then resume a regular annual survey of our customers and tenants.

6 Discussion

- 6.1 Despite the challenges caused by the pandemic across the sector, the Board have consistently recognised the outstanding performance and service delivery we have achieved.
- 6.2 In terms of the impact on the wider UK sector, a recent report by Housemark (COVID-19 Impact Monitoring Report, April 2021) found the following:

- Current tenant average arrears ended the year at 3.46% as an average for the sector. This is 17% higher than the equivalent position in 2019/20. Underlying this UK-wide result of increased arrears, Housemark found considerable variation. Around half the sector ended 2020/21 with better arrears balances than 2019/20. The other half recorded increases in arrears during the year, many modest and manageable, but a significant group – as many as 1 in 5 landlords – struggling with year-on-year increases of over 20%.
- DGHP Gross Rent Arrears (GRA) for 2020/21 was 3.86% compared to Scottish average for +10,000 home organisations which reported GRA of 8.17%
- The sector median for sickness absence was 4.6% of working days lost – our result far outperformed the sector, with **only 1.49%** of working days lost
- As of March 2021 the Scottish average for properties with a valid gas certificate was 99.98%. DGHP outperformed this figure with 100% of homes having a valid gas certificate
- 90% of landlords have accelerated their digital transformation. 1 in 12 are moving back-office workers to home based.

6.3 Within this operating context a summary of performance against for key Charter measures are set out below. A full set of figures for against target is provided in Appendix 1.

Gross Rent Arrears

- 6.4 The exceptional support we provided to our customers throughout the pandemic limited the impact on the rate of arrears. DGHP finished the year at 3.86% against a target of 4.40%. This is a significant achievement considering the economic situation and in comparison to performance reported across Scotland.
- 6.5 This good performance is despite not having the usual tools available in the normal arrears recovery process, including court action. Our strong individual customer relationships have worked well for us, as has the availability of a wide range of wraparound services to support customers to pay their rent and our campaigns to promote these services and urging customers to talk to us.

RSL	2019/20	2020/21 Performance against target	Year-End and RAG	Target	SHR average for comparison (February)
Cube	5.24%	4.96%	■	5.52%	4.36%
DC	4.00%	3.90%	■	4.51%	4.36%
DGHP	3.97%	3.86%	■	4.40%	8.17%
GHA	4.80%	4.78%	■	5.60%	8.17%
Loretto	5.10%	3.05%	■	4.80%	4.36%
WLHP	2.34%	2.62%	■	3.10%	4.36%
Group	4.61%	4.49%	■	5.24%	6.16%








- 6.6 DGHP's performance contrasts with the trend seen across Scotland throughout this year, which was continual increase during the pandemic until signs of recovery in March. The Scottish Housing Regulator's most recent published average shows the average increasing from 5.81% in March 2020 to 6.16% at the end of March 2021. DGHP arrears of 3.86% is significantly better performing than the council comparison figure (>10,000 properties), for which the average arrears rate is 8.17%. Housemark figures suggest that over half the sector ended the year with current tenant arrears of 3.5%, but 1 in 20 landlords have arrears of over 20%.

Average Days to Re-Let

- 6.7 The average days to re-let a property in DGHP was affected by the pandemic restrictions which prohibited letting/house moves in the first lockdown in 2020. The time to repair and prepare a property and interactions with customers were also slower due to social distancing requirements. Despite the challenges DGHP are reporting a year end performance of 37.26 calendar days. This is a significant achievement in the context that a large part of last financial year we had limited ability to let vacant homes.
- 6.8 Despite the effect COVID-19 has had on our Charter letting times, we have reduced void levels to pre-pandemic levels. Give ups and lets have been monitored on a weekly basis since letting recommenced in August.








Tenancy Sustainment

- 6.9 DGHP performance is 84.98% compared to a group wide performance of 89.13%.
- 6.10 We have carried out a comprehensive review of our tenancies that fail to sustain beyond 12 months and have found that the majority of tenancy failures in the first 12 months are previously homeless households. This is also a pattern that other housing providers in Dumfries and Galloway have identified with similarly low levels of sustainment in this area. This has resulted in an action plan developed to increase the quality and capacity of support for new DGHP tenants, an increase in the tools available to housing officers to support customers with wraparound services and closer working with the Council to identify and learn from homeless tenancy failures. This remains an area of focus for DGHP over the coming 12 months.

Tenancy Sustainment	2019/20	2020/21	2020/21 Figures
Cube	88.02%	88.31% 	423 / 479
DGHP	85.72%	84.98% 	809 / 952
Dunedin Canmore	93.79%	92.51% 	420 / 454
GHA	90.35%	89.73% 	3,128 / 3,486
Loretto	90.59%	90.27% 	167 / 185
WLHP	98.39%	92.65% 	126 / 136
Group	89.75%	89.13% 	5, 073 / 5,692

Repairs

- 6.11 We carried out emergency repairs on average within 1.90 hours against the target of 3 hours. DGHP provided this emergency service within targeted time despite the ongoing challenges of social distancing and restrictions.

Emergency repairs carried out within targeted time (hours)	Target	Performance
Cube	3.00	2.91 
DGHP	3.00	1.90 
Dunedin Canmore	3.00	2.65 
GHA	3.00	2.96 
Loretto	3.00	2.80 
WLHP	3.00	2.52 
Group average	3.00	2.76 

- 6.12 Repairs services remobilised in November, with some exclusions for safety reasons. However, in January, a further lockdown again restricted services until late April 2021. A consequence of being unable to provide a full service safely in the first half of the year is that there is backlog of works such as roofing, drainage and customer requests. These will be project managed in a co-ordinated way as we are able to resume services.

Gas Safety

- 6.13 The Charter measure shows the number of certificates that have expired at any point during the last 12 months and for this reason all social landlords will report higher than usual figures for the year against this Charter measure, due to safety precautions we took for our staff and sensitivity to the concerns of our customers accessing their properties during the lockdown. In total, there were 298 gas safety certificates expirations.
- 6.14 As a Group we prioritised our landlord responsibility to reduce the backlog of expired gas servicing certificates that arose during this early part of the pandemic. Targeted and focused efforts across the Group reduced the number of expired gas safety certificates that arose and we have been in a 100% compliant position with no further expired gas certificates across all Group subsidiaries since September, despite further lockdowns over the winter and spring.

DGHP Summary Performance

- 6.15 This section presents a summary of DGHP performance against the key Charter measures. A full breakdown of all DGHP performance against the full set of measures is provided in Appendix 1.

RSL	Green	Amber	Red	Contextual, no target or not applicable
Cube	10 (67%)	3 (20%)	2 (13%)	15
DGHP	9 (60%)	4 (27%)	2 (13%)	15
Dunedin Canmore	12 (80%)	1 (7%)	2 (13%)	15
GHA	10 (65%)	4 (25%)	2 (13%)	14
Loretto	10 (67%)	2 (13%)	3 (20%)	15
WLHP	12 (80%)	2 (13%)	1 (7%)	15

- 6.16 DGHP met target for 60% of the targeted Charter measures. Complaints were responded to within timescale and 99.9% anti-social behaviour issues reported were resolved. Repairs were carried out within the 3 hour target for emergency repairs with 93.26% of all repairs right first time. Medical adaptations were completed within 43.3 days which was significantly impacted by the pandemic. The percentage of lettable homes that became vacant reduced to 7.83% from 9.84%. This reduction was seen Group-wide and may have been due to people wanting to stay in place during the pandemic.
- 6.17 DGHP achieved amber performance in 4 measures. The percentage of complaints responded to in full at year end was 95.81%. This measure is taken at a point in time at year and at which point there were 9 complaints currently being investigated, all within target timescales.

- 6.18 The percentage of stock meeting the SHQS was 87.07%, however this increases to 93.8% when exemptions and abeyances are included. The average time to complete non-emergency repairs was slightly outside target at 5.63 days but a significant improvement from 8.44 days since bringing the repairs service in house. The number of tenancies that sustained for more than a year was 84.98% and has been an area of focus as outlined in section nine.
- 6.19 There were two red indicators for DGHP. Like all other Group RSLs, DGHP was unable to carry out gas safety certificate checks during the first lockdown and recorded 298 expiries. We prioritised this work as part of remobilisation and since September have been in a 100% compliant position. Rent lost due to properties being empty was also higher this year across the Group and DGHP recorded 0.86% against last year's figure of 0.77%.

Other Key Performance Measures

- 6.20 The following sections present year-end performance against our measures in our other key business areas for your information. The dashboard for all these measures is attached as appendix 2.

New Build Programme

- 6.21 DGHP completed our first new build scheme since joining group with the handover and letting of 12 bungalows in Queensbury Square, Sanquhar.

Fire Prevention

- 6.22 Lockdowns posed a particular challenge for fire prevention work; more people staying at home for extended periods increases the risk of accidental dwelling fires. Scottish Fire and Rescue reported a national increase over the year.
- 6.23 DGHP do not hold historical accidental fire data, however we have now started to collate this as part of the group wide fire prevention framework.

Number of recorded accidental dwelling fires	2019/20				2020/21			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Cube	6	2	3	1	3	3	5	2
DGHP	N/A	N/A	N/A	N/A	6	4	5	8
Dunedin Canmore	N/A	3	3	4	5	0	0	4
GHA	43	59	55	43	53	39	33	36
Loretto	2	2	0	1	7	1	4	5
WLHP	0	0	0	0	0	0	0	0
Total	51	66	61	49	74	47	47	61

Homelessness

- 6.24 As reported previously, the Group prioritised its support to the Scottish Government's initiative to provide housing for homeless people during the pandemic. As a result, we have increased the percentage from 31.9% in 2019/20 to 60.3% this year. When we focus on only those lets for which we have more control ("relevant lets"), the table below shows that we have increased to 63%. The Scottish Housing Network has published an average figure for RSLs of 34.9% lets to homeless applicants.

Percentage of lets to homeless applicants	2019/20 (Charter)	2020/21 (Charter)	2020/21 Relevant Lets	Target
Cube	21.2%	61.3%	65.4%	65%
DGHP	40.4%	50.3%	51.8%	50%
Dunedin Canmore	48.2%	57.7%	72.8%	50%
GHA	30.1%	63.1%	65.7%	65%
Loretto	15.9%	75.2%	57.1%	65%
WLHP	27.9%	65.0%	69.7%	50%

Customer Service Centre

- 6.25 Our Customer Service Centre answered an average of 71% of calls within 30 seconds in the year to date, against a target of 75%. The percentage of calls presented to the Glasgow and DGHP Hubs and answered within 30 seconds has improved continually since October, despite a number of operating and staff changes over the course of the year. These changes included the permanent secondment of staff from the DGHP Customer Service Centre into the Group 24/7 model. During the DGHP transformation we also experienced a high level of staff turnover as contact centre staff were successfully promoted into new housing officer roles in DGHP. Despite performance not meeting target, the CSC has made substantial improvements to its performance over the course of the year and has a strong foundation to take into the new reporting year.

Sickness Absence

- 6.26 We recorded low levels of sickness absence throughout the year. Although partly due to staff working from home and staff who were furloughed, the improvement in this measure shows the resilience and commitment of our staff. Working from home has benefits, but during the pandemic it also brought challenges such as isolation and learning new ways of working, such as video calls. Our staff rose to the challenge that had to happen almost overnight. Showing remarkable adaptability and dedication, during this time Wheatley staff were instrumental in keeping their tenants and customers safe and supported. For example, Wheatley's Universal Credit task force helped 3.3k people claim UC in the first seven weeks of the pandemic—almost twice as many as usual. Staff also worked hard to find new ways to connect with customers, including over the phone and online when face-to-face visits could not happen. Even during lockdowns and restrictions, staff were determined to ensure that their tenants and customers felt connected and could access vital support as and when they needed it.

Percentage of working time lost due to sickness absence	2019/20	2020/21
Cube	1.28	0.69
DGHP	4.74	1.49
Dunedin Canmore	2.85	1.45
GHA	3.03	1.05
Loretto Housing	5.53	0.87
Wheatley 360	Incl. in GHA	1.80
Wheatley Care	4.52	3.85
Wheatley Solutions	2.34	1.39
WLHP	0.27	3.61
Group average	3.47	2.13

- 6.27 Due to the pandemic, we also had to suspend Wheatley Works for much of the year, greatly reducing the level of activity. This is now included in the DGHP Strategic Projects proposed for this year to expand Wheatley Works across Dumfries and Galloway, providing more training and employment opportunities.
- 6.28 2020/21 began with the Wheatley Foundation adapting programmes to meet customers' immediate needs as the COVID-19 pandemic hit. The Foundation's Eat Well and the Emergency Response Fund were at the forefront of the Group's customer support package, responding to urgent daily requests for food and other essential items. DGHP benefitted from the group expertise and resources as we quickly rolled out essential support to customers including:
- Scottish Government and Ofgem grants over £1.4m provided energy vouchers for Wheatley customers.
 - After receiving almost 200 online applications from customers across Group, the Foundation made provision for an extra 30 new education bursary awards, bringing the total number available up to 80 this year. This included 14 DGHP customers.
 - The Group's Christmas Vouchers Scheme supported families with a £30 supermarket voucher for each child in the household. Parents/carers of almost 15,800 children across Group received Tesco, Asda or Sainsbury's Vouchers to help with Christmas purchases. The Foundation and Universal Credit teams worked together throughout December to distribute vouchers via text and email, so 8,000 households could buy presents and food over the festive period.
 - Eat Well supported 11,325 households across the group with over 33k food packs or vouchers in 2020/21, helping customers affected by health issues, financial hardship and reduced income during the pandemic.
 - The Emergency Response Fund was mobilised quickly and, with additional support from external funding, assisted customers with one-off purchases at the height of the pandemic and throughout the year. The ERF was able to help people through a difficult period when other support services faced delays or temporary closure. Purchases varied from mobile phones and fuel top-ups to larger purchases such as beds, cookers and fridges, supporting 6,751 vulnerable households across the group. We began issuing digital vouchers where possible, helping speed up the process and giving customers more choice.
 - The Dolly Parton Imagination Library delivered almost 5,800 books to 619 children under five, continuing to support early-years literacy and children's introduction to books.

Strategic Project Delivery

- 6.29 Appendix 2 presents progress towards each of the strategic projects in the revised delivery plan for 2020/21. Of the 6 projects, four are completed, one is on target as it spans across two financial years and one is delayed.
- 6.30 The Group Homelessness Framework, Customer engagement framework and the delivery of the in-house repairs service has been successfully completed. There is a separate report to the Board outlining the delivery of the transformation programme, with significant progress made during our first full financial year as part of the Wheatley Group. The establishment of the TRA has been impacted on due to the pandemic and availability of resources in DGHP and the Council during the period when priorities were focussed on essential services for customers. The Group wide anti-social behaviour framework is on target and anticipated to be presented to the Board in August.

- 6.31 This report outlines relatively strong progress in achieving the majority of performance targets and the delivery of projects, despite the challenges posed by the COVID-19 pandemic and an unprecedented year. Particularly strong performance by DGHP in rent collection and reducing arrears means that the economic impact of the pandemic was mitigated by a Group response. Repairs, too, performed strongly under challenging service delivery circumstances. Key areas of focus as we continue into 2020/21 will be the continued support of customers who may be experiencing additional financial hardship and to manage our arrears, continued focus on letting properties and supporting our contribution to reducing homelessness, and delivery of safe and high-quality repairs and care services to our customers.

7 Digital transformation alignment

- 7.1 The delivery of our digital transformation plans with increased self service options that put the customer in control for key services, including reporting repairs, income collection methods and ASB will help to improve and increase customer satisfaction and performance for DGHP.

8 Financial and value for money implications

- 8.1 The measures and projects included in this report were agreed as the delivery plan for 2020/21. These items are intended to focus service improvement on the key priorities within the Strategy to make sure that financial and other resources are aligned with our priorities.
- 8.2 There are no direct financial implications arising from this report. Any financial requirements related to actions and projects within the report are subject to separate reporting and agreement.

9 Legal, regulatory and charitable implications

- 9.1 The SHR requires an Annual Return on the Charter from each RSL. Key indicators within this return are also included in monthly performance reporting. RSL Subsidiary Boards approve the final return and the information is included in the year-end performance report to the Board. RSLs are also required to involve tenants in the scrutiny of performance, which the Group does through its Tenant Scrutiny Panel, and to report to tenants annually by October.

10 Equality implications

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

11 Environmental and sustainability implications

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

12. Recommendations

- 12.1 The Board is asked to:
- 1) Note the contents of this report; and
 - 2) Approve the attached Annual Returns on the Charter for DGHP.












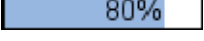
List of Appendices

Appendix 1: DGHP Annual Return on the Charter

Appendix 2: Strategic Projects Dashboard

DGHP Charter Indicators	2019/20 Results	2020/21 Draft Results	20/21 Target
ARC survey questions measured annually No annual surveys carried out in 2020/21			
01. % Annual tenants satisfied with the overall service	94.83%	94.83%	N/A
02. % Annual tenants who feel their landlord is good at keeping them informed about their services and decisions	95.93%	95.93%	N/A
03. % Complaints responded to in full at Stage 1 and the % complaints responded to in full at Stage 2 - Overall	100.00%	95.81%	96.00%
04. Average time in working days for a full response at Stage 1 and the average time in working days for a full response at Stage 2 - Overall	4.34	4.86	8.00
05. % Annual tenants satisfied with the opportunities given to them to participate in their landlord's decision making processes	94.75%	94.75%	N/A
06. % Stock meeting the Scottish Housing Quality Standard (SHQS).	80.80%	87.07%	92.00%
07. % Annual existing tenants satisfied with the quality of their home	92.68%	92.68%	N/A
08. Average time to complete emergency repairs (hours)	2.27	1.90	3.00
09. Average time to complete non-emergency repairs (working days)	8.44	5.63	5.50
10. % Reactive repairs completed right first time	83.47%	93.46%	92.00%
11. Number of times in the reporting year that you did not meet your statutory obligation to complete a gas safety check within 12 months of a gas	0	298	0
12. % tenants satisfied with repairs or maintenance carried out in last 12 months	92.40%	94.44%	90.00%
13. % Annual tenants satisfied with the landlord's contribution to the management of the neighbourhood they live in.	92.83%	92.83%	N/A
14. % Tenancy offers refused during the year	28.00%	19.80%	Contextual
15. % Anti-social behaviour cases reported in the last year which were resolved.	89.81%	99.90%	98.00%
16. % New tenancies sustained for more than a year - overall	85.72%	84.98%	90.00%
17. % Lettable houses that became vacant	9.84%	7.83%	9.00%
18. % Rent due lost through properties being empty	0.77%	0.86%	0.75%
19. Number of households currently waiting for adaptations to their home.	28	80	Contextual
20. Total cost of adaptations completed in the year by source of funding (£).	£556,947.00	£109,500.00	Contextual
21. Average time to complete approved applications for medical adaptations (calendar days)	18.49	43.30	90.00
22. % Court actions initiated which resulted in eviction - overall	13.38%	N/A	25.00%
23a. % Referrals under Section 5, and other referrals for homeless households made by the local authority, that resulted in an offer	90.70%	94.35%	Contextual
23b. % Offers made to LA Section 5 and other referrals for homeless households that result in a let.	83.03%	74.93%	Contextual
25. % Annual tenants who feel that the rent for their property represents good value for money	90.32%	90.32%	N/A
26. Rent collected as % of total rent due	99.47%	100.04%	100.00%
27. % Gross rent arrears	3.97%	3.86%	4.40%
28. Average annual management fee per factored property.	£96.12	£99.96	Contextual
29. % Annual owners satisfied with the factoring service	67.12%	67.12%	N/A
30. Average length of time taken to re-let properties (calendar days)	28.23	37.26	Contextual

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		
Develop a new framework for customer engagement (incorporating customer inspection process)	31-Mar-2021		
Establish DGHP in-house repairs service	31-Mar-2021		
Year 1 DGHP integration and transformation	31-Mar-2021		
Establish first TRA in Dumfries	31-Mar-2021		
Work with Police Scotland to develop a Group-wide Antisocial Behaviour and Crime Prevention and Mitigation Framework	30-Jun-2021		



Report

To: DGHP Board

By: Matt Foreman, Managing Director

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

Subject: Performance Framework and Strategic Projects 2021/22

Date of Meeting: 26 May 2021

1. Purpose

1.1 This report:

- 1) Sets out the proposed Group performance management framework for 2021-26;
- 2) Seeks approval of DGHP's Key Performance Indicators ("KPIs") and targets for 2021/22; and
- 3) Sets out the draft planned strategic projects across the Group for 2021/22.

1.2 Note that all of the above are subject to Group Board approval.

2. Authorising and strategic context

2.1 Under the Group Authorising Framework, the Group Board is responsible for agreeing the overarching Group Performance Framework. Partner Boards are responsible for agreeing their own individual targets and, where applicable, how they will contribute to Group targets.

2.2 Our approach is set within the strategic context of transitioning to the first year of our new strategy. This includes both the objectives and targets contained therein and how we introduce a more sophisticated approach to performance management, specifically customer value.

2.3 In terms of our current year targets, they are set within the context of our assumptions in relation to remobilisation (subject to a separate agenda item) and as we enter potentially the final phase of the pandemic restrictions and the transition into the economic and social recovery phase for our business and our tenants.

3. Risk appetite and assessment

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

- 3.2 We have sought to reflect this in our approach to developing our targets, which have sought to take into account our remobilisation assumptions. Any risk associated with delivering our targets as a clearer picture emerges over the coming months of remobilisation and impact on the wider economy will remain under review.

4. Background

- 4.1 The Board agreed our new DGHP strategy in February following the agreement of the overarching Group strategy the previous October. Since then, we have translated the strategic commitments within the Group strategy into strategic projects with identified Delivery Leads and corresponding milestones. In conjunction with this, a new Group performance management framework has been developed to ensure effective planning, measurement and reporting of performance.
- 4.2 We are engaging with all partner Boards on the Group performance framework and strategic projects in advance of consideration by the Group Board. This sequencing reflects our focus on the Group approach for our new strategy period being developed through engagement and feedback from partner Boards. Feedback from Boards will form part of the consideration by the Group Board at its June meeting.

5. Customer engagement

- 5.1 As part of the Group's strategic commitment to ensure customers have greater power, control and choice regarding the services they receive, over 50% of all strategic projects will include an element of customer engagement activity. The Board have previously approved the engagement framework, 'Stronger Voices, Stronger Communities'. A number of the projects that DGHP leads on as part of their Delivery Plan will feature customer engagement activity and will complement our engagement plan.
- 5.2 Additionally, we plan to engage the Group Scrutiny Panel on the proposed Group performance framework, in particular the customer value approach, this month. Feedback from the Group Scrutiny Panel will be incorporated in the proposals to the Group Board and individual Boards will be updated at their next meeting.

6. Discussion

Group Performance Management Framework

- 6.1 A strong planning, measurement and reporting framework allows us to know whether we are on track to deliver our objectives and make refinements, if required. This framework establishes the following as we move into the implementation phase of the new strategy:
- What we want to deliver;
 - How we plan to deliver it; and
 - How we will monitor and report on delivery.
- 6.2 Our refreshed Group Performance Management Framework is presented as a diagram in **Appendix 1**. This diagram illustrates the alignment between the strategic themes, the key outcomes within the Group and DGHP strategies with performance management.

6.3 The Group performance management framework has the following aims:

- ensuring all of our work can be aligned to delivery of the overarching strategic themes as well as the UN's Sustainable Development Goals and the Scottish Government's National Performance Framework;
- providing robust reporting that allows us to see cause and effect of our work and decisions, manage delivery and ensure compliance with legislative and other compliance requirements; and
- increased focus on performance from our customers' perspective in the form of operational KPIs that measure value to customers, in addition to continued use of a robust suite of business value, compliance and regulatory measures.

6.4 Under the framework, we propose a hierarchy with societal impact measures at the highest level, to detailed operational performance measures at the most granular level. These are connected, with achieving our targets at each tier being an important part of delivering the aims of the tier above.

Impact Measures	Long-term measures that demonstrate the influence our work has on our society and communities.
Strategic Results	Set and agreed by the Board to be achieved by the end of the strategy period (unless stated otherwise). These results will be reported at least annually to demonstrate the progress we are making delivering the commitments in our Strategy. Where possible, we will also report Strategic Results quarterly.
Key Performance Indicators (KPIs)	A suite of indicators we use to manage operational delivery. KPIs will be split into three categories: customer value , business value and other (includes ARC, regulatory, and compliance indicators). Indicators and targets will be reviewed annually to ensure they remain relevant and challenging. Some high-level KPIs will be reported to subsidiary boards quarterly with the Strategic Results.
Delivery Plans – strategic projects	Annual project delivery plans agreed for each theme. These will be reviewed annually. Progress against delivery milestones will be reported quarterly.

Impact Measures

6.5 The new Group strategy, for the first time, set out a range of objectives that have an impact on the communities in which we operate and contribute to national policy agendas. These include CO₂ reduction from our homes, jobs created and numbers of homeless people and families housed. When finalising impact measures we will seek to do so in a way that allows measures to be disaggregated to DGHP specific level.

Strategic Results

- 6.6 The overarching Group strategy sets out 49 strategic results across the five strategic themes previously approved as part of “**Your Home, Your Community, Your Future**”. DGHP will contribute significantly to delivering these and a full list of Strategic Results is attached as **Appendix 2**. This appendix also shows how we have set plans for the next 5 years to achieve the strategy targets. The table below shows some of the key results for DGHP by strategic theme and incorporating the partnership promises.

Delivering exceptional customer experience	<ul style="list-style-type: none">▪ Overall customer satisfaction is maintained at over 90%▪ Tenant satisfaction with value for money maintained at over 85%▪ Implement “Rate it” score from book it, track it, rate it repairs approach and aim to improve performance to 90%
Making the most of our homes and assets	<ul style="list-style-type: none">▪ Develop up to 1,000 new homes across all tenures.▪ Invest £99.8m in improving, modernising and maintaining homes▪ Reduce the volume of emergency repairs to less than 30% of overall reactive repairs
Changing lives and communities	<ul style="list-style-type: none">▪ Over 70% of customers continue to live in neighbourhoods categorised as peaceful▪ Achieve 85% satisfaction with Wheatley Environmental Services▪ DGHP meets the agreed contribution of 45% accommodation for homeless households in each local authority area it operates in▪ Over 500 jobs, training and apprenticeships delivered
Developing our shared capacity	<ul style="list-style-type: none">▪ Over 80% of staff say they feel appreciated for the work they do.▪ Over 80% of DGHP customers self-report positive distance travelled towards “self-reliance”.▪ Staff absence is maintained below 3%.
Enabling our ambitions	<ul style="list-style-type: none">▪ Limit rent increases to 2% until 2023 and to no more than 2.9% until 2026▪ Maintain gross rent arrears below 4%▪ Average days to let a home by DGHP reduced to less than 14 days.

Key Performance Indicators – core measures

- 6.7 We have a well-established set of existing performance measures which have supported us being a high performing organisation. These KPIs relate to a combination of:
- performance data we are required to collect as part of the Annual Return on the Charter (ARC) to the Scottish Housing Regulator;
 - Compliance and safety-related measures such as gas safety; and
 - Other business and efficiency measures, such as staff absence and invoices paid on time.
- 6.8 These measures also provide us with the opportunity to benchmark ourselves against other organisations, particularly the ARC measures. The full list of the proposed targets for these KPIs for 2021/22, as well as our projections for the life of the strategy are included in **Appendix 2**. Some key targets include the following:

- Percentage of relevant lets to homeless applicants –

The Group Board agreed an average target of 65% of relevant lets being made to homeless applicants in 2020. For DGHP, this will mean maintaining a target of 45% across all five years following achievement of the target in 2020/21.

- Tenancy sustainment-

DGHP's tenancy sustainment is currently below target at 84.98% for 2020/21. The level of sustainment has been lower than average for young, single male households allocated from the homeless category and Housing Officers are providing increased levels of support and engagement to improve this position. The focus will be to increase sustainment back to targeted level of 90% and maintain over the next five years.

- Gross rent arrears –

The Group's Strategic Result is to reduce gross rent arrears to 4.00% by 2023. DGHP's 2020/21 performance was 3.87%. Due to the impact of COVID-19 on customer income and the increase in customers on Universal Credit, our analysis suggests that the impact of the pandemic will be seen over the next few years. This result will require annual targets of 4.57% in year one and from thereafter 4.51%, 4.22%, 3.99% and 3.83% in year 5.

- Average days to let –

Average days to let as a measure was particularly affected by the pandemic and DGHP's performance ended at 37.26 days for 2020/21. Performance was primarily impacted by the cessation of letting for over a quarter of the year. The continued need to socially distance and longer time to carry out repairs on voids will continue to impact performance in the first half of 2020/21. As a result, we have set phased targets during 2021/22 to bring DGHP back to pre-pandemic levels. By the end of quarter 1, we aim to achieve 22.8 days and thereafter 21.1 quarter 2, 20 quarter 3 and 19.1 by year end. In subsequent years, the target will be to maintain 14 days.

- Compliance –

To underscore the importance of fire safety and achieve the associated Strategic Result to reduce accidental dwelling fires by 10%, we have introduced additional measures to monitor the fire risk assessments we undertake. We will report to the Board on the percentage of relevant properties that have a current fire risk assessment based on risk profile in place. This will be segmented by property type, with the target for HMOs and relevant properties being 100% throughout the life of the strategy. Other non-relevant properties which not currently included in the legislation, will have assessments carried out over the next three years. Once this three-year cycle has introduced an assessment, these properties too will move to a 100% compliance maintenance for the rest of the strategy life. Under compliance KPIs, we will also continue to report to the Board on gas safety to ensure we maintain a 100% compliant position.

- Repairs –

We have proposed new measures for the new strategy that will drive a focus on planned maintenance and efficiency, while adhering to the regulatory targets for delivering emergency (3.0 hours) and non-emergency repairs (5.5 days). The ratio of planned versus reactive repairs spending we aim to maintain at 60:40. We also aim to reduce the volume of emergency repairs as a percentage of reactive repairs to no more than 30% over the life of the strategy.

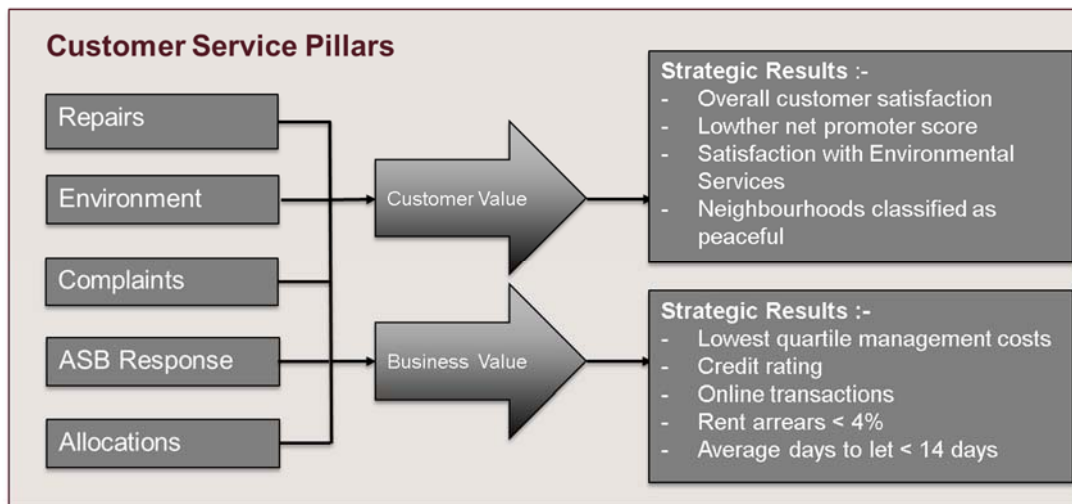
- 6.9 As part of the strategy development process the Board previously discussed how, alongside the existing KPIs referred to above, we refine our performance approach further. In particular, the Board agreed with the principle of the concept of distinguishing between ‘business value’ and ‘customer value’ measures . This was in recognition of the limitations of the ARC measures – which were developed by the Scottish Government nearly 10 years ago – in providing insight to customer views, and that customer value drivers and business value drivers are not always the same.
- 6.10 The objective of the new measures was to provide us with greater insight throughout the year into what drives high level annual results. In developing this approach we plan to focus on key customer facing services that we know are high value driver for customers, namely: repairs; ASB; neighbourhood environmental; complaints and allocations. This process is now well underway, with a more detailed update set out below:

Customer and business value measures

- 6.11 As a first step, we have developed clear definitions for what we mean by ‘customer value’ and ‘business value’ as follows:

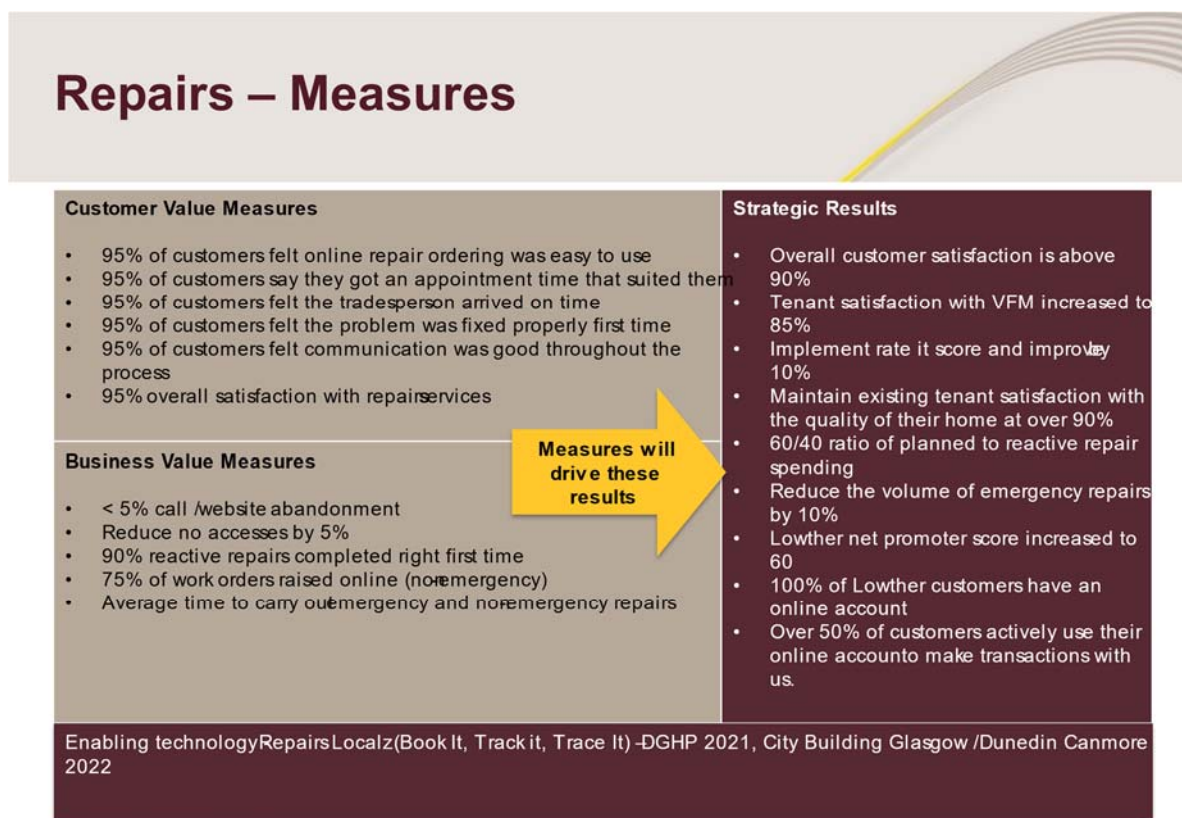


- 6.12 We are in the process of finalising a suite of customer and business value measures across the 5 customer service areas, including understanding what strategic results they drive. The diagram below sets out these services and illustrates how customer and business value measures can drive different results from the same customer journey:



6.13 This approach is consistent with the recent Board discussion on our new approach to complaints handling. Our previous measures focussed on whether we handled complaints within 'X' number of days. This would represent a 'business value' measure, which provides us with a sense of how efficiently we are processing complaints. It does not however give us any actionable insight as to what provided customer value in the process of making a complaint, for example measuring the % of customers who felt communication was good throughout the process.

6.14 We have developed a draft of Customer Value and Business Value indicators for each of the 5 services. By way of example, the draft repairs measures are set out below:



- 6.15 The next step in the finalisation of the measures will involve direct customer engagement. We will engage the Group Scrutiny Panel to review the full suite of draft Customer Value measures at its next meeting. This feedback will allow us to refine and finalise the measures.
- 6.16 Once the measures are complete, we will require to develop robust arrangements to capture and report the relevant data in a structured way. This will then allow us to include Customer and Business Value performance as part of the performance reporting dashboards.
- 6.17 It is intended that all customer value measures will be brought back to the Board for review and will thereafter be reported as part of all performance reports. A more detailed report will be brought back to the Board later this year with an update on progress and timescales for reporting arrangements.

Strategic Projects

- 6.18 As is set out in the Performance Management Framework, the strategic projects are directly linked to and aligned with the delivery of our strategic results and outcomes.
- 6.19 We have mapped all commitments in the Group strategy by theme. We have then developed these into strategic projects within each theme. As part of the process, each proposed project was reviewed to identify interdependencies with other projects, for example where IT/Digital investment is required before a project can progress to the next stage, and ensure that the sequencing of delivery reflects this.
- 6.20 For some projects, a phase of scoping/preparatory work will be required to develop a clearer implementation plan. This has meant that a number of projects are now considered in multiple phases, delivered over multiple years. By reporting to Boards on each phase, there will be significantly higher level of Board visibility as we progress through projects rather than just at the end stage.
- 6.21 This approach will allow us the opportunity to pause, reflect on the outcome of each phase before agreeing how, or if, we progress to the next phase. This aligns with our approach of annual Board workshops to refresh/renew (in alternate years) our strategies.
- 6.22 A list of the Year 1 Board level projects for the Group is attached at **Appendix 3** and the Board's feedback is sought on the projects. The reporting to the DGHP Board on the group wide projects shall focus on our own element of the projects where appropriate, such as:
- Engagement Framework;
 - Repairs Delivery Model;
 - Homelessness; and
 - Corporate estate.

- 6.23 Other projects which will directly impact DGHP, but not at the current project stage include:
- Introduce new cloud-based telephony system; and
 - Develop new and improved online services offering.
- 6.24 In terms of the DGHP-led projects which form part of the overall programme, the key project will be:
- Develop a Wheatley Whole Family approach.
- 6.25 Updates on all projects will be reported as part of the quarterly reporting cycle.
- 6.26 As referenced in the separate agenda item regarding the DGHP Transformation Programme, future DGHP strategic projects will be incorporated into their Strategic Delivery Plan, which will be reported to the Board on a quarterly basis.

7. Digital transformation alignment

- 7.1 The Group's five-year strategy is underpinned by digital transformation. Each project has been reviewed against our digital transformation plans to identify what financial and people resources are required as well as any interdependences across projects. These requirements and interdependencies have subsequently been reviewed to confirm that the necessary resources are available prior to being approved as a project.

8. Financial and value for money implications

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

9. Legal, regulatory and charitable implications

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

10. Equalities implications

- 10.1 Project monitoring and evaluations consider equalities information and Equalities Impact Assessments are undertaken at the outset of new programmes to ensure compliance with equality legislation, where applicable.

11. Environmental and sustainability implications

- 11.1 DGHP is committed to supporting the Group's ambitions to become a more sustainable organisation and is actively involved in a number of projects that will help to achieve this, such as the implementation of our new operating model and greater use of digital engagement which will have a significant impact on the overall carbon footprint of the organisation.

12. Recommendations

12.1 The Board is asked to:

- 1) Note the new Group-wide performance management framework;
- 2) Approve DGHP's proposed KPIs and targets for 2021/22; and
- 3) Note the planned strategic projects across the Group for 2021/22.

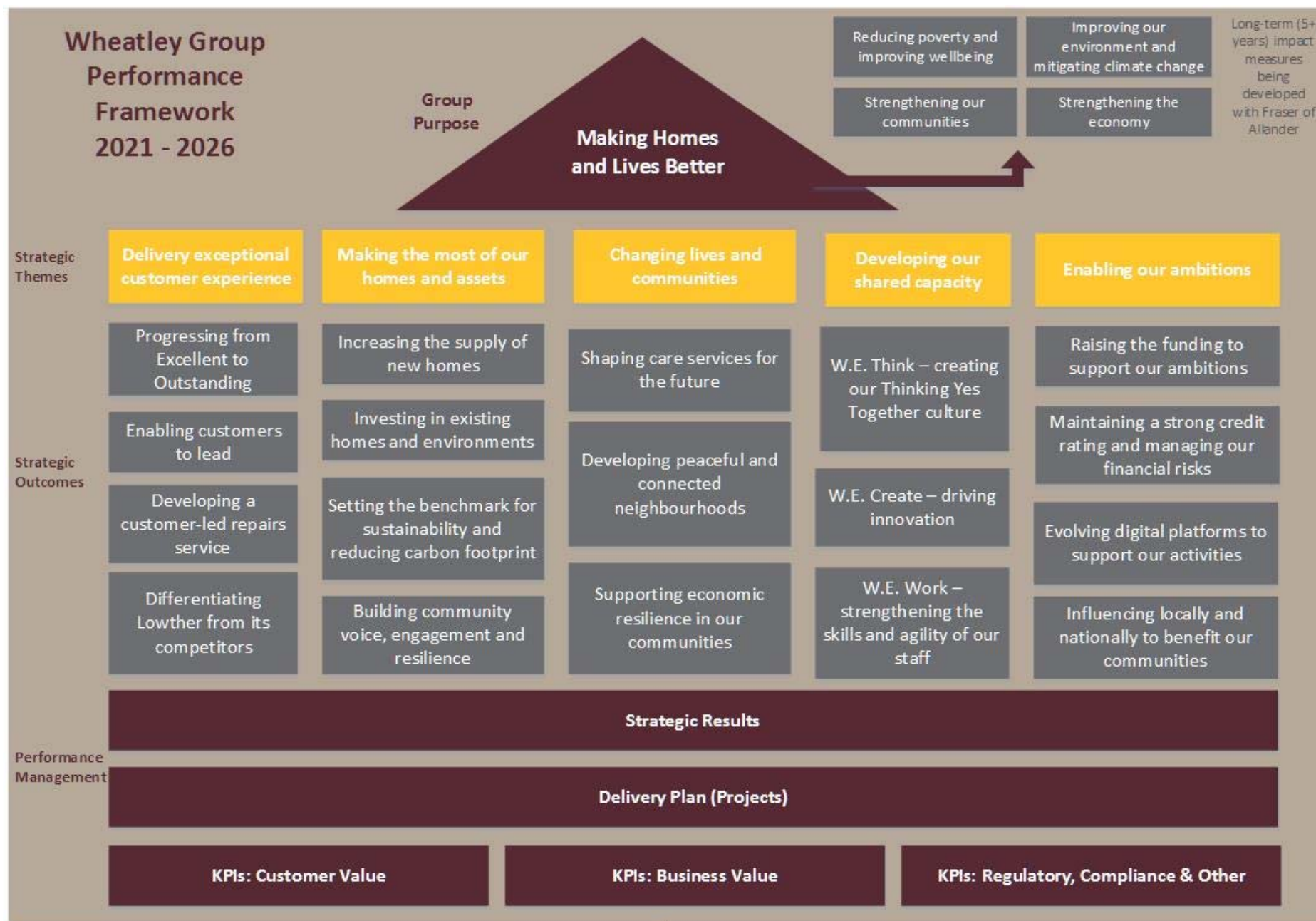
List of Appendices

Appendix 1: Diagram of the Group's Performance Framework

Appendix 2: DGHP's Strategic Results, KPIs and Targets for 2021 to 2026

Appendix 3: Strategic Projects: Board Level 2021/22

Appendix 1: Diagram of the Performance Framework



Appendix 2 - Performance Framework: Strategic Results and KPIs 2021 to 2026



1. Delivering Exceptional Customer Experience

Measures	Baseline (2020/21 unless noted otherwise)	Year 1 (2021/22)	Year 2 (2022/23)	Year 3 (2023/24)	Year 4 (2024/25)	Year 5 (2025/26)	Type of measure	Reporting Frequency
Overall customer satisfaction is maintained at over 90%	94.83% reported in 2020/21.	No annual survey of tenants will be undertaken in 2021.	94.00%	94.00%	94.00%	94.00%	Strategic result	Annually
Implement "Rate it" score from book it, track it, rate it repairs approach and aim to improve performance to 90%	New measure and new approach. Baseline to be established 2021/22.	Develop and implement new coordinated approach.	Target to be set 2021/22 following baseline.	Target to be set 2021/22 following baseline.	Target to be set 2021/22 following baseline.	90%	Strategic result	Monthly
Tenant satisfaction with value for money maintained at over 85%	90.32% reported in 2020/21.	No annual survey of tenants will be undertaken in 2021.	90.00%	90.00%	90.00%	90.00%	Strategic result	Annually
90% satisfaction with complaint handling	Unavailable as new survey and measure.	Implement new survey approach and set baseline.	Target to be set 2021/22 following baseline.	Target to be set 2021/22 following baseline.	Target to be set 2021/22 following baseline.	90%	Strategic result	Monthly
Overall satisfaction among households with children improved to 90%	Baseline to be established	No annual survey of tenants will be undertaken in 2021.	Target to be set 2022/23 following baseline.	94.00% Target to be set 2022/23 following baseline.	Target to be set 2022/23 following baseline.	Target to be set 2022/23 following baseline.	Strategic result	Annually
Over 90% of customers continue to feel they can participate in the landlord's decision making process	94.75% reported in 2020/21.	No annual survey of tenants will be undertaken in 2021.	94.00%	94.00%	94.00%	94.00%	Strategic result	Annually
95% of customers actively engaged in shaping services feel they participate in decision making	Survey approach to be developed and implemented in 2021/22 (Customer Engagement Strategy).	No annual survey of tenants will be undertaken in 2021.	90.00%	92.00%	94.00%	95.00%	Strategic result	Annually
85% satisfaction with the process of getting a new home	Survey approach to be developed and implemented.	Establish baseline.	Target to be set 2021/22 following baseline.	Target to be set 2021/22 following baseline.	Target to be set 2021/22 following baseline.	85%	Strategic result	Monthly
Percentage of tenants who sustain their tenancies for more than 12 months	84.98%	87.00%	90.00%	90.00%	90.00%	90.00%	KPI Business value	Monthly

Measures	Baseline (2020/21 unless noted otherwise)	Year 1 (2021/22)	Year 2 (2022/23)	Year 3 (2023/34)	Year 4 (2024/25)	Year 5 (2025/26)	Type of measure	Reporting Frequency
Average number of working days to respond to stage 1 complaints (maximum of 5 days)	4.42 days	5	5	5	5	5	KPI Compliance	Monthly
Average number of working days to respond to stage 2 complaints (maximum of 20 days)	12.82 days	20	20	20	20	20	KPI Compliance	Monthly

2. Making the Most of Our Homes and Assets

Measures	Baseline (2020/21 unless noted otherwise)	Year 1 (2021/22)	Year 2 (2022/23)	Year 3 (2023/34)	Year 4 (2024/25)	Year 5 (2025/26)	Type of measure	Reporting Frequency
Group: Develop 5,500 new homes across all tenures DGHP: Develop up to 1,000 new homes across all tenures	Group: 413 DGHP: 12	Social – 49	Social – 47	Social – 112	Social – 257	Social – 345	Strategic Result	Monthly
Group: Invest £500m of new public and private finance in new build housing DGHP: Invest £167m of new public and private finance in new build housing	N/A	£119,100,000	£108,221,000	£112,071,000	£113,981,000	£99,351,000	Strategic Result	Annually
95% customer satisfaction with their new build home	Baseline to be set in 2021/22.	New survey approach to be implemented.	92.00%	93.00%	94.00%	95.00%	Strategic Result	Monthly
Group: Invest £360 million in improving, modernising and maintaining homes DGHP: Invest £99.8m in improving, modernising and maintaining homes	£56.6 million	£86,147,000	£71,889,000	£67,260,000	£68,091,000	£67,985,000	Strategic Result	Annually
Achieve a 60:40 ratio of planned to reactive repair	2020/21 Annual accounts: 65%:35%	60:40	60:40	60:40	60:40	60:40	Strategic Result	Annually
Reduce the volume of emergency repairs to less than 30% of overall reactive repairs	81,628	80,022	78,296	76,630	74,964	<30% less than overall reactive repairs	Strategic Result	Monthly
Maintain existing tenant satisfaction with the quality of their home at over 90%	92.39%	N/A	92.00%	92.00%	92.00%	92.00%	Strategic Result	Annually
Reduce the output of CO ₂ emissions from our homes by at least 4,000 tonnes per year	New measure.	Baseline to be agreed in year 1 then a reduction of -4,000 p.a.	-8,000	-12,000	-16,000	-20,000 Total reduction of at least 20k over 5 years	Strategic Result and Impact Measure	Annually (being developed in collaboration with Fraser of Allander Institute)

Measures	Baseline (2020/21 unless noted otherwise)	Year 1 (2021/22)	Year 2 (2022/23)	Year 3 (2023/34)	Year 4 (2024/25)	Year 5 (2025/26)	Type of measure	Reporting Frequency
Reduce our corporate carbon footprint to carbon neutral by 2026	New measure.	Baseline to be agreed in year 1	75% of baseline	50% of baseline	25% of baseline	0	Strategic Result and Impact Measure	Annually (being developed in collaboration with Fraser of Allander Institute)
Number of times during the reporting year we did not meet our statutory obligations to complete a gas safety check within 12 months of a gas appliance being fitted or its last check	298	0	0	0	0	0	KPI Compliance	Monthly
The average time to complete medical adaptations	43.30 days	35.00	25.00	25.00	25.00	25.00	KPI Compliance	Monthly
Percentage stock meeting the Scottish Housing Quality Standard (SHQS)	87.07%	92.00%	96.93%	96.93%	96.93%	96.93%	KPI Compliance	Annually

3. Changing Lives and Communities

Measures	Baseline (2020/21 unless noted otherwise)	Year 1 (2021/22)	Year 2 (2022/23)	Year 3 (2023/34)	Year 4 (2024/25)	Year 5 (2025/26)	Type of measure	Reporting Frequency
Percentage of lets to homeless applicants N.B. DGHP Strategy wording is to “meet the agreed contributions to accommodation for homeless households in Dumfries and Galloway.”	51.80%	45.00%	45.00%	45.00%	45.00%	45.00%	Strategic Result	Monthly
Percentage of lets to homeless (Charter)	50.30%	This measure will be provided as context to the one above, so will not be targeted.	Contextual	Contextual	Contextual	Contextual	KPI Other	Monthly
House an estimated 10,000 homeless people or households over 5 years (cumulative)	Group: 2,421 DGHP: 397	2,000	4,000	6,000	8,000	10,000	Strategic Result	Monthly
Over 70% of our customers continue to live in neighbourhoods categorised as peaceful	Group: 69.4%	68.0%	68.5%	69.0%	69.5%	70.0%	Strategic Result	Monthly
Achieve 85% satisfaction with Wheatley Environmental Services	Baseline to be established in 2021/22.	Baseline to be agreed in year 1.	Target to be set 2021/22 following baseline.	Target to be set 2021/22 following baseline.	Target to be set 2021/22 following baseline.	85.0%	Strategic Result	Monthly
Reduce the number of accidental dwelling fires by 10%	Group: 216 ADFs DGHP: 23 ADFs	2% reduction from baseline figure	4% reduction from baseline figure	6% reduction from baseline figure	8% reduction from baseline figure	10% reduction from baseline figure	Strategic Result	Monthly
100% of applicable properties have a current fire risk assessment	100%	100%	100%	100%	100%	100%	Strategic Result	Quarterly
The percentage of non-relevant properties that have a current fire risk assessment in place according to risk profile	33%	66%	100%	100%	100%	100%	KPI Compliance	Quarterly
The percentage of HMOs that have a current fire risk assessment in place	100%	100%	100%	100%	100%	100%	KPI Compliance	Quarterly

Measures	Baseline (2020/21 unless noted otherwise)	Year 1 (2021/22)	Year 2 (2022/23)	Year 3 (2023/34)	Year 4 (2024/25)	Year 5 (2025/26)	Type of measure	Reporting Frequency
Group: 4,000 jobs and training and apprenticeship opportunities delivered DGHP: 500 jobs, training and apprenticeships delivered	Group: 700	Group: 700 DGHP: 54	Group: 1,450 DGHP: 163	Group: 2,300 DGHP: 259	Group: 3,150 DGHP: 389	Group: 4000 DGHP: 500	Strategic Result	Monthly
Group: 250 customers have been supported to attend higher education and university through Wheatley bursaries DGHP: 30 customers supported by Wheatley bursaries to attend higher education and university	Group: 77	Group: 50	Group: 100	Group: 150	Group: 200	Group: 250	Strategic Result	Annual
Group: 10,000 vulnerable children benefit from targeted Foundation programmes DGHP: 750 vulnerable children benefit from targeted Foundation programmes	New measure	Group: 1,400 DGHP: 100	Group: 3,200 DGHP: 145	Group: 5,450 DGHP: 155	Group: 7,850 DGHP: 185	Group: 10,000 DGHP: 750	Strategic Result	Annual
60% of tenants with online accounts are using the My Savings rewards gateway	10%	20%	30%	40%	50%	60%	Strategic Result	Annual
Reduce the cost of running a home by 10% by 2026	New measure	Baseline to be agreed in year 1.	Target to be set 2021/22 following baseline.	Target to be set 2021/22 following baseline.	Target to be set 2021/22 following baseline.	Target to be set 2021/22 following baseline.	Strategic Result and Impact Measure	Annually (being developed in collaboration with Fraser of Allander Institute)
Percentage of customers offered housing options consultation	New measure, baseline to be set 2021/22	Baseline to be agreed in year 1.	Target to be set 2021/22 following baseline.	Target to be set 2021/22 following baseline.	Target to be set 2021/22 following baseline.	Target to be set 2021/22 following baseline.	KPI Compliance	Monthly
Increase the number of active users of MySavings to 5,000 as part of our commitment to reduce the cost of running a home.	500	1,000	2,000	3,000	4,000	5,000	KPI Other	Monthly

4. Developing Our Shared Capacity

Measures	Baseline (2020/21 unless noted otherwise)	Year 1 (2021/22)	Year 2 (2022/23)	Year 3 (2023/34)	Year 4 (2024/25)	Year 5 (2025/26)	Type of measure	Reporting Frequency
Over 80% of staff say they feel appreciated for the work they do	80.00%	80.0%	82.0%	85.0%	88.0%	91.0%	Strategic Result	Annual
Staff absence is maintained below 3%	1.49%	2.99%	2.99%	2.99%	2.99%	3.0%	Strategic Result	Monthly
Staff turnover remains at less than 7%	7%	7%	7%	7%	7%	7%	Strategic Result	Annual
Over 80% of customers self-report positive distance travelled towards 'self-reliance'	Baseline to be measured once approach is introduced.	Implement approach.	Establish baseline.	Target to be set 2022/23 following baseline.	Target to be set 2022/23 following baseline.	80.1%	Strategic Result	Monthly
40% of promoted posts are filled with internal candidates	40%	40%	40%	40%	40%	40%	Strategic Result	Annual
250 young people are provided with structured opportunities to build their skills within the business	35	35	50	55	55	55	Strategic Result	Annual
50 graduates are provided with opportunities to work and gain experience in our sectors	36	25	50	51	51	51	Strategic Result	Annual
Our workforce's demographic makeup more closely resembles that of the communities in which we operate	New measure.	Indicators will be agreed during years 1-2 and introduced in year 3.	Indicators will be agreed during years 1-2 and introduced in year 3.	Indicators and baselines introduced.	Target to be set 2023/24 following baseline.	Target to be set 2023/24 following baseline.	Strategic Result	Annual

5. Enabling Our Ambitions

Measures	Baseline (2020/21 unless noted otherwise)	Year 1 (2021/22)	Year 2 (2022/23)	Year 3 (2023/34)	Year 4 (2024/25)	Year 5 (2025/26)	Type of measure	Reporting Frequency
Limit rent increases to 2% until 2023 and to no more than 2.9% until 2026	2.00%	2.00%	2.00%	2.90%	2.90%	2.90%	Strategic Result	Annual
Maintain a strong investment grade rating of A+ stable	A+ Stable	A+ Stable	A+ Stable	A+ Stable	A+ Stable	A+ Stable	Strategic Result	Annual
Maintain gross rent arrears below 4%	3.87%	4.57%	4.51%	4.22%	3.99%	3.83%	Strategic Result	Monthly
Average days to let a home reduced to less than 14 days	2019/20 = 28.23 days	See proposed quarterly targets below	<14	<14	<14	<14	Strategic Result	Monthly
Quarterly targets for average days to let in year 1	ARC 2020/21 = 37.26	Q1 = 22.8	Q2 = 21.1	Q3 = 20.0	Q4 (Year End) =19.1	N/A	KPI Business Value	Monthly
Over 50% of customers actively using their online account to make transactions with us	New measure.	Baseline to be established and targets to be set 2021/22.	Target to be set 2021/22 following baseline.	Target to be set 2021/22 following baseline.	Target to be set 2021/22 following baseline.	50%	Strategic Result	Monthly
Percentage of court actions initiated which resulted in eviction	None	25%	25%	25%	25%	25%	KPI Compliance	Annual

Appendix 3 - Strategic Projects – Board Level: 2021/22

Strategic Theme	Strategic Projects
Delivering Exceptional Customer Experience	Strategic Outcome - Progressing from Excellent to Outstanding
	Implement new engagement framework - Phase 1
	Develop a Wheatley Whole Family approach
	Strategic Outcome - Enabling Customers to Lead
	Introduce new cloud-based telephony system
	Develop new RSL online services model – Solutions Board
	Strategic Outcome - Developing a Customer Led Repairs Service
	Refine Repairs Delivery Model
Making the most of our Homes & Assets	Strategic Outcome - Investing in existing homes & environments
	Implement Group corporate estate model - phase 1
	Wyndford Regeneration
	High Rise Living Framework Year 2 – GHA Board
	Strategic Outcome - Setting the benchmark for sustainability and reducing carbon footprint
	Wheatley Green Investment Plan
Changing Lives & Communities	Strategic Outcome - Shaping Care services for the future
	Glasgow Alliance to End Homelessness 1-year review
	Redesign the TSS Service
	Care policy framework reviewed
	Strategic Outcome - Developing peaceful and connected neighbourhoods
	Revised Groupwide ASB Prevention & Mitigation framework
	Review Group Fire Prevention & Mitigation Framework including digital solutions

Strategic Theme	Strategic Projects
Developing our Shared Capability	Strategic Outcome - WE Think – creating our Thinking Yes Together culture
	Develop new leadership development programme
	Strategic Outcome - WE Work – strengthening the skills and agility of our staff
	Strategic governance review
Enabling our Ambitions	Strategic Outcome - Raising the funding to support our ambitions / /maintaining a strong credit rating and managing financial risks
	Raise additional funding for Lowther Homes
	Restructure funding syndicate
	Strategic Outcome - Evolving digital platforms to support our ambitions
	Establish digital maturity approach and assessments



Report

To: DGHP Board

By: Matt Foreman, Managing Director

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

Subject: Fire Prevention and Mitigation update

Date of Meeting: 26 May 2021

1. Purpose

1.1 The purpose of this report is to present the DGHP Board with an update on:

- Our on-going approach to the prevention and mitigation of fire during the Covid-19 pandemic;
- Performance in relation accidental dwelling fires;
- Progress with the continued development and implementation of the Fire Prevention and Mitigation Framework;
- Progress with Fire safety remedial works and the Fire Risk Assessment (FRA) programme and
- New reporting arrangements being introduced via the Group Audit Committee.

2. Authorising context

2.1 The Group's Authorise/Monitor/Manage (AMM) matrix sets out what matters are reserved to Boards/Committees and what is delegated to the Group Chief Executive. This report relates to strategy implementation, as such the proposals within the report fall within the powers that are delegated to the Group Chief Executive which are exercised via the Group Executive.

3. Risk appetite and assessment

3.1 The risk appetite relating to issues of technical compliance is averse, defined as avoidance of risk and uncertainty is a key organisational objective.

3.2 The Group Board approved "Delivering Safer Communities: Our Fire Prevention and Mitigation Framework" in August 2017. This report provides the DGHP Board with assurance in relation to the on-going implementation of the Framework and our ability to respond to new guidance and legislation.

3.3 Further to this the report also provides Board with assurance in relation to our ability to respond effectively to the constraints that the Covid 19 pandemic has placed on our business.

4. Background

- 4.1 Fire safety, and keeping our customers and communities as safe as they possibly can be, will always be of paramount importance to DGHP and this is recognised within our new Group Strategy: **Your Home, Your Community, Your Future (YHYCYF)**, in which we clearly state that fire safety will remain a top priority. This commitment has even greater significance and relevance in these unprecedented times, and it is crucially important that we can demonstrate to customers, Boards and funders how we have redesigned our fire safety services and resources to take account of the constraints the Covid 19 pandemic placed on us.
- 4.2 This report will therefore summarise our fire safety approach and help establish our baseline data for fire risk in line with the group Fire Prevention and Mitigation Framework; how we have subsequently adapted our model to reflect the challenges that the pandemic has presented us with and, importantly, how we have reintroduced our services in a phased manner that reflects resource availability and national guidance.
- 4.3 As a key strategy for Group, the Fire Prevention and Mitigation Framework (FPMF) is the document that evidences to all stakeholders the importance we place on fire safety and how we go about ensuring our homes are constructed, managed and maintained in a way which maximises fire safety for our customers.
- 4.4 It clearly sets out our ambition around the range of ways in which we will further improve the safety of tenants and customers. These interventions have been integrated within a larger scale programme of works and set out against four 'P's or Pillars': **Preventing and Protecting, People and Communities, Partnership and Collaboration and Pioneering Products and Services.**

1

**PREVENTING
AND
PROTECTING**

2

**PEOPLE
AND
COMMUNITIES**

3

**PARTNERSHIP
AND
COLLABORATION**

4

**PIONEERING
PRODUCTS AND
SERVICES**

- 4.5 Whilst recognising that the FPMF is not due to be reviewed in its entirety until August 2022 we have taken this opportunity to update it to ensure it:
- Remains relevant and is aligned to newly published national guidance such as the Scottish Government's Practical Fire Safety - Existing High Rise Domestic Buildings Guidance and their Practical Fire Safety for Existing Specialised Housing and Similar Premises;
 - Has updated narrative that aligns to our 2021/26 strategic outcomes and objectives; and
 - Has an updated action plan that ensures we will continue to innovate and develop services, products and partnerships that keep our communities safe and set the bar for other organisations to follow.

- 4.6 Further to this, and in recognition of the importance DGHP places on delivering unrivalled fire prevention and mitigation services, we have set extremely challenging targets in relation to the reduction of Accidental Dwelling Fires or ADFs. This report will provide Board with additional detail on the ADF performance delivered to date.
- 4.7 This report will provide Board with an update on the positive progress being made with the fire safety remedial works and FRA programme of inspections despite the onset of the Covid 19 pandemic and the associated issues that arose during the early days of lockdown.

5. Customer engagement

- 5.1 The updated FPMF has a very clear focus on further enhancing our approach to digital and face to face customer engagement. Since February 2021 the Fire Safety Team have visited 28 customers in their homes to deliver fire safety products and services. Each one of these visits afforded our staff the opportunity to engage with customers and discuss how we could further improve our fire safety product range.
- 5.2 In addition to this our ongoing 'Stay Safe' campaign constantly pushes out fire safety messages and receives feedback through our various customer engagement websites, newsletters and other social media channels such as Facebook and twitter.

6. Discussion

Our Approach to Fire Prevention and Mitigation Post Covid 19 Lock Down

- 6.1 Since our last update to Board in June 2020 we have continued to review our approach to the prevention and mitigation of fire whilst, at all times, making sure that we adhere to Scottish Government Guidance in relation to lockdown restrictions and social distancing. Reassuringly we have now been able to reinstate all of our core fire prevention and mitigation services as well as responding effectively to areas of risk that have arisen due to a reduction in services from strategic partners such as the SFRS and Dumfries and Galloway Council. Detailed below for Board information are updates on the following key areas:

- Local Authorities suspending bulk uplifts and therefore increasing the risk of fire within internal common areas, back courts and open spaces;
- Fire Safety Officers (FSOs) ability to respond to instances of fire or referrals of high risk individuals from Housing Officers;
- Scottish Fire and Rescue Service (SFRS) suspending Home Fire Safety Visits (HFSVs)
- Fire Safety remedial actions and Fire Risk Assessment programme.

Local Authorities suspending bulk uplifts

- 6.2 Dumfries and Galloway Council has re-opened its recycling centres and has now started to offer a bulk uplift service. Notwithstanding this, to minimise the risk from fire we have teams checking the communal areas of identified blocks of flats on a fortnightly basis.

It is evident that during the lock down period there have been more items being left in the communal areas such as bikes and prams which we have identified and taken appropriate action to rectify.

Fire Safety Officers (FSOs) ability to respond to instances of fire or referrals of high risk individuals from Housing Officers

- 6.3 We have been working the Groups Community Improvement Partnership and health and safety teams and have now aligned our fire safety processes with the group to enable us to strengthen our service offer and draw down from group wide expertise in this area. In addition, two Fire Safety Officers have been recruited and from February 2021 the FSO Service is now being provided to DGHP. The continued promotion of our Stay Safe Campaign, to both customers and staff, has led to an increased awareness of the importance of fire safety. Whilst adhering to social distancing guidance, and using the appropriate PPE, the FSOs have been visiting high risk or vulnerable customers. Following the intervention and assessment visit, the FSO will, where appropriate, arrange to drop off any relevant fire safety products, or arrange for additional works to be undertaken. This can include, for example, fire retardant bedding, air fryers or stove guards being fitted to cookers.

SFRS suspending Home Fire Safety Visits (HFSVs)

- 6.4 Whilst SFRS had originally suspended all HFSVs they have now reintroduced them for high risk and extremely vulnerable households. We continue to receive follow up information from SFRS following the HFSV and, if appropriate, our FSOs also undertake a separate visit to carry out an assessment of risk and identify any products or services that could help mitigate this risk.
- 6.5 The quote below from Cathy Barlow, National Partnership Lead for SFRS clearly recognises the important role we have played in supporting them keep our customers and communities safe during these most challenging of time.

“SFRS are proud to continue our strong partnership with the Wheatley Group which has contributed to a reduction in incidents not only in Glasgow, but across all of the Group’s locations.

The last year has presented challenges for SFRS and in response to the COVID-19 outbreak, we have dramatically changed working practices so we could continue to deliver an emergency service whilst keeping staff and the public safe. Fire safety within the home however remains a key priority for SFRS as the consequence of fires within the home can result in a range of impacts on individuals, families and communities. We recognise that the Wheatley Fire Safety Operating Model has significantly contributed to reducing accidental dwelling fires and look forward to working with the Group as we develop our approach to HFSV post-covid restrictions and introducing our Safe and Well approach”.

Fire Safety Remedial Works and Fire Risk Assessment programme

- 6.6 In 2018 and 2019 the FRA's for the 479 blocks with communal areas was carried out, these blocks are defined as tenemental low rise blocks. The FRA's raised a substantial number of remedial actions. The works to complete the 789 actions has now been undertaken and a total of £1.5m has been spent. These works were primarily:
- Individual flat door replacements;
 - Compartmentation works in loft spaces;
 - Compartmentation works within the communal areas, enclosing electrical equipment;
 - Electrical fixed installation testing and the associated remedial works;
 - Upgrading all the communal lights to LED's to ensure safe and adequate lighting; and
 - Installation of emergency lighting in identified blocks.
- 6.7 The requirement for an FRA to be carried out in the common areas of domestic premises is not a legal requirement under Part 3 of the Fire (Scotland) Act 2005. However, it is a strong recommendation within the Scottish Government Practical Fire Safety - Existing High Rise Domestic Buildings Guidance that those organisations responsible for the management of **high-rise blocks** carry out an assessment of fire risk in their buildings. Multi-storey high-risk blocks are defined as buildings with a storey in excess of 18m above the ground – generally more than 6 floors. In DGHP our tallest blocks are 5 storey and are 15m high and are categorised as tenemental **low-rise blocks** of flats.
- 6.8 All the fire safety remedial works have now been undertaken in our low-rise blocks of flats, regular fire safety inspections are carried out and in addition we now have support of two fire safety officers.
- 6.9 There still remains a duty to carry out FRA's for properties identified as 'relevant premises' under the Act, these included offices and depots and we are also required to carry out FRA's in temporary and supported accommodation properties. There are 14 properties that align to this category and the FRA's for these properties have been carried out in 2020.

Property Type	Quantity
Temporary/Supported Accommodation	5
Depots	3
Offices	6*
*Castle Douglas, Crichton and Nith street offices have been removed as we vacate those offices as part of our new operating model.	

Performance in relation to the reduction of accidental dwelling fires

- 6.10 Since aligning with Group's community improvement partnership and H&S Team processes we have been recording and monitoring accidental fires since June 2020. There have been 23 ADF's recorded and further analysis and contextual information is provided that demonstrates our understanding of key information such as causal factors and severity of fires. We have no base data to compare with to ascertain if there has been a reduction, however moving forward we strive to reduce occurrence by 10% as part of our new 2021/2026 group strategy .

- 6.11 Following a detailed analysis of the root causes of ADFs and the additional intelligence available from SFRS it has been established that:
- There is a consistent theme in relation to very small fires within kitchen areas. 19 or 82% of fires have been in kitchens these were minor fires with the majority being resolved by SFRS removing a pot from the cooker or switching the cooker off.
 - There have been no significant ADFs.

Progress with the continued development and implementation of the Fire Prevention and Mitigation Framework

- 6.12 Aligning DGHP to Groups Fire Prevention and Mitigation Framework will ensure our customers and communities as safe as they possibly can be. In addition to the aforementioned progress in identifying and striving to reduce ADFs noted below are just some high-level examples of what we have achieved during last year.

Heat and Smoke Detector installations

- 6.13 Board had previously been advised that Scottish Government made changes to the tolerable standard that all homes must be fitted with:
- One smoke alarm installed in the room most frequently used for general daytime living purposes;
 - One smoke alarm in every circulation space on each storey, such as hallways and landings;
 - One heat alarm installed in every kitchen; and
 - All alarms are to be ceiling mounted and interlinked.
- 6.14 Due to the impact of Covid the date that Social Landlords had to comply with the changes has been moved from May 2021 to February 2022.
- 6.15 Despite Covid, good progress has been made with 8968 or 86.7% of installations have been carried out. It is forecasted that we will be fully compliant by August 2021.

Stay Safe Campaign

- 6.16 The Stay Safe communications campaign has made a major contribution to keeping customers in DGHP safe by pushing out key fire safety messages and encouraging the uptake of home fire safety visits. The communications team worked with Wheatley's seconded SFRS officer to create clear and simple messaging around themes - for example fire safety; burns and scalds; Christmas safety; Bonfire night and child safety. Our newsletters, in particular, have played a key role in reaching customers.
- 6.17 There is a Stay Safe section on our DGHP website with advice tailored to individual rooms, including:
- Kitchen safety;
 - Bathroom safety;
 - Living room safety;
 - Bedroom safety;
 - Closets, foyers and stairwell safety; and
 - Trips and falls.

Fire Safety Visits

- 6.18 The FSOs for DGHP has carried 28 visits since February 2021 for vulnerable households and carried out individual property and person-centred risk assessments. These are identified by our housing officers as part of the new 1:200 patch teams, highlighting one of the benefits arising from the new housing model. Following these visits, the appropriate fire safety advice and products are issued.

Ongoing Partnership with Scottish Fire & Rescue Service

- 6.19 The FSO and DGHP staff have developed an excellent partnership relationship with SFRS. The sharing of data has improved significantly and they have offered to do joint HFSV visits and store pioneering products in local fire station - such as fire retardant bedding, throws and mats, air fryers and metal bins.

Reporting arrangements

- 6.23 Moving forward the Group Audit Committee will receive a quarterly report that provides key performance information in relation to the on-going implementation of our MSF and LivingWell FRA programme of inspections. This will include:
- Progress with the number and type of FRAs completed during the previous quarter and compliance with our agreed programme and timescales;
 - The number and type of FRA actions raised and completed during previous quarter and associated timescale for completion;
 - Updates on any specific areas of concern that may have wider implications for similar property types; and
 - Information on the forward plan for FRA inspections.

Key issues and conclusion

- 6.20 The safety of our tenants and customers is of paramount concern to DGHP. We already have a track record of fire prevention delivered through a range of proactive approaches.
- 6.21 The ongoing development and implementation of the group FPMF further builds on this, demonstrating our commitment to our tenants and stakeholders, setting out a range of ways in which we can further improve safety across DGHP and going beyond our obligations to manage the fire safety of buildings to incorporate training, advice and targeted interventions that help change customer behaviours and prevent fires.
- 6.22 Our outstanding approach to the continued development of partnerships and services pre and post Covid pandemic is clearly evidenced within this report and the review of our FPMF will ensure this continues.

7. Digital transformation alignment

- 7.1 Our FPMF sets out a clear direction for how we will continue to improve our already sector leading fire safety operating model by maximising current and future opportunities for digital transformation.

- 7.2 This includes clear communication with our internal teams to raise awareness of available fire prevention measures through digital engagement. We are also communicating with customers to ensure we provide information online that helps change behaviours and prevent fires. Across group we are investing in homes to provide technology which helps to keep customers safe, including the roll out of the Life Detection programme of alarms in every home.

8. Financial and value for money implications

- 8.1 There are no value for money implications arising from the content of this report.

9. Legal, regulatory and charitable implications

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

10. Equalities implications

- 10.1 There are no equalities implications arising from the content of this report.

11. Environmental and sustainability implications

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

12. Recommendations

- 12.1 It is recommended that Board notes:

- 1) Our on-going approach to the prevention and mitigation of fire during the Covid-19 pandemic;
- 2) Performance in relation accidental dwelling fires;
- 3) Progress with the continued development and implementation of the Fire Prevention and Mitigation Framework; and
- 4) Progress with Fire safety remedial works and Fire Risk Assessment (FRA) programme.

List of Appendices

Appendix 1 Updated Fire Prevention and Mitigation Framework

Our Fire Prevention and Mitigation Framework - Delivering Safer Communities 2021-2026

- 1** ■ **PREVENTING & PROTECTING**
- 2** ■ **PEOPLE & COMMUNITIES**
- 3** ■ **PARTNERSHIPS & COLLABORATION**
- 4** ■ **PIONEERING PRODUCTS & SERVICES**

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Introduction and background

The Wheatley Group (The Group) is Scotland's leading housing, care and property management organisation. It comprises of six Registered Social Landlords (RSLs), one care organisation and two commercial organisations. In addition to the subsidiary organisations, the Group also entered into a joint venture in April 2017 with City Building Glasgow.

As the largest and most diverse landlord in Scotland, we recognise the crucially important role we have in ensuring our customers are safe in their homes. ***Your Home, Your Community, Your Future***, our 2021-26 five-year strategy, acknowledges that customers feeling safe and secure in their homes is of paramount importance and all RSLs commit to a shared vision and passion for improving the homes and lives of those in our communities.

As a Group we are nationally and internationally recognised for defining excellence and have an outstanding track record in delivering sector leading standards of service and innovating in all fields in which we operate.

We know that across the UK hundreds of preventable fire deaths and injuries occur every year in places where people should feel safe – **their homes**. We recognise the crucially important role we have in ensuring our homes are constructed, managed and maintained in a way which maximises fire safety for our customers.

Our first Fire Prevention and Mitigation Framework is already regarded as sector leading and a fire prevention exemplar it has significantly contributed to a **32% reduction** in Group accidental dwelling fires over the last three years. Our Community Improvement Partnership broke new ground in close and effective working between Wheatley staff and the fire service. It has created strong results for tenants and communities across the Group. Not only does this facilitate joint working, the sharing of data across services means we can all provide more effective responses. The data also allows us to focus our work in communities which are particularly affected and to influence other partners to deliver services which may be required.

A fire safety “customer confidence cycle” approach has been developed by our Fire Safety Team. This recognises that by identifying vulnerable customers and providing ‘pioneering fire safety products and services’ to those customers that we can significantly mitigate the risk of an accidental dwelling fire occurring, keeping all our customers and communities safe.

Our new updated Framework will take these developments to the next level, further reducing accidental dwelling fires. We have set a challenging target that ***by 2026 we will have reduced accidental dwelling fires by a further 10% and 100% of applicable properties have a fire risk assessment.***

It will ensure that our approach to reducing accidental dwelling fires is underpinned by the key aspects of our Group strategy. It will also support many of the other key aims in the strategy. These include the increase in the number of homeless households we house – many of these are likely to be vulnerable or have suffered trauma so our approach will help ensure that these households settle while maintaining stable communities

Our strategy also sets out ambitious targets to deliver 5,500 new build homes across 5 years. Our expertise will help to ensure we can design out the opportunities for accidental dwelling fires to occur in the first place.

Customers will co-create our approaches and priorities using our new customer engagement framework “**Stronger voices, stronger communities**”. Our new operating model, developed to support our Group Strategy, is based on highly skilled staff who can empower customers to get the services and support they require. We will increasingly look to digital and easy access approaches so that people can quickly tell us what they want us to hear. In turn we can then respond effectively and quickly while ensuring that no-one is left out.

This updated Framework will embed our approach to fire safety and prevention across all areas of the Group. Our aim is that all our staff will have an understanding of fire safety measures and the skills to help customers stay safe in their homes. We will work with our customer facing staff to ensure that they have the training they need to deliver this aim. Training will apply across all services including the call centre, housing officers, concierges and care staff so that they can respond well to ‘at risk’ customers and can understand underlying issues which may be relevant.

Our approach is laid out within this Framework under four distinct themes. These are:

- **Preventing and Protecting**
- **People & Communities**
- **Partnerships & Collaboration**
- **Pioneering Products & Services**

We know that the right intervention at the right time is key – effective, early support will help address issues before they become major problems. We know that almost half of our customers who have experienced an accidental dwelling fire have an underlying vulnerability.

We will expand our use of shared data, information and expertise to identify customers who most need our support, addressing the root cause of their behaviour before it starts to affect their likelihood of having an accidental dwelling fire. Our approach will be based on the bedrock of staff – concierges, housing officers, care officers and anyone with customer contact - who understand the impacts of risky behaviours and who can help people make connections in the community. This approach can help to change lives, not just reduce the risk of an accidental dwelling fire.

Our expert fire safety team will be able to use this information alongside a trauma informed approach to work with individuals to improve their behaviour and to support families which are impacted. Our integrated approach to housing, care and to changing lives will mean our customers can access a wide range of specialist services from us, directed by them, to meet their needs.

However, many of our customers will require more specialist services, particularly in relation to substance abuse or mental health. We will use our strong partnerships to build better pathways to support these customers whether that is care, risk management assessments, enforcement or a mix of interventions.

Our partnership approach will also help to provide focused intervention from all agencies where there are major issues of fire safety. These interventions will be directed and influenced by the priorities identified by our communities where this is appropriate. Our staff and partners will be able to tap into wider Wheatley services to help people settle in a community, to gain employment skills and to gain confidence through volunteering in their neighbourhood.

Increasingly digital spaces will be an important form of contact and our Group strategy is committed to developing these for the benefit of neighbourhoods. Physical locations will also continue to create a sense of community with space for groups to meet.

The implementation of this Framework will ensure we build on our already outstanding locality planning approach and take a lead role in influencing other organisations and agencies in the interests of our customers. Importantly, it will also enable our customers and communities to have their voice heard and empower them to influence the design of services they need and want. A key building block to delivering on this ambition will be the continued development of our existing sector leading approach to establishing common objectives, sharing data and agreeing co-ordinated approaches and common indicators of success with our partners.

The Framework will be a key building block in achieving our strategic vision ***‘Customers having increased control over their services, their communities and their lives, with new opportunities for building skills and resilience’***. It will do this by building choice and control in the heart of communities, helping customers to make their own communities safer and stronger.

The key Group strategic target for this Framework is that we **further reduce accidental dwelling fires by a further 10%**. However, the Framework also supports a number of other strategic targets:

Delivering exceptional customer experience:
<ul style="list-style-type: none"> • Overall customer satisfaction is above 90% • RSL tenant satisfaction with value for money is increased to 85% • Overall satisfaction amongst households with children is improved to 90% • 90% of customers feel they can participate in the landlord's decision making • 95% of customers actively engaged in shaping services feel they participate in decision making
Changing lives and communities
<ul style="list-style-type: none"> • 4,000 jobs, training and apprenticeships delivered • 250 customers have been supported to attend higher education and university through Wheatley bursaries • 10,000 vulnerable children benefit from targeted Foundation programmes
Enabling our ambitions
<ul style="list-style-type: none"> • Over 50% of customers actively use their online account to make transactions with us

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:



Glasgow Housing Association, Scotland's largest social landlord, has more than 40,000 affordable homes in Glasgow. GHA works closely with Scottish Fire & Rescue (Glasgow) and the Glasgow City Council Multi Agency Tasking & Coordinating Group. Wheatley Group are also represented on Glasgow's Strategic Community Planning and Safe Glasgow Groups.

Glasgow, as Scotland's largest city, has the highest proportion of accidental dwelling fires. The proportion of ADF incidents reported to us in GHA is broadly in line with its proportion of stock and accounts for almost 80% of incidents. This is often concentrated in areas of high deprivation – in 2019 nearly half of Glasgow's population lived in areas identified as amongst the 20% of most deprived communities in Scotland. Almost a quarter of the most deprived zones in Scotland are to be found in Glasgow.



Loretto Housing Association has more than 1,300 affordable homes across the central belt and works closely with Scottish Fire & Rescue and a number of local authorities to prevent accidental dwelling fires. Our Loretto housing has a higher proportion of customers in supported or specialist accommodation where we work closely with care colleagues.



DGHP joined Wheatley Group in December 2019 with 10,300 affordable homes spread from Dumfries to Stranraer. It provides the majority of the social rented stock in the area. DGHP have well established links with their Scottish Fire & Rescue Service to ensure a joined up and effective approach is provided to preventing accidental dwelling fires. Outside Dumfries the area is largely rural with long distances between communities. One third of the population live in communities with less than 500 people. Approximately 10% of data zones in Dumfries and Galloway are amongst the 20% most deprived in Scotland. The nature of deprivation in such a rural area means that these areas tend to be highly concentrated and also suffer from poor connections – both physical and digital.



Dunedin Canmore provides over 5,000 homes in Edinburgh, the Lothians and Fife. DC works with Scottish Fire & Rescue across three local authority areas (Edinburgh City, Lothian & Borders & Fife Division). Edinburgh has just under 15% of its datazones in the most deprived 20%, while Fife has 20%.

West Lothian Housing Partnership, with over 700 affordable homes works closely with West Lothian Local Authority and Scottish Fire & Rescue to prevent accidental dwelling fires. Just over 15% of West Lothian's data zones are in the most deprived in the country.

Wheatley 360 is our wraparound support division changing lives from every angle. Its role is at the heart of making our communities safer and helping people to settle in their homes. Concierges and neighbourhood environmental teams provide a local and visible service. They keep our communities clean, tidy and provide a friendly face. Our Think Yes approach allows them to do much more – helping our customers where they most need assistance. W360 also includes the homelessness and allocations teams which will create an important synergy as we help people to settle in resilient neighbourhoods.

Wheatley Care provides services to approximately 7,000 customers each year. Wheatley Care's innovative Tenancy Support Service is integral to supporting vulnerable customers and works closely with Wheatley 360 resources to prevent, and respond effectively to, customers who hoard combustible materials. Our wider care services provide support to customers in a whole range of areas including homelessness, alcohol abuse and other vulnerabilities. Some of our vulnerable customers will receive support from Wheatley Care. While the majority will receive care from other providers our expertise means we work to ensure our customers receive the services they need.

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. It provides jobs, training and apprenticeship opportunities to many of our customers. These opportunities have given customers with some of the most challenging histories opportunities, optimism and better life chances.

Building on Our Success

Investing in our Futures, the Wheatley Group's first five-year strategy, delivered outstanding customer satisfaction and raised the bar in Scotland and beyond for performance results and business efficiency in housing, care and property management. Over the last five years we have worked with our customers and communities to ensure our neighbourhoods are places customer are proud to live.

Our Fire Prevention and Mitigation Framework was developed from a position of real strength. Our relentless focus on delivering excellent services that are highlighted as examples of best practice has ensured that our subsidiaries can access products and services that effectively support and promote fire safety across all our business areas and property types.

Detailed below are some examples of the initiatives and services that we have embedded across Group during the life time of our previous FPMF and are making a real contribution to saving lives and preventing fire related injuries. Importantly, all of these are rooted in our innovative fire safety operating model, with our housing officers kept close to our customers and their communities through small patch sizes. This means, they know their vulnerable customers – whose social and lifestyle factors place them at a higher risk - and are able to draw on products and services that meet their needs and help to keep customers safe.

Group Fire Safety Team

Over the previous three years the Group have recruited six Fire Safety Officers, all of whom are highly experienced and trained in the latest fire safety practices and policies

Fire Safety Operating Model

Our fire safety operating model was recognised as a fire prevention exemplar by the Scottish Governments Unintentional Harm Hub

Fire Safety Charter with SFRS

Our Group/SFRS fire safety charter (the only one in the country) details eight joint commitments that we have agreed in partnership with SFRS to reduce accidental dwelling fires across Group

**Create a
programme of
Fire Risk
Assessments**

**We have designed, developed and are now
delivering a programme of Fire Risk Assessments
across all our MSF & Livingwell sites.**

**Over 800
vulnerable
customer
visits**

**During the last 3 years our Fire Safety Team have
visited over 800 vulnerable households and
provided fire safety pioneering products and
services**

**We have
reduced ADF's
by 32%**

**We originally set ourselves the challenging target of
reducing accidental dwelling fires by 10%. In the
last 3 years we have achieved a 32% reduction**

**Fire Safety
Forum &
Executive
Meetings**

**Our Fire Safety Forum chaired by our Health &
Safety Lead meets bi-monthly to discuss fire safety
issues and discuss ways to improve our operating
model. The forum reports into the Fire Safety
Executive Meeting**

**Practical Fire
Safety
Guidance**

**Wheatley Group senior staff were represented on
the Scottish Government Ministerial Working Group
that led to the publication of the Governments
Practical Fire Safety Guidance for High Rise &
Specialised Housing. The recommendations have
been implemented in our Group Operating Model**

**Repairs &
Investment**

**We have dedicated Repairs Investment and
Cyclical Maintenance Officers (RICO) who work
with Duty Holders, Fire Safety Team and on site
Environmental Teams to ensure our FRA
recommendations are actioned where relevant**

National and Group Context

New fire safety guidance for owners and residents of high-rise buildings in Scotland was published in December 2019 in an effort to highlight the risks and prevent a tragedy like Grenfell. The **Practical Fire Safety Guidance for Existing Domestic High Rise Buildings** provides advice on preventing fires and reducing the risk of fire in high-rise blocks. The guidance document includes information on assessing risk and a reminder of the multiple laws on fire safety. The guidance, produced by the Scottish Government and Scottish Fire and Rescue Service (SFRS), is not in itself mandatory. All our residents in high-rise buildings were given separate leaflets on what to do if there is a fire and how to prevent them starting. The leaflet confirms the importance of the 'stay put' policy advocated by SFRS, actions to stop fires happening and keeping yourself and others safe from fire.

The guidance for residents is also available from our Group Fire Safety Team. The guidance has six specific chapters providing guidance on the following topics:

- **Fire Safety in High Rise Buildings**
- **Assessing the Risk to Persons**
- **Fire Prevention**
- **Risk Management**
- **Ongoing Control**
- **The Law on Fire Safety**

In response to the Guidance we created a programme of Fire Risk Assessments for our 136 MSF and 42 Living Well sites. This 3-year programme was temporarily suspended during covid restrictions and was subsequently re mobilised in October 2020.

New guidance to reduce the risk from fire in specialised housing, such as sheltered and supported accommodation, was published in January 2020. The guidance – called **Practical Fire Safety Guidance for Specialised Housing and Similar Premises** – helps those responsible for the housing and those who provide care and support services in such properties to carry out fire safety risk assessments, taking into account the requirements of individual residents. It will also be useful for those receiving "care at home" services or support in "general needs" housing. The guidance is a recommendation of the Review of the Fire Safety Regime in Scotland, following the fire at Grenfell Tower in 2017.

The guide has 2 specific sections providing guidance on the following topics:

- **Person Centred Fire Risk Assessment**
- **Premises Based Fire Risk Assessment**

The Scottish Fire & Rescue Service

SFRS continue to be fully committed to working with Wheatley Group to:

- Plan and deliver targeted prevention approaches to keeping our customers safe;
- Share information more freely, increasing knowledge and understanding to meet the needs of our staff and customers; &
- Working with us to develop a Group approach to their future 'Safe & Well' approach

Safe & Well

Preventing Fire, Protecting Well-Being

For more than ten years, SFRS have been carrying out interventions in people's homes to reduce their risk from fire and to provide advice on actions to take in the event of fire. Although other factors have no doubt also been involved, this approach has resulted in a reduction of risk and dramatic drop in demand for fire and rescue services, and consequent reductions in the number of deaths and injuries from accidental fires in the home.

From this successful fire prevention approach the concept of a 'Safe and Well' visit has evolved. It is envisaged that, through their interactions with people in their homes, and with the necessary additional awareness training, firefighters will be able to identify and act upon a significantly wider range of risks. Not only fire risks, but those that predispose people to a number of health issues that can significantly reduce life expectancy and/or quality of life.

The objectives of the Safe and Well project are:

- Looking to build on the current HFSV model and incorporate wider health and social care considerations
- Move to a person-centred intervention to enable people to maintain independence, improve personal resilience and quality of life
- Increase public value and support partners to deliver national and local outcomes
- A Safe and Well visit would be a free person-centred home visit which replaces and expands upon previous HFSVs.

Staff will continue to give fire safety advice but they will also consider the householder(s), their home environment and lifestyle factors in order to identify risks or needs and provide an effective response. SFRS want to target areas and households where they know there is a higher risk of fire, primarily the more vulnerable groups in the community. Visits will therefore be offered to individuals who meet standard criteria such as:

- Anyone in the household has a history, or may be a target of, fire related crime
- High levels of clutter / hoarding
- History of fire, including signs of burns/scorch marks on furniture or clothing
- Sensory impairment – Hearing Impairment / Visual Impairment Blind
- Use of medical oxygen, paraffin based emollients or medical airflow mattress
- Unable to evacuate the property in an emergency due to their age or medical condition
- Mental health issues including dementia / cognitive impairment
- Use medication that causes drowsiness, visual disturbance or dizziness
- Alcohol or drug issues
- Anyone in the household has shown an interest in starting fires
- The household has telecare/community alarm

- Households with occupants over 65

Prevalence of Accidental Dwelling Fires

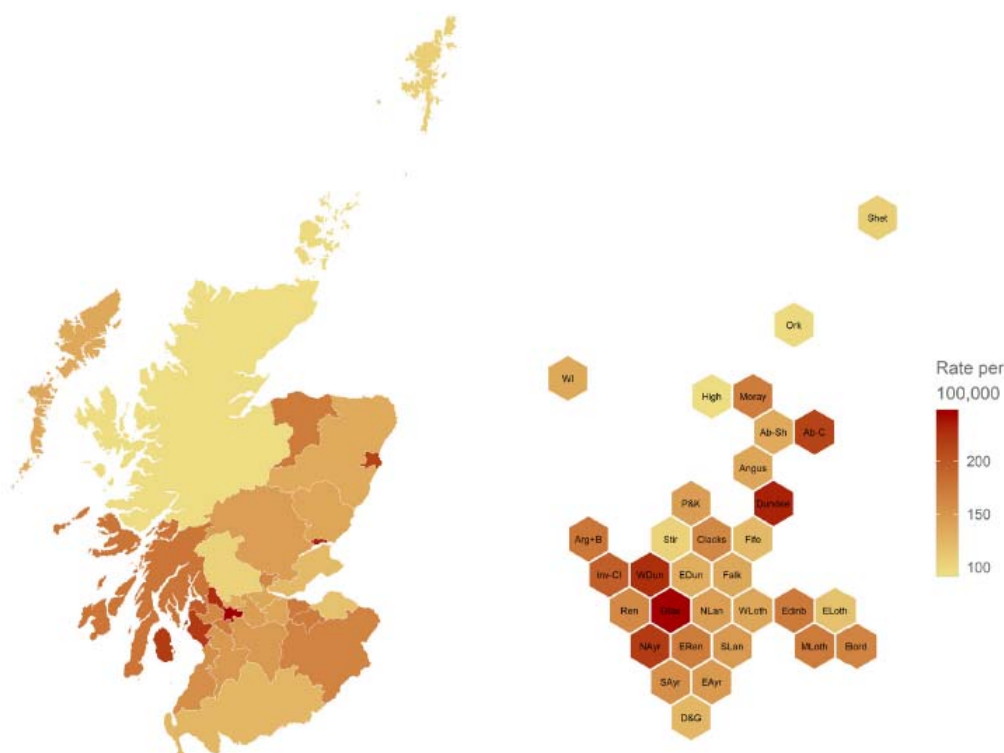
The number of accidental dwelling fires has decreased by 5.8% from the 2018-19 total (from 4,634 to 4,364), the lowest in recent years and 16.2% lower than ten years ago.

Deprivation is strongly associated with the rate of dwelling fires. The 20% most deprived areas of Scotland have a rate of dwelling fires 4.2 times higher than the 20% least deprived and 1.9 times higher than the Scotland average. This relationship has persisted over time as dwelling fire reductions have occurred for each deprivation quintile in relatively similar proportions.

Accidental Dwelling Fires - Local Authority Comparisons

The number of incidents and casualties vary considerably across the 32 Local Authority areas of Scotland. We use rates adjusted for population or the number of dwellings to more fairly compare these areas. There was an average of 165.5 accidental dwelling fires per 100,000 dwellings in Scotland. Glasgow City had the highest rate at 244.1 per 100,000 dwellings, Highland had the lowest rate at 94.9

Accidental dwelling fires per 100,000 dwellings 2019/20



Group Accidental Dwelling Fires

Fundamental to our fire safety operating model has been the recruitment of specialist Fire Safety Officers and the development of a bespoke vulnerable household visit process. An intervention visit ensures that our most vulnerable customers receive a personalised and premises fire risk assessment and where relevant are provided with our fire safety pioneering products. We believe that our unique approach to vulnerable household visits has significantly contributed to our reduction in accidental dwelling fires. The following chart details our three year on year reduction in ADF's.

Fire Safety

Accidental Dwelling Fires 2017/18 – 2020/21 YTD

Wheatley
360 

SFRS ADF INCIDENT DATA	2017/18	2018/19	2019/20	2020/21	Volume Change 2017/19 – 2020/21	Percentage Change
ADF West	269	240 (-29)	217 (-23)	182(-35)	-87	-32%

Our Vision and Aim

Strategic Vision: Our Fire Prevention and Mitigation Framework will make our homes and communities safer for all.

Our Aim: To build on our sector leading fire safety work through embedding a strong prevention led approach across all our services and to be recognised as sector leaders in the prevention of death and injury from fire incidents.

We will deliver this aim by successfully achieving four high level outcomes. The outcomes are noted below:

1 PREVENTING, PROTECTING & RESPONDING
We will continue to build on our existing excellent fire prevention services and continue to protect our assets while reducing fire related injuries and fatalities

2 PEOPLE & COMMUNITIES
We will continue to empower our employees and communities to be the architects of solutions in the design and delivery of fire safety services

3 PARTNERSHIPS & COLLABORATION
We will continue to strengthen and build on our existing partnerships at a local and national level to deliver enhanced fire safety outcomes

4 PIONEERING PRODUCTS & SERVICES
We will continue to drive innovation and explore new technologies and ways of working that will prevent fires and protect our customers

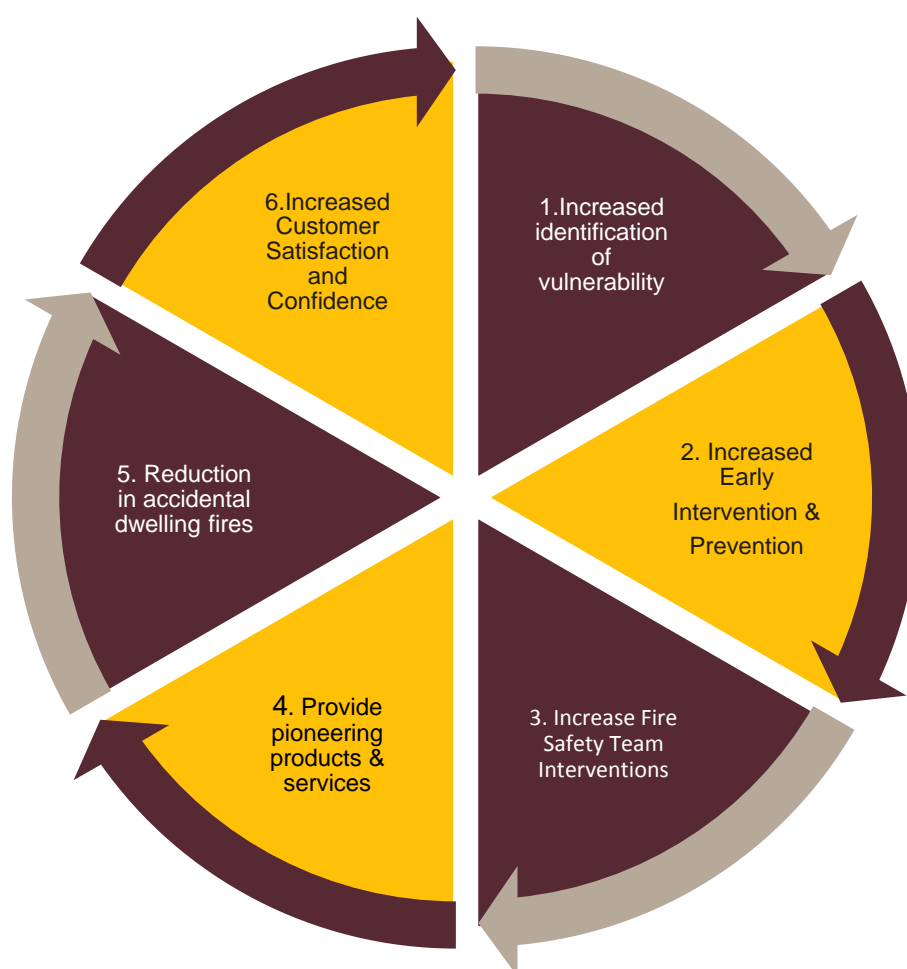
AIM

To build on our sector leading fire safety work through embedding a strong prevention led approach across all our services and to be recognised as sector leaders in the prevention of death and injury from fire incidents.

This structured approach to fire safety and prevention focuses on ensuring that our customers will be empowered to make their own choices about the services they want, be properly equipped to do things for themselves and involved in the design of products and services from start to finish. It will support digital provision of services where these are appropriate, recognising that it is important that “no-one is left behind”. In particular, we recognise that those who are living in socially deprived communities may have particular challenges in gaining access to or using digital services.

Success will be dependent on staff and customers feeling confident to report issues and identify risk and vulnerability to us and our partners. Our ability to provide quality resolutions to issues and to respond to customer feedback will be vital to this.

Our fire safety “confidence cycle” will be an important element of this approach. We know that by identifying vulnerable customers and providing with them with the right products and services will help us further reduce accidental dwelling fires.



Fire Safety Customer Confidence Cycle

This Framework recognises that preventing accidental dwelling fires requires a partnership of many organisations. We will continue to support local Scottish Fire and Rescue Teams to carry out Home Fire Safety Visits eventually moving to Safe and Well visits identifying risk and vulnerability. 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.

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.

Our Strategic and Operational Response

Through our ground-breaking partnership approach to developing fire prevention services we have seen a dramatic reduction in the instances of fire and fire related injuries across our stock portfolio in recent years. Nonetheless we recognise that, irrespective of the interventions we put in place, there will always be a risk of fire within our properties, and that this has the potential to adversely affect our staff and customers' feeling of safety, the quality of the environment and their ability to peacefully enjoy their homes and working environments.

The Group's current approach to fire safety, and fire risk assessments, has already been recognised as an exemplar model that other organisations should consider adopting. Through our commitment to setting the standard in our sector, we will take this to another level and the development and implementation of this framework clearly highlights our ambition to define and set new standards for excellence around fire prevention and mitigation.

Key to our approach will be an even higher focus on fire safety through our investment and maintenance programmes. Using information, we gather from fire risk assessments on our MSFs, we have identified further improvements that can be made to our stock over the next five years to enhance fire safety even further

We have integrated these investment works into a larger scale change programme set out against four 'P's or Pillars': *Preventing and Protecting*, *People and Communities*, *Partnership and Collaboration* and *Pioneering Products and Services*.



Throughout the life of this 5-year framework we will continue to design and deliver our activities through these Pillars. Our themed approach to how we will deliver our strategic outcomes and high level success measures is summarised in the charts below. Each Pillar will be supported by a detailed implementation plan and will be led by senior manager within Group who will be responsible for ensuring that our objectives are met.

PREVENTING & PROTECTING

OUTCOMES

WORKSTREAMS

SUCCESS MEASURES

1

Reduce accidental dwelling fires by a further 10% and our homes and our assets protected

Risky behaviours identified & changed

- We will have reduced accidental dwelling fires Group wide by a further 10% by 2026
- Processes are in place to ensure annual fire safety visits to those customers who are defined as 'at risk';
- All our Housing First customers receive annual follow up visits to promote fire safety at home;
- We have provided advice & guidance on how to avoid risky behaviours (cooking methods) to our New Scots customers
- We are mitigating the impact that vulnerability, mental ill health and substance misuse has on causing accidental dwelling fires

Maintenance & Investment programmes updated to reflect fire safety priorities

- Constantly evolving processes and procedures to ensure that appropriate changes in fire safety best practice ~~is~~are adopted across Group.
- Well established investment programmes to undertake fire safety works within customers' homes (smoke and heat detectors) and within our blocks (emergency lighting)
- Engagement with stake-holders from across the Group to ensure consistency of approach along with representation at all levels within the fire safety performance structure.

Our use of data Information & Intelligence reviewed & refreshed

- We use SFRS fire & special service incident data to inform our strategic planning, service delivery and resource allocation;
- We continually reshape our fire safety operating model to meet the challenges we face in both the physical and digital world
- Increased reporting of fire safety concerns by customers and staff. For example, we expect referrals to our Fire Safety Team for vulnerable household visits to increase by 20%.

PREVENTING & PROTECTING

Achieving Success

Changing & Influencing Behaviour

The best way to prevent fires is to change risky behaviours and staff across Wheatley, rooted in local communities, are amongst the best placed to influence our customers, particularly the most vulnerable. This is embedded through our operating model with our housing officers having an average patch size of 200 properties.

We will continue to develop our understanding of the issues that impact negatively on the safety and well-being of our customers and communities.

We will identify 'at risk' customers and work with our partners to ensure there are clear pathways to the most appropriate support.

Maintenance & Investment Programmes

We already have a robust approach to repairs, maintenance and investment. We will ensure that our comprehensive, up-to-date assessment of all stock types is held centrally. We will build on this to take our approach to the next level setting sector leading standards through for example:

- Installing emergency lighting in our MSF stairwells
- Upgraded bin store sprinklers across our MSF portfolio

LD2 smoke and heat detectors in all mainstream properties along with LD1 systems for vulnerable customers, who are identified via housing and fire safety colleagues

We will focus our investment and maintenance priorities onto our successful containment strategy. We will continue to act on the outcomes of the Grenfell enquiry and those of the Scottish Government working groups in relation to fire safety.

Data Information & Intelligence

We are working closely with our SFRS colleagues to design and deliver a new 'Safe & Well' approach, which will further reduce accidental dwelling fires and accidents in the home.

We will have developed an approach to predictive analytics that uses all our available data on customers, communities and fire incidents to provide actionable intelligence ensuring we intelligently deploy our resources whilst influencing those of our partners. If we can predict it, we can prevent it.

PEOPLE & COMMUNITIES

OUTCOMES

WORKSTREAMS

SUCCESS MEASURES

2

Staff & Customers have the skills, knowledge and awareness of how to keep themselves and their communities safe

Stronger Voices, Stronger Communities

- Our customers are at the heart of decision making and are involved in directing service decisions
- Our local engagement model provides an opportunity for our customers to shape services and influence decisions. It is action and outcome focussed.
- We have a successful annual 'stay safe' campaign for customers which we promote on our digital and paper media platforms.
- We understand our communities and deliver the right mix of services to meet their needs.

Sector Leading Training & Awareness for our staff

- Our staff deliver sustained change for the better of all customers and communities. To achieve this, we equip them with the skills, knowledge and technology required to keep our customers safe in an ever changing world.
- We are working with our SFRS partners to deliver experiential fire safety training at the SFRS, HQ 'Safe House'

Demographic & Lifestyle Factors informing all our workstreams

- Our staff are empowered to develop, test and deliver, innovative and collaborative changes to best suit our customer's needs.
- We proactively share learning and best practice across the entire Group and with our partners ensuring we adapt and evolve.
- We will maintain a key role in supporting vulnerable customers across our communities, by working with partners, we will develop preventative approaches that focus on early intervention and diversion.

PEOPLE & COMMUNITIES

Achieving Success

Consultation & Engagement

With the 'Voice of the Customer' we are taking engagement to a new level for all our customers. This Framework will put this into action particularly for those customers who may be vulnerable and susceptible to having an accidental dwelling fire. We recognise that our customers may have many issues in their lives and we 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 particularly SFRS will also be working to engage with customers so we will work with them to ensure maximum joint benefit from each engagement.

Training & Awareness

We will continue to update our "Stay Safe" campaign across all mediums, ensuring our messages around fire safety are delivered in ways that reflect our diverse customer base, including materials and equipment available in different languages or for those with sight or hearing impairment.

In addition to mandatory Fire Safety training that staff are required to attend every 3 years, we also work with SFRS to promote Fire Safety training that focusses on good fire safety practice within the home environment. Regular visits are arranged at the SFRS 'Safe House' where our seconded Watch Manager provides an awareness of the risky behaviours that staff should be aware of when visiting our customer's homes.

Demographic & Lifestyle Factors informing all our work streams

We know that demographic and lifestyle factors can have an impact on fire risk. For example, during the period 2020/21, 40% of those customers experiencing and accidental dwelling fire had self-defined as vulnerable. We will improve our ability to identify and manage vulnerability as it relates to fire risks.

We better understand our customers and communities and deliver the right mix of services to meet their changing needs.

We are redefining the relationship we have with our partners to better support our vulnerable customers.

We continue to promote our fire safety services online and encourage our housing officers and front line staff to identify customers that would benefit from a Fire Safety Team Intervention Visits.

PARTNERSHIPS & COLLABORATION

OUTCOMES

WORKSTREAMS

SUCCESS MEASURES

3

Ever Stronger partnerships in place at a local and national level that deliver enhanced fire safety for our customers & communities

Effective information & Intelligence Sharing

- Our Data Sharing Agreement with SFRS will be updated in 2021 to reflect SFRS new approach to Safe & Well visits. This will include the inclusion of additional information relating to vulnerable household data;
- We will develop approaches to predictive analytics to enhance our current real time trend analysis

Continuous Improvement in all fire safety programmes

- Introduce a Group definition of vulnerability as it relates to fire and work with our customers and staff to identify those customers who would self-identify as vulnerable
- We will build on our already established partnership with Scottish Fire & Rescue and Police Scotland with an increased focus on a public health approach to vulnerability
- Create a –partnership agreement with SFRS that sets out our shared vision of further reducing ADF's and preventing accidents in the home;

Shared Outcomes, Resources & Services agreed with partners

- We will work collaboratively with the Wheatley Foundation to support those most at risk of having an accidental dwelling fire;
- Update our existing Fire Prevention Charter to reflect the SFRS new approach to Safe & Well visits
- We will work with partners to share resources in order to maximise benefits, this will include joint customer visits with SFRS, Community Action Teams

PARTNERSHIPS & COLLABORATION

Achieving Success

Information Sharing

Our evidence based fire safety operating model is based on the sharing of information and intelligence with our customers and partners. By better understanding our performance and demand, we can focus our fire safety team where they will have the greatest impact. Improvements in data sharing, digital analysis and intelligence gathering will be critical to our success.

We will develop an updated Data Sharing Agreement with SFRS to reflect the introduction of the Safe & Well operating model.

Best Practice and Continuous Improvement

As an organisation we continually strive to improve. We will update our existing Fire Prevention Charter with SFRS to reflect their new Safe & Well approach to reducing ADF's and preventing accidents in the home. This charter will clearly set out our shared priorities for home and fire safety including, for example, how we engage communities and how we will identify and support vulnerable and hard to reach customers.

We are working with SFRS to embed the Safe & Well approach across our RSL network. We are developing joint staff training with our SFRS Prevent & Protect partners.

We work collaboratively internally across our subsidiaries, for example drawing down on Wheatley Cares Tenancy Support Service.

Shared Outcomes, Resources & Services

We work with our partners to make sure that customers receive the right response, at the right time from the most appropriate resource and service. To do this effectively, we will work with our customers and communities to determine where and how their needs are best met and how our service can adapt.

We proactively share learning and best practice across the Group and with partners ensuring we deliver the best possible outcomes for customers and communities.

PIONEERING PRODUCTS & SERVICES

OUTCOME

WORKSTREAMS

SUCCESS MEASURES

4

Cutting edge products, services and technology in place that prevent fires and protect our customers

Developing and Integrated package of products

High quality, effective services that underpin our product offerings

A Reviewed Operating Model that embeds best practice

- An updated integrated package of fire prevention products is available for staff and customers to draw down;
- The introduction of digital solutions for capturing, recording, managing and reporting on Group Fire Risk Assessments.
- The introduction of rapport messaging will facilitate secure two way digital communications with our customers and enable us to push out specific fire safety messages to particular communities.

- A programme of formal fire safety reviews by each of our Communities of Excellence by the end of 2021/22 to generate ideas and identify leading edge technologies;
- We have begun a programme of 3D mapping of our MSF sites with the SFRS, Operational Intelligence Team.
- We will have dedicated RICO's within City Building who have expertise in responding to fire safety issues and repairs.

- Our Fire Safety Team fully embedded into our new Fire/Health & Safety operating model by Q1, 2021.
- From Q2, 2021 we will be using a new PAS79, 20:20 FRA template at all our corporate, care, Living Well & MSF sites.
- Our wider service model is reviewed annually to identify further opportunities to promote innovative ways to enhance fire safety;
- An external assessment of our fire safety strategy in 2022/23 to ensure it is relevant and challenges us to continually set the bar for the sector.

PIONEERING PRODUCTS & SERVICES

Achieving Success

Products

We always strive to drive innovation in all that we do. Throughout the life of this framework we will continue to identify new and innovative fire safety and prevention products that our customers can draw down. We have developed a digital solution to recording and managing fire risk assessments.

Services

Our Communities of Excellence are our main platform for bringing members of staff across subsidiaries together to develop our services. We will continue to develop our response to fire safety across a number of our communities of excellence. Each relevant COE will conduct an annual fire safety review of the services they oversee to ensure continuous improvement.

Operating Model

We have recruited six fire safety officers and integrated them into a new Group Fire/Health & Safety Team. Our operating model reflects national guidance and will incorporate the new Safe & Well approach being developed by our SFRS partners. Our operating model will continue to be identified as a prevention exemplar and will set the standard for others to follow.

The Legal Framework

This Fire Prevention and Mitigation Framework has been developed to ensure that we are not only meeting all the relevant legislation and guidance that is relevant to Fire safety but exceeding it and setting national best practice.

Registered Social Landlord Subsidiaries

Our Group's social landlords' legal responsibilities are set out in:

- The Housing (Scotland) Act 2001 which places a duty upon us to ensure that our properties are in a good state of repair.
- We have a responsibility under sections 23 and 24 of the Fire Safety (Scotland) Regulations 2006, to ensure that measures provided for *fire fighter safety* within the common areas of private dwellings are maintained in an efficient state, in efficient working order and in good repair.
- The Scottish Housing Quality Standards (SHQS) which place a duty upon us to ensure that the properties which we own are adequately maintained and fit for purpose. The elements below, highlight specific elements within the SHQS that a robust common area inspection regime would ensure compliance with:
 - **Element 48** – Safe lobbies, halls, passages.
 - **Element 49** – Safe common paths, paved areas, courts, laundry and drying areas.
 - **Element 50** – Safe refuse chutes/chambers.
 - **Element 51** – Safe bin stores.

The Health and Safety at Work 1974 (HSWA), places a “duty of care” upon us, for all who enter premises which we control. The most efficient way of us ensuring that our duties relating to HSWA are fulfilled is to follow guidelines set out within approved codes or practice.

As an employer we have responsibilities under the Fire (Scotland) Act 2005, to ensure that all of our staff have relevant training and are aware of emergency plans within the property they work. Further to this, we also have a responsibility to carry out inspections to our stock on a regular basis to ensure that the premises, any fire safety facilities, equipment and devices pertaining to fire detection or fighting are maintained in good order.

Care Premises

The legislation in respect of care homes is set out in Part 3 of the Fire (Scotland) Act 2005, along with the Fire Safety (Scotland) Regulations 2006.

This sets out our fire safety responsibilities and seeks to ensure the safety of persons (whether they are employees, residents, visitors or others) from harm caused by fire.

The responsibility for complying with the fire safety duties in a care home sits with the employer and other persons who operate or have control of the premises to any extent, including managers, owners and staff.

Private Rented Sector – The Repairing Standard

Our Lowther Homes subsidiary owns and manages our mid and full market rent portfolio. The portfolio is classed as private rented sector accommodation and as such is required to meet 'The Repairing Standard'.

Section 13(1) of the Housing (Scotland) Act 2006 sets out the criteria that must be met if a house is to comply with the Repairing Standard. Most importantly, a house should have satisfactory provision for detecting fires and for giving warning in the event of fire or suspected fire.

The Repairing Standard sets a high benchmark for smoke and fire detection, matching the standard required for new building and which is higher than many owner-occupiers will meet for their own homes. For example, a smoke alarm installed from 3 September 2007 onwards had to be mains powered with a standby power supply. As part of our commitment to continuous improvement, we will assess whether it would be appropriate to adopt this standard across all our social housing.

Building regulations set out the essential standards to be met when building work or a conversion takes place. The building regulations do not apply retrospectively and as such private rented properties may not apply to the current building regulations requirements, but should always comply with guidance set out in other relevant legislation, specifically the Housing (Scotland) Act 2006-

Responsibilities

The Group Director of Property will have overall strategic responsibility and will oversee the successful implementation of the work plan.

Following agreement by the group board to this framework, each subsidiary will be responsible for developing their fire safety and mitigation approach, which reflects their customer base, stock profile, product portfolio and risk profile. They will be responsible for monitoring the implementation of this including providing assurance to the group about the successful implementation.

Review and Consultation

This Framework will support the aspirations of our new Group Strategy and will be reviewed in 2026. Reviews will consider legislative, performance and good practice changes. More regular reviews may be considered where, for example, there is a need to respond to new legislation / policy guidance or recommendations from Fatal Accident Inquiries.

We will also review our strategy in light of any findings from the Scottish Government Ministerial Working Group, convened to examine and oversee the review building and fire safety regulatory frameworks with an initial focus on high rise domestic buildings, following the tragic Grenfell Tower fire in London.

In addition to scheduled reviews, we will report on progress annually to the Wheatley Group Board and Audit Committee.

We have developed this strategy in consultation with stakeholders. Similar consultation will take place for all proposed reviews.



Report

To: DGHP Board

By: Anthony Allison, Director of Governance

Approved by: Steven Henderson, Group Director of Finance

Subject: Strategic governance review

Date of Meeting: 26 May 2021

1. Purpose

1.1 To update the Board on the following governance matters:

- The planned Group wide strategic governance review; and
- Board member recruitment – appointment approval.

2. Authorising and strategic context

2.1 Under the Group Standing Orders, the Group Board is responsible for the Group's overall governance arrangements. The Group Remuneration, Appointments, Appraisal and Governance ("RAAG") Committee supports the Board in this role.

2.2 As we transition into the implementation phase of the new Group strategy and the final phases of the main pandemic restrictions the Group Board agreed that the strategic context was appropriate to initiate a strategic governance review. The Group Board agreed the Terms of Reference for the review at its last meeting, which are attached at Appendix 1.

2.3 The strategic governance review will lay the foundation for the commitment in the Group strategy to redesign our authorising environment. This review will set the overarching governance context to allow a review of how the staffing authorising environment, our internal governance, operates.

2.4 The Board are responsible for the recruitment and selection of Non-Executive Directors. Any appointments remain subject to Parent approval under the terms of our Articles of Association.

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 The Group strategic risk register contains the risk “*The governance structure is not clearly defined, is overly complex and lacks appropriate skills at Board and Committee levels to govern the Group effectively. Failure of corporate governance arrangements could lead to serious service and financial failures.*”
- 3.3 We mitigate this risk by having clearly defined roles and responsibilities across our governance framework, regularly reviewing our framework and submitting our governance arrangements to external review.
- 3.4 The proposed strategic governance review will engage independent expertise to review our governance arrangements and make recommendations for how they can be refined to continue to mitigate this risk.
- 3.5 Our Board recruitment, as part of our wider succession planning, is focussed on ensuring that we understand the skills and experience of the Board and target our recruitment accordingly.

4. Background

- 4.1 Since the last Group strategic review our governance has changed significantly. This has included DGHP joining the Group in December 2019. Since then we have, as part of the Transformation Programme we have already wound up the two DGHP Committees and agreed to wind up Novantia.

5. Customer engagement

- 5.1 Our strategic governance review is internally focussed, with our strategy having already established our plans to enhance the mechanisms for Board decision making being influenced by customer feedback and input.
- 5.2 Future governance reviews will seek to more formally consider how well we have integrated customer feedback into our Board level decision making.

6. Discussion

Strategic governance review

- 6.1 The significant level of change in our governance structures, combined with the reflection of how our governance has operated during the pandemic and how that can inform our future approach, the timing is appropriate to initiate a strategic governance review. This also aligns with the early phases of implementing our strategy.
- 6.2 The scope of the review of our overarching governance structure and arrangements will cover five key areas:
1. The overarching Group structure;
 2. The role and remit of Boards and Group Committees within the Group structure;
 3. Board compositions;
 4. Board practice; and
 5. Assurance of compliance with SHR Regulatory Framework.

- 6.3 A summary of each is set out below:

Group structure/ role and remit of Boards and Group Committees

- 6.4 As previously identified, our group structure has continued to evolve. The review will consider the current level of complexity within our structure taking into account these changes. This will include areas such as intragroup relationships, ongoing legal and regulatory compliance requirements and decision making.
- 6.5 The review of the Group structure is inherently aligned to the role and remit of Boards and Committees, given they will, in part, determine some intragroup relationships. This element of the review would be expected to consider whether the current structure and roles and remit lead to unnecessary duplication which impacts the effectiveness and agility of decision making.
- 6.6 We know from the changes we have made in Lowther, Barony and Cube that there are potential benefits for both our governance and customers through integration. The review will consider the potential for any further similar benefits. The identification of potential benefits would be just one factor for Boards to consider along with a range of other factors, including the legal and regulatory practicalities.
- 6.7 The review will also draw on lessons learned and good practice from elsewhere within and outwith the sector.

Board and Committee compositions

- 6.8 The interim governance arrangements we have operated throughout the pandemic provide a point of reflection. In particular, the lessons learned from our experience operating smaller Boards with a narrower skills base and the broadening of this to our dual board approach.
- 6.9 Most of the aspects of Board composition are relatively standard in nature and the review will require to reflect the findings of the preceding elements when formulating recommendations. Given the importance of such roles, it specifically includes consideration of the office bearer eligibility and appointment process. At present, a number of office bearer roles have restricted eligibility.

Board practice

- 6.10 Our pre pandemic Board practice of all Board meetings being in person, held at respective head offices will no longer be an option in future. This element of the review will focus on how we draw on the lessons learned and cast forward to how our practice will reflect our new hub model.

Assurance of compliance with SHR Regulatory Framework

- 6.11 As we focussed on the response to the pandemic and operated interim governance arrangements we agreed to postpone the external review of our annual assurance statement evidence.

- 6.12 It will be included as an element of the review. It is intended that our Internal Audit team will independently work in partnership with the external reviewer to strengthen the level of independent assurance provided to the Board.

Methodology

- 6.13 As with all our strategic governance reviews, we will engage independent external expertise to undertake the review. Our previous strategic governance reviews have been undertaken by Campbell Tickell. As a matter of good practice, we will however test the market prior to any appointment.
- 6.14 As with previous reviews, a foundation of the review will be direct engagement with all Group Board members, which includes the DGHP Chair. This allows all Board members to express individual views confidentially, whilst providing a basis to ensure any proposals reflects the themes and patterns within the overall Board feedback.
- 6.15 Prior to the interviews, an extensive desktop review process and contextual research will have been undertaken to ensure that the external reviewer is well informed.

Board engagement

- 6.16 The Terms of Reference set out key milestones and timescales for the review. An important element of this is that recommendations agreed by the Group Board are subject to discussion at individual Board workshops, where appropriate, prior to our implementation plan being agreed. This reflects our approach to decision making being based on engagement with Boards across the Group.

Summary

- 6.17 The strategic governance review will allow us to ensure that our governance arrangements are fully aligned to our new strategy and operating model. In parallel, it will provide an opportunity to quickly adapt our governance to embed the lessons learned from the pandemic.

Recruitment

- 6.18 Following agreement by the Board on the skills and experience we should seek, the recruitment panel undertook interviews and have agreed to recommend Caryl Hamilton for appointment.
- 6.19 Caryl is an accountant, operates in a senior financial management role and will strengthen the Board's skills in this key area. A copy of Caryl's CV is attached at Appendix 1. Further feedback on the candidate will be provided at the meeting.
- 6.20 Due to the timing of the meetings, the RAAG Committee have preapproved Caryl's appointment. Subject to Board approval, Caryl would join the Board immediately, undergo an induction process and attend her first meeting in August.

7. Digital transformation alignment

- 7.1 The review is not directly related to our digital transformation activities; however, the Board practice element will consider how digital more widely can play a role in our governance approach.
- 7.2 The oversight of our digital transformation activity will however be considered within the review as part of the wider review of Board and Committee roles and responsibilities.

8. Finance and value for money implications

- 8.1 The review will be covered from within existing budgets.

9. Legal, regulatory and charitable implications

- 9.1 The review will include consideration of our compliance with regulatory requirements. Additionally, undertaking the review through an independent expert will strengthen our compliance with the Regulatory Standards of Governance.
- 9.2 As with previous reviews, we will update the Scottish Housing Regulator on our plans as part of our routine engagement. Any changes agreed as part of the review will be subject to specific engagement with the SHR and our funders where there are regulatory framework or consent requirements.

10. Equalities impact

- 10.1 As part of the recruitment process we explicitly asked our external search partner to provide feedback on how they sought to widen the diversity of the pool. As part of this, they identified a specific challenge associated with the population diversity of Dumfries and Galloway geographical area.

11. Environmental and sustainability implications

- 11.1 There are no direct environmental and sustainability implications arising from this report. As part of the strategic governance review, it is expected that roles and responsibilities for oversight of our environmental and sustainability activities will be more clearly defined, reflecting their greater prominence in our strategy.

12. Recommendations

- 12.1 The Board is asked to:
 - 1) note the Strategic Governance Review Terms of Reference; and
 - 2) approve the appointment of Caryl Hamilton as Non-Executive Director and agree to admit Caryl to the register of members.

List of Appendices

Appendix 1: Strategic Governance Review Terms of Reference
Appendix 2: [redacted]

Strategic governance review

- Terms of Reference

1. Context

Wheatley Housing Group (“WHG”) is the Parent within a Group structure (“the Group”). The group structure contains entities legally constituted and regulated in a range of different ways, including:

- Registered Social Landlords (“RSLs”)
- Companies Limited by Shares
- Companies Limited by Guarantee
- Registered Societies (via the Financial Conduct Authority)
- Registered Charities (via the Office of the Scottish Charity Regulator)
- Registered Care services (Via the Care Inspectorate)
- Registered factor and letting agent (via the Scottish Government)
- Financial Conduct Authority (insurance mediation via Wheatley Solutions)

As WHG is a Registered Social Landlord, the Group is principally regulated by the Scottish Housing Regulator.

As a group, we have routinely undertaken strategic governance reviews: to reflect our strategic direction in our governance arrangements; take into account any material changes in our group context; learn lessons from previous governance reviews; learn lessons from the wider sector; review the effectiveness of our current governance arrangements.

Since our last strategic governance review, the following key activities have taken place

- A new 2021-26 Group strategy has been agreed
- Dumfries and Galloway Housing Partnership has joined the Group and initiated the process to fully align its governance arrangements with the Group
- Cube tenants have voted to change landlord
- The GHA and Group Board have agreed we develop a new platform for Glasgow
- We have integrated our care activity into a single vehicle – Wheatley Care
- We have integrated our commercial activity into a single vehicle – Lowther Homes
- We have created a new Group Development Committee

Combined with the reflection of how our governance has operated during the pandemic and how that can inform our approach as we emerge from the pandemic, the timing is appropriate to initiate a strategic governance review.

2. Scope of review

The scope of the review is based on our overarching governance structure and arrangements. The strategic review should cover five key areas:

1. The overarching Group structure
2. The role and remit of Boards and Group Committees within the Group structure
3. Board compositions
4. Board practice
5. Assurance of compliance with SHR Regulatory Framework

Further detail on each is set out in the proposed approach and methodology.

City Building (Glasgow) are not within the scope of the review.

3. Review Area

Group structure

Our assumed Group structure, post changes already underway, is attached at Appendix 1. In recent years the focus of our group structure has been twofold: what delivers the best service and benefits for tenants; and what reduces risk and complexity. This is set within the context of understanding that our operating context and stakeholders are factors in the decisions we make regarding our group structure.

The review of our group structure should incorporate the following:

Risk and complexity

A review and assessment of the level of risk and complexity within our current group structure. This should include:

- the external legal and regulatory compliance requirements of the current structure;
- intragroup contracting arrangements and relationships eg Intra-Group Agreements and Service Agreements
- decision making within the current group structure
- reference to lessons learned and good practice within and outwith the wider sector

Recommendations should be made for how the Group structure could be evolved to reduce complexity and risk.

Previous group integration

We have undertaken, or are in the process of undertaking, a significant element of integration within our group structure. Each element has been agreed based on the potential released in terms of: enhanced services and investment for customers; reduced rent levels for tenants; increased new build; operational efficiency; and/or strategic alignment.

The potential for similar benefits to be gained by further changes to the group structure should be evaluated and identified.

Role and remit of Group/Subsidiary Boards/Committees

Review and assess the role and remit of each Board and Committee within the Group. This should include:

- the delineation of roles and responsibilities of Boards and Committees
- the effectiveness and agility of decision making and the identification of any inherent or unnecessary duplication
- Areas where integration of roles and responsibilities could enhance our governance
- any gaps in the role and remits of Boards or Committees
- reference to lessons learned and good practice within and outwith the wider sector

Recommendations should be made on the role and remit of Boards and Committees, including where amendment or integration could improve the overall governance of the Group.

Board and Committee compositions

Taking into account the findings in relation to the role and remit of Boards and Committees, Board composition should be assessed and reviewed.

This should include consideration of:

- lessons learned from the governance arrangements operated during the pandemic
- the skill and experience requirements of each Board and Committee relative to its role and responsibilities
- the composition of each Board – including the balance of the different constituent memberships
- Office bearer eligibility and appointment process
- The overall size of each Board, including the effectiveness of our current Board sizes
- reference to lessons learned and good practice within and outwith the wider sector

Recommendations should be made on the size, composition and skills and experience required for Committees and Boards. These should be accompanied by revised skills matrices for each Committee and Board.

Board practice

The pandemic has led to a fundamental change to Board practice. Videoconferencing has become the default by necessity for Board meetings and is now a more established practice.

In addition to this, we are redefining our corporate estate to focus on a Centres of Excellence hub model which will focus more on how our buildings provide space for staff to engage and collaborate, rather than have dedicated spaces such as Board rooms.

As we emerge from the pandemic and face to face becomes possible we wish to consider what our approach should be in future. The review should consider:

- Lessons learned from how our governance operated during the pandemic
- What our future Board practices should be in terms of the potential to blend digital and physical meetings, including a blend within meetings
- For physical meetings, when and where should they be held – does the current previous approach still fit with post pandemic flexible working practices

Recommendations should be made as to how our future approach can take the positive elements of how our governance has operated during the pandemic to refine our Board practice in future.

Assurance of compliance with SHR Regulatory Framework

The Group requires to undertake an Annual Assurance self assessment exercise and report to the Scottish Housing Regulator. As part of this, we draw on independent external assurance over elements of our self-assessment.

The review should include:

- An independent review of the self assessment evidence for the 2021 Assurance Statement
- Co-development and/or independent expert input into approaches being developed to enhance compliance

Recommendations should be made on areas where compliance could be strengthened, including, where appropriate, specific means for doing so.

4. Methodology and approach

The methodology and approach should incorporate the following elements:

Element	Approach
Desktop review	<ul style="list-style-type: none">▪ Review of existing Group structure and intragroup relationships▪ Review of Board and Committee roles and responsibilities<ul style="list-style-type: none">- Reserved matters- Devolved matters- Committee Terms of Reference- Board level Schemes of Delegation- How the roles were discharged during pandemic▪ Review of all existing Board and Committee compositions<ul style="list-style-type: none">- Size of Board- Constituent membership- Office bearer eligibility▪ Review of Board and Committee papers▪ Review of governance approach during pandemic▪ Review of self assessment evidence
Board/Committee engagement	<ul style="list-style-type: none">▪ One to One interview with all Group Board members (which also covers all partner Board and Committee Chairs and Group CEO)▪ Discussion with Group RAAG Committee
Contextual research	<ul style="list-style-type: none">▪ Group Strategy 2021-26▪ Individual partner organisation strategies▪ SHR Regulatory Framework
Good practice	<ul style="list-style-type: none">▪ Review/research of good and emerging practice and lessons learned within and outwith sectors in which the Group operates

5. Timescale

The target timescale for completion of the review will be as follows:

Milestone	Completion date
Group Board agree Terms of Reference for strategic governance review	28 April 2021
Independent consultant appointed	May 2021
Desktop review completed	May 2021
Board member interviews	Early-mid June 2021
Update to Group RAAG Committee	End June 2021
Initial findings and recommendations	July 2021
RAAG Committee review of draft report	Early August 2021
Final report to Group Board	August Board residential – end August 2021
Group Board agree what recommendations to adopt	August Board residential – end August 2021
Partner Board workshops as required on key recommendations	September 2021
Implementation plan to Group Board	October 2021
Update to all partner Boards/Committees	October- November 2021



Report

To: DGHP Board

By: Pauline Turnock, Director of Financial and Legal Services

Approved by: Steven Henderson, Group Director of Finance

Subject: Finance report

Date of Meeting: 26 May 2021

1. Purpose

The purpose of this report is to provide the DGHP board with:

- An overview of the management accounts for the period to 31 March 2021 and the period to 30 April 2021; and
- To seek the Board's approval to submit the Five Year Financial Projection and Loan Portfolio returns to the Scottish Housing Regulator.

2. Authorising and strategic context

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

3. Risk appetite and assessment

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

4. Background

- 4.1 This report outlines performance against budget for the month of April 2021 and the full year to 31 March 2021, and provides an update on the Loan Portfolio return and the Five Year Financial projections.

5. Customer engagement

5.1 No implications.

6. Discussion

6.1 This report outlines performance against budget with the appendix providing more detail on the financial results.

Year to 31 March 2021

6.2 DGHP has reported a statutory surplus of £9,793k for the year to 31 March 2021, which is £4,934k favourable to budget.

6.3 The main drivers of the adverse variance are lower repairs expenditure during the pandemic, lower levels of bad debt costs and the early recognition of grant income on the completion of the new build properties at Sanquhar. These items are one-off in nature and the underlying financial performance of DGHP remained within the parameters of its business plan.

6.4 Key points to note:

- Net rental income of £43,868k is broadly in line with budget despite the pandemic impacting normal letting activities with Homeless lets helping to mitigate void losses which reported an improving trend as the year progressed.
- Grant income of £1,055k was recognised for the 12 units at Sanquhar in March which were completed early.
- Other income is favourable by £1,265k mainly due to higher levels of aids and adaptation work and the recognition of the associated grant, additional temporary accommodation income due to extension of lets during Covid-19, a continuation of Supporting People Grant and DGC matching funding for the YPP.
- Direct staff costs are £1,522k favourable to budget with the earlier implementation of the new staff operating model generating savings in the year and linked to an additional £1,822k of early retirement and voluntary redundancy costs.
- Repairs and maintenance spend is £3,780k favourable to budget due to the varying levels of restrictions to the repairs service throughout the year due to the pandemic.
- Bad debt costs are £621k favourable to the budget, with the introduction of the 1:200 patch sizes for housing officer helping the management of arrears levels.

6.5 DGHP has reported a net capital spend of £16,099k, which is £20,158k favourable to budget for the year to 31 March 2021.

6.6 Key points to note:

- Included in capital investment spend, grant of £4,506k has been received relating to Sanquhar, Lincluden and £105k from D&G District Council towards Monreith developments. Core investment expenditure of £11,829k is £13,276k lower than budget but in line with reforecast.
- New Build expenditure of £8,226k is £4,830k lower than budget, with the sites at Nursery Avenue, Lincluden and Monreith progressing well, and 12 units complete at Sanquhar in March 2021.
- Other capital expenditure of £550k is for the initial planning for new office hubs in Dumfries and Stranraer and the IT system migration project.

Period to 30 April 2021

6.7 DGHP has reported a statutory surplus of £1,251k for the period to date, which is £529k unfavourable to budget. The key driver for the variance is the lower level of grant income linked to the earlier completions at Sanquhar which was recognised in March 2021. This is offset by lower repairs cost with the full service resuming at the end of April 2021.

6.8 DGHP has reported net capital expenditure £839k lower than budget for the period to 30 April 2021, due to the timing of new build expenditure in the month.

Scottish Housing Regulator ("SHR") Loan Portfolio Submission

6.9 We are required to submit its loan facilities and borrowing position, as at 31 March 2021, to the Scottish Housing Regulator via the regulators' online portal. The submission report appended contains the details which will be transferred to the portal, showing both the information and the layout.

6.10 The submission report contains the information relating to the debt position of the RSL as at the financial year end.

6.11 The key information contained within the report is that, as at 31 March 2021:

- DGHP had available committed facilities of £224m.
- Loan details in the appended table shows the individual loan amounts borrowed by DGHP along with lending details and the relevant rates (£189m)
- The value of the 3,761 units secured against the loans is £259.7m (31 March 2020 and 31 March 2021 valuations).
- 6,579 units remain unencumbered and available to support further debt (of which a certain percentage need to remain unencumbered to meet the Allia covenant).

6.12 As part of the submission to the Scottish Housing Regulator, the Chair of the Board and Director/Chief Executive are required to confirm the following:
"I hereby certify for and on behalf of the RSL that the information provided in this return is, to the best of my knowledge and belief, an accurate and fair representation of the affairs of the RSL."

Five Year Financial Projections

- 6.13 The Five Year Financial Projections is a web based return designed by the Scottish Housing Regulator (“SHR”) to collect the financial projections and related information of all RSLs in Scotland in a standard format. The information provided is used to calculate a number of financial ratios and is used by the SHR as part of its annual review of the financial viability of RSLs and in making decisions on the level of engagement. It is also used to allow developing trends, patterns and emerging issues to be identified and considered across the sector.
- 6.14 The return provides the actual results for 2020/21 and the financial projections for the next five years. At other points in the year we submit our long-term financial projections i.e. our 30-year business plan which was presented to the February Board and the annual accounts which will be presented to the August Board meeting.
- 6.15 The return includes out turn and forecast Statements of Comprehensive Income, Financial Position and Cashflow together with other key assumptions such as movements in stock numbers and pension costs.
- 6.16 The five year forward financial projections reported within the return are based on the 2021/22 Financial Projections previously approved by the DGHP Board in February. The 2020/21 figures in the projections have been updated to reflect the 2020/21-year end management accounts.
- 6.17 The five year forward projections also include estimates for non-cash year-end accounting adjustments not included in the management accounts. The reconciling items between the management accounts in appendix 1 and the SHR return are shown below.

	£'000's	Notes
DGHP P12 draft Statutory Surplus	9,793	
Investment property valuation movement	80	Business plan estimates pending final JLL valuations
Social Housing valuation movement	(1,486)	
	<u>8,387</u>	

- 6.18 The summary sheet and accompanying financial data and 5-year projections to be submitted to the regulator are attached at Appendix 3. The Board are requested to consider and approve these financial projections. Once approved, these will be submitted to the Scottish Housing Regulator.

7. Digital transformation alignment

- 7.1 No implications.

8. Financial and value for money implications

- 8.1 The results for 2020/21 are in line with the assumptions made in the most recent update of DGHP's business plan. They have been presented to our credit rating agency, Standard & Poor's. We anticipate having an update on their rating outcome prior to the Board meeting.
- 8.2 Underlying surplus after deducting major repairs and interest costs from EBITDA was £998k for the month compared to budgeted underlying surplus of £674k, with the favourable variance driven lower than budgeted repairs in April during remobilisation.

9. Legal, regulatory and charitable implications

- 9.1 No implications.

10. Equalities impact

- 10.1 Not applicable.

11. Environmental and sustainability implications

- 11.1 Not applicable.

12. Recommendations

- 12.1 The Board is requested to:
 - 1) Note the management accounts for the year ended 31 March 2021 and the month to 30 April 2021 at Appendix 1;
 - 2) Approve the loan portfolio submission in Appendix 2 and authorise this to be submitted to the Scottish Housing Regulator and delegate to the Group Director of Finance authority to approve any factual data updates required to the data in advance of the submission; and
 - 3) Approve the summary sheet and accompanying financial data and projections at Appendix 3 and authorise these to be submitted to the Scottish Housing Regulator and delegate authority to the Group Director of Finance to undertake any factual data updates required to the data in advance of the submission.

List of Appendices

Appendix 1: Finance report – year to 31 March 2021 and period to 30 April 2021

Appendix 2: [redacted]

Appendix 3: Five Year Financial Projections Submission



**Year to 31 March 2022 and period to 30 April
2021**
Finance Report

1a) Operating statement - Year to 31 March 2021

OPERATING STATEMENT	Year to March 2021		
	Actual £ks	Restated Budget £ks	Variance £ks
INCOME			
Rental Income	44,556	44,353	203
Void Losses	(688)	(444)	(244)
Net Rental Income	43,868	43,909	(41)
Grant Income	1,055	1,367	(285)
Other Income	2,942	1,677	1,265
TOTAL INCOME	47,865	46,953	939
EXPENDITURE			
Employee Costs - Direct	5,134	6,656	1,522
Transformation budget	2,319	420	(1,899)
Direct Running Costs	5,012	4,900	(112)
Revenue Repairs and Maintenance	8,459	12,239	3,780
Bad debts	300	921	621
Depreciation	10,748	10,748	-
TOTAL EXPENDITURE	31,972	35,884	3,912
NET OPERATING SURPLUS	15,893	11,069	4,824
Net operating margin	33%	24%	
Interest receivable	138	241	(103)
Net Interest payable & similar charges	(6,238)	(6,451)	213
STATUTORY SURPLUS	9,793	4,859	4,934

INVESTMENT	Actual £ks	Restated Budget £ks	Variance £ks
TOTAL CAPITAL INVESTMENT INCOME	4,506	3,449	1,057
Total Expenditure on Core Programme	11,829	25,105	13,276
New Build	8,226	13,056	4,830
Other Capital Expenditure			
Premises	300	515	215
IT	250	1,030	780
TOTAL CAPITAL EXPENDITURE	20,605	39,706	19,101
NET CAPITAL EXPENDITURE	16,099	36,257	20,158

Key highlights year to date:

- Net operating surplus of £15,894k is £4,825k favourable to budget. Statutory surplus for the year is £9,794k, £4,935k favourable to budget. The key driver of the variance is the impact of the pandemic restrictions on revenue repairs and operational expenditure.
- Net Rental income is £41k unfavourable to budget. Letting activities had slowed due to Covid-19 impact. Void losses are £244k higher than budget, representing a 1.55% loss rate compared to budget of 1.00% following a peak in the later summer and steadily reducing thereafter. Income has been received from Dumfries and Galloway Council for homeless lets continuing to help to mitigate the void losses.
- Grant income is recognised on the 12 new build completions at Sanquhar. Other income is £1,265k favourable to budget, and includes all income from service charges, temporary accommodation/Young Persons project ("YPP"), and miscellaneous income from tenants such as Women's Aid. Land rent is being received for the undeveloped Curries Yard site. The YYP lottery grant is being matched by the Council which was not budgeted. Homeless lets income is favourable to budget due to Covid-19 restrictions extending the lets compared to what was budgeted.
- Total expenditure is favourable to budget by £3,913k. Staff costs include cost reductions linked to unbudgeted ERVR leavers. Higher ERVR costs are driven by the earlier implementation of the new operating model and will yield savings ongoing annual savings.
- Direct running costs are £168k higher than budget and include additional costs linked to higher levels of project income reported in other income. Also include is a provision of £379k for leased office dilapidations costs. Other running costs such as office running costs, travel and subsistence are all at lower levels during Covid-19.
- Repairs and maintenance costs are £3,780k favourable to budget in both reactive and revenue compliance work, with the in-house service is delivering a "Safety First" repairs service rather than the full budgeted service for the initial months of the year. Contracts for Gas Servicing and Landscaping are include in this line.
- Included in capital investment spend, grant of £4,506k has been received relating to Sanquhar, Lincluden and £105k from D&G District Council towards Monreith developments. Core investment expenditure of £11,829k is £13,276k lower than budget.
- New Build expenditure of £8,226k is £4,830k lower than budget, with the sites at Nursery Avenue, Lincluden and Monreith progressing well, with 12 units now completed at Sanquhar in March 2021.
- Other capital expenditure of £550k is for the initial planning for new Hubs in Dumfries and Stranraer and the IT system migration project.

1b) Operating statement P1 – April 2021

OPERATING STATEMENT	Year to April 2021			Full year £k's
	Actual £ks	Budget £ks	Variance £ks	
INCOME				
Rental Income	3,977	3,953	24	45,254
Void Losses	(46)	(40)	(6)	(457)
Net Rental Income	3,931	3,913	18	44,797
Grant Income	-	911	(911)	5,291
Other Income	338	356	(18)	2,286
TOTAL INCOME	4,269	5,180	(911)	52,374
EXPENDITURE				
Employee Costs - Direct	289	276	(13)	3,307
Employee Costs - Group Services	166	160	(6)	1,918
Transformation budget	-	-	-	305
Direct Running Costs	167	171	4	3,372
Running Costs - Group Services	129	186	57	2,231
Revenue Repairs and Maintenance	748	1,052	304	10,359
Bad debts	50	88	38	1,052
Depreciation	959	959	-	11,510
Demolition	-	-	-	244
TOTAL EXPENDITURE	2,509	2,891	383	34,298
NET OPERATING SURPLUS	1,760	2,289	(529)	18,076
<i>Net operating margin</i>	<i>41%</i>	<i>44%</i>		<i>35%</i>
Net Interest payable & similar charges	(509)	(509)	-	141
STATUTORY SURPLUS	1,251	1,780	(529)	4,859

Key highlights :

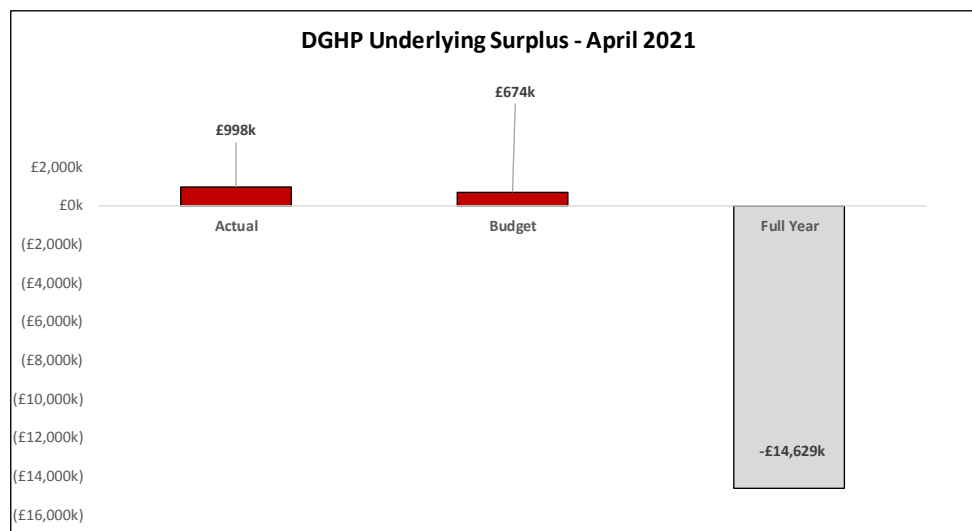
- Net operating surplus of £1,760k is £529k unfavourable to budget. Statutory surplus for the month is £1,251k, again £529k unfavourable to budget. The key driver of the variance is the budgeted grant income of £911k for the new build properties at Sanquhar completion, which were completed early in March 2021 offset by lower levels of repairs and maintenance spend.
- Net Rental income is £18k favourable to budget. The monthly level of void rent loss continues to reduce. At end of April the void loss was 1.1% against a target of 1%.
- Grant income was recognised for the 12 units at Sanquhar in March 2021. Properties at Monreith are expected to complete in May
- Other income is £18k favourable to budget due only to timing of Ofgem Renewable Heat Incentive (RHI) grant receipts
- Total expenditure is favourable to budget by £383k driven by Lower level of repairs and Maintenance spend of £304k with the budget assuming a return to the full service at the start of the financial year, the service was fully remobilised in the last week of April.
- Core programme is broadly in line with budget for the month
- New Build expenditure is £598k lower than budget due to the completion of Sanquhar in the previous financial year.
- Other IT capital expenditure of £52k relates to the migration of DGHP IT systems and other IT infrastructure spend.

INVESTMENT	Actual £ks	Budget £ks	Variance £ks	Full year £k's
TOTAL CAPITAL INVESTMENT INCOME	-	572	(572)	6,855
Total Expenditure on Core Programme	1,212	1,154	(58)	32,816
New Build	543	1,141	598	16,970
Other Capital Expenditure				
Premises	-	170	170	2,035
IT	52	181	130	2,176
TOTAL CAPITAL EXPENDITURE	1,807	2,646	839	53,997
NET CAPITAL EXPENDITURE	1,807	2,074	267	47,142

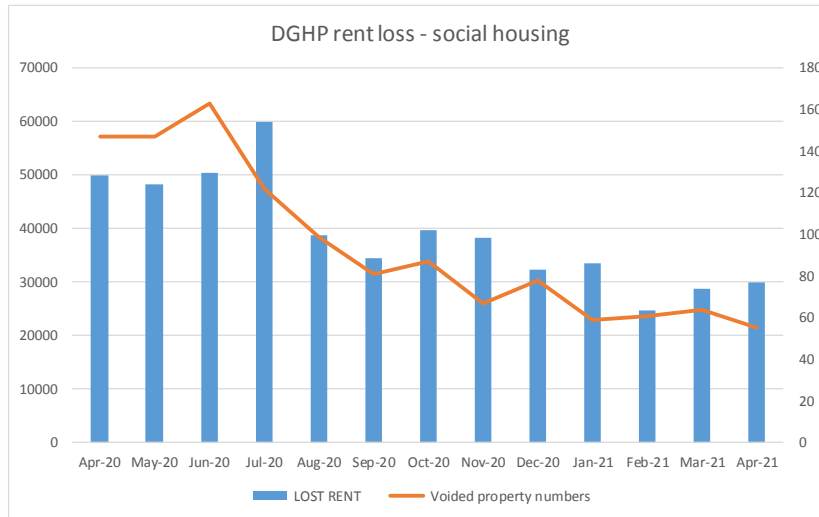
1c) Underlying surplus – P1 April 2021

Key highlights :

- The Operating Statement (Income and Expenditure Account) on pages 2 and 3 are prepared in accordance with the requirements of accounting standards (Financial Reporting Standard 102 and the social housing Statement of Recommended Practice 2014).
- However, the inclusion of grant income on new build developments creates volatility in the results and does not reflect the underlying cash surplus/deficit on our letting activity.
- The chart below therefore shows a measure of underlying surplus which adjusts our net operating surplus by excluding the accounting adjustments for the recognition of grant income and depreciation, but including capital expenditure on our existing properties.
- In the first month of the financial year, an underlying surplus of £998k has been generated using this measure which is £324k favourable to budget. The variance is driven by lower repair levels. The budget reflects the large investment program delayed due to Covid 19 resulting in higher spend in the current financial year and hence the full year deficit of £14,629k



2. Period 1 – Void Analysis



Comments:

- The graph shows the housing void loss and number of void tenancies at the end of the period showing the reducing trend over the last 12 months.
- The void loss is £29k in April with 55 properties void at the end of the month.
- All new Sanquhar properties are now let

3b. Period 1 – In House Repairs service (IHR)

Dumfries & Galloway Housing Partnership	Year to April 2021			Full Year Budget £ks
	Actual £ks	Budget £ks	Variance £ks	
INCOME				
Internal Subsidiaries	842	1,105	(263)	11,845
External Customers	-	-	-	-
TOTAL INCOME	842	1,105	(263)	11,845
COST OF SALES				
Staff Costs	360	422	62	5,060
Materials	100	142	42	1,500
Subcontractor & Other Costs	398	405	7	3,246
TOTAL COST OF SALES	858	969	111	9,806
GROSS (LOSS)/PROFIT	(16)	136	(152)	2,039
Margin %	(2%)	12%	58%	28%
Overheads	121	136	15	2,039
NET (LOSS)/PROFIT	(137)	-	(137)	-

Key Comments:

- Income for the in house repairs service is £263k lower than budget linked to the lower level of repairs delivered to DGHP tenants in April., with a loss of £137k reported due to staff and overheads not being fully recovered against the lower level of repairs jobs.
- The service was fully remobilised at the end of April
- The in house team are now performing heating compliance and responsive works.
- Backlog repairs jobs are scheduled for the coming months and will help improved the recovery level of in house costs.
- A total of 4,455 repairs were completed in April, being higher than any month in the prior year.

3a. Period 1 – Repairs and Investment

Repairs	Year to 30 April 21			Full Year
	Actual	Budget	Variance	Budget
Responsive Repairs	376	689	313	6,262
Cyclical (local)	107	113	6	1,278
Overhead	137	-	(137)	-
Compliance Revenue	129	250	121	2,806
Total Repairs	748	1,052	303	10,346

Major Repairs - Capital	Year to 30 April 21			Full Year
	Actual	Budget	Variance	Budget
Core Programme	714	729	15	28,002
Capitalised Voids	317	242	(75)	2,900
Adaptations	90	92	2	814
Capitalised Staff	92	92	-	1,098
Fire Safety	-	-	-	3
TOTAL	1,212	1,155	(58)	32,816

Key Comments:

Repairs

- Repairs and maintenance is favourable to budget although the full repairs service resumed on 26th April. Heating servicing insourced on 1st April. Void spend includes £100k of external subcontractor costs for works ordered before 31/3/21, and work on voids will be completed in house going forward.
- IHR service is reporting a deficit of £137k, against a break even budget. This is due to not being at full capacity on repairs until end of the month, mitigated to an extent by savings in staff and materials
- Savings have been made on materials, and staff costs as some vacancy remain to be filled now that a full repairs service is being offered to tenants

Investment

- The Core program is broadly in line with budgeted spend. Capitalised voids are over budget for the month being the last of the large value works finished with City Building, and a corresponding drop in void properties is now being seen.
- Overall capital expenditure of £1,212k is £58k favourable to budget, with spend to date mainly on roofing and accelerated EWI works to deliver our ballot promise to our customers. A soft remobilisation for heating and windows has commenced with no spend to date, however Aids & Adaptations and LD2 upgrades continue to progress.
- Void spend includes £100k of external subcontractor costs for works ordered before 31/3/21, and work on voids will be completed in house going forward.

5. Period 1 – New Build

Development Name	Year To 30 April April 2020 £'000's			Full Year budget £ 000's
	Actual	Budget	Variance	
Lincluden Dumfries	360	572	212	7,098
Queensberry Sq. Sanquhar	22	342	320	685
Monreith 3	105	166	61	332
Springholm	-	12	12	12
Nursery Avenue	3	-	(3)	4,366
Queensberry Brae Thornhill	-	-	-	1,703
North St. Glenluce	-	-	-	618
Catherinefield Farm, Locharbriggs	4	-	(4)	-
Johnstonebridge	-	-	-	12
Eastriggs	-	-	-	1,274
Corsbie Road	-	-	-	116
Capitalised Staff	48	48	-	573
Total Cost	543	1,141	598	16,790
Grant Income	-	572	(572)	6,739
Net New Build Costs	543	569	26	10,051

Key Comments:

New build expenditure is reporting a £598k underspend in the month compared to budget driven by the earlier completion in 20/21 of Sanquhar site. Lincluden was budgeted to spend £572k and claim £572k in grants. Full grant for Lincluden was claimed in last financial year.

- **Lincluden** –Phase 1 completion – Sept 2021, Phase 2 completion February 2022.
- **Queensbury Square, Sanquhar** – homes complete and final costs being settled
- **Monreith** 5 units expected May 21
- **Nursery Ave** – Approved by Group Development Committee. Planning and technical consents in place, s75 and access licence ready for signing. Site start due 31st May 2021.
- **Eastriggs** – Tender approval now received and site start June 2021.

6. Period 1 – Balance Sheet


Balance Sheet	30 April 21 £'000's	31 March 21 £'000's
Fixed Assets		restated
Social Housing Properties	376,656	375,089
Other Fixed Assets	1,318	1,267
Investment Properties	8,027	8,027
	386,001	384,383
Current Assets		
Stock	420	431
Trade Debtors	180	58
Rent and service charge arrears	2,413	2,484
less: provision for rent arrears	(1,405)	(1,388)
Prepayments and accrued income	382	406
Other debtors	363	526
Total Debtors	1,933	2,371
Due from other group companies	71	97
Cash & Cash Equivalents	66,401	70,028
	68,825	72,927
Creditors: within 1 year		
Trade Creditors	(841)	(2,206)
Accruals & Deferred Income	(3,425)	(5,998)
Provisions	(379)	(379)
Prepayments of Rent and Service Charge	(670)	(616)
Other Creditors	(565)	(582)
Total Creditors	(5,880)	(9,781)
Amounts due to Group Undertakings	(1,497)	(1,420)
	(7,377)	(11,201)
Net Current Liability	61,448	61,726
Long Term Creditors		
Loans	(188,704)	(188,704)
Loan interest	(2,203)	(2,114)
Grants	(11,826)	(11,826)
Pension Liability	(2,765)	(2,765)
Net Assets	241,951	240,700
Capital and Reserves		
Share Capital		
Revenue Reserve	88,293	87,042
Revaluation Reserve	153,658	153,658
Shareholders' funds	241,951	240,700

Key Comments:

The balance sheet reported reflects the 31 March 2021 year end position which is still subject to final audit and year end statutory adjustments, including the revaluation of both housing and investment properties and actuarial valuation of the defined benefit pension scheme.

- **Fixed assets** of £386m – representing investment works added less depreciation of existing assets. Other fixed assets have increase in value due to IT capital investment spend.
- **Trade & other debtors** – arrears remain well managed with the provision for bad debts is calculated in line with the Group policy reflecting the age and recoverability of arrears balances.
- **Stock** relates to repairs stock purchased from Saint Gobain and replenished weekly. Payment is made for stock as received, with this only being expensed to the Income statement as utilised.
- **Cash at Bank** consists of £66.4m cash in hand ready for the investment programme
- **Short-Term Creditors** Includes
 - amounts due to Wheatley and DGHP3.
 - M&G interest accrued and paid twice annually
 - Payroll is accrued monthly for second half of the month as pay date is 15th.
 - Provision £379k has been made for dilapidation liabilities at office premises we are vacating at the end June.
 - Investment accruals confirmed by the surveyors.
- **Long-Term Creditors** This relates to
 - Capital loans of £188.7m,
 - The roll up of accrued interest on Allia loans not payable until end date £2.2m incurred since drawdown
 - Grant income received is deferred until the completion of new build properties, totals £11.8m.




Financial Projections & Assumptions							2021	 Scottish Housing Regulator
Dumfries and Galloway Housing Partnership							315	
		2020/21 Year 0	2021/22 Year 1	2022/23 Year 2	2023/24 Year 3	2024/25 Year 4	2025/26 Year 5	
PLEASE USE "0" FOR NIL VALUES THROUGHOUT THIS RETURN								
Number of units lost during year to:		£'000	£'000	£'000	£'000	£'000	£'000	Comments
STATEMENT OF COMPREHENSIVE INCOME								
Gross rents	10 :	44,437.8	45,297.4	46,282.5	47,852.7	49,757.3	52,710.4	
Service charges	11 :	118.3	203.6	188.0	177.7	183.0	187.6	
Gross rents & service charges	12 :	44,556.1	45,501.0	46,470.5	48,030.4	49,940.3	52,898.0	
Rent loss from voids	13 :	688.2	963.8	965.0	950.7	982.8	1,016.8	
Net rent & service charges	14 :	43,867.9	44,537.2	45,505.5	47,079.7	48,957.5	51,881.2	
Developments for sale income	15 :	0.0	0.0	0.0	0.0	0.0	0.0	
Grants released from deferred income	16 :	1,055.0	4,235.4	4,245.9	11,560.0	21,196.6	28,057.1	
Grants from Scottish Ministers	17 :	694.0	619.0	500.0	450.0	450.0	350.0	
Other grants	18 :	432.6	439.1	0.0	0.0	0.0	0.0	
Other income	19 :	1,815.1	1,487.3	1,115.5	758.7	773.8	790.1	
TURNOVER	20 :	47,864.6	51,318.0	51,366.9	59,848.4	71,377.9	81,078.4	
Less:								
Housing depreciation	22 :	10,399.8	10,713.6	11,443.7	11,992.4	12,494.4	13,005.1	
Impairment written off / (back)	23 :	0.0	0.0	0.0	0.0	0.0	0.0	
Management costs	25 :	8,379.9	9,611.3	9,666.9	10,123.5	10,689.7	10,706.5	
Service costs	26 :	175.1	177.7	183.1	188.6	194.2	199.1	
Planned maintenance - direct costs	27 :	4,684.0	4,743.9	4,852.3	5,014.1	5,361.2	5,064.9	
Re-active & voids maintenance - direct costs	28 :	3,775.0	4,890.6	5,060.0	5,236.7	5,458.8	5,722.9	
Maintenance overhead costs	29 :	0.0	0.0	0.0	0.0	0.0	0.0	
Bad debts written off / (back)	30 :	300.0	1,051.7	1,179.9	1,225.3	1,273.8	1,348.4	
Developments for sale costs	31 :	0.0	0.0	0.0	0.0	0.0	0.0	
Other activity costs	32 :	1,006.6	1,622.9	1,039.7	521.3	536.9	550.3	
Other costs	33 :	3,250.9	1,486.1	1,890.8	2,620.3	2,708.4	2,534.4	
	34 :	21,571.6	23,584.2	23,872.7	24,929.9	26,223.0	26,126.6	
Operating Costs	36 :	31,971.4	34,297.8	35,316.4	36,922.3	38,717.4	39,131.7	
Gain/(Loss) on disposal of PPE	37 :	0.0	0.0	0.0	0.0	0.0	0.0	
Exceptional Items - (Income) / Expense	38 :	(80.0)	(80.8)	(81.6)	(82.4)	(83.3)	(84.1)	Revaluation of MMR properties
OPERATING SURPLUS/(DEFICIT)	39 :	15,973.2	17,101.0	16,132.1	23,008.5	32,743.8	42,030.8	
Interest receivable and other income	41 :	138.0	141.0	174.9	170.3	117.7	100.0	
Interest payable and similar charges	42 :	6,238.2	6,248.7	6,367.3	6,182.1	6,150.2	7,376.1	
Increase / (Decrease) in Negative Goodwill	43 :	0.0	0.0	0.0	0.0	0.0	0.0	
Other Gains / (Losses)	44 :	(1,486.2)	(28,975.2)	(15,196.0)	(17,227.4)	(31,982.8)	(42,737.3)	Valuation movement in social housing
SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAX	46 :	8,386.9	(17,981.9)	(5,256.3)	(230.7)	(5,271.5)	(7,982.6)	
Tax on surplus on ordinary activities	48 :	0.0	0.0	0.0	0.0	0.0	0.0	
SURPLUS/(DEFICIT) FOR THE YEAR AFTER TAX	50 :	8,386.9	(17,981.9)	(5,256.3)	(230.7)	(5,271.5)	(7,982.6)	

Number of units lost during year to:		£'000	£'000	£'000	£'000	£'000	£'000	Comments
Actuarial (loss) / gain in respect of pension schemes	52	0.0	0.0	0.0	0.0	0.0	0.0	
Change in Fair Value of hedged financial instruments.	53	0.0	0.0	0.0	0.0	0.0	0.0	
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	55	8,386.9	(17,981.9)	(5,256.3)	(230.7)	(5,271.5)	(7,982.6)	
STATEMENT OF FINANCIAL POSITION								
Non-Current Assets								
Intangible Assets & Goodwill	60	0.0	0.0	0.0	0.0	0.0	0.0	
Housing properties - Gross cost or valuation	63	373,968.7	378,752.9	391,649.3	415,010.0	441,247.1	446,601.0	
Less								
Housing Depreciation	65	0.0	0.0	0.0	0.0	0.0	0.0	
Negative Goodwill	66	0.0	0.0	0.0	0.0	0.0	0.0	
NET HOUSING ASSETS	67	373,968.7	378,752.9	391,649.3	415,010.0	441,247.1	446,601.0	
Non-Current Investments	69	8,082.0	8,162.8	8,244.5	8,326.9	8,410.2	8,494.3	
Other Non Current Assets	70	918.8	4,633.8	5,321.7	5,294.6	5,003.8	4,589.2	
TOTAL NON-CURRENT ASSETS	71	382,969.5	391,549.5	405,215.5	428,631.5	454,661.1	459,684.5	
Current Assets								
Net rental receivables	74	1,096.1	2,325.6	2,252.9	2,249.8	2,244.9	2,238.9	
Other receivables, stock & WIP	75	1,802.8	3,256.0	3,285.8	3,316.2	3,347.2	3,378.8	
Investments (non-cash)	76	0.0	0.0	0.0	0.0	0.0	0.0	
Cash at bank and in hand	77	70,028.3	38,805.9	27,224.9	13,869.0	5,000.0	5,000.0	
TOTAL CURRENT ASSETS	78	72,927.2	44,387.5	32,763.6	19,435.0	10,592.1	10,617.7	
Payables : Amounts falling due within One Year								
Loans due within one year	81	0.0	0.0	0.0	0.0	0.0	0.0	
Overdrafts due within one year	82	0.0	0.0	0.0	0.0	0.0	0.0	
Other short-term payables	83	10,973.9	8,469.7	8,627.2	8,787.9	8,951.8	9,118.9	
TOTAL CURRENT LIABILITIES	84	10,973.9	8,469.7	8,627.2	8,787.9	8,951.8	9,118.9	
NET CURRENT ASSETS/(LIABILITIES)	86	61,953.3	35,917.8	24,136.4	10,647.1	1,640.3	1,498.8	
TOTAL ASSETS LESS CURRENT LIABILITIES	88	444,922.8	427,467.3	429,351.9	439,278.6	456,301.4	461,183.3	
Payables : Amounts falling due After One Year								
Loans due after one year	91	191,039.6	192,106.3	193,201.9	194,327.6	211,272.2	237,773.6	
Other long-term payables	92	0.0	0.0	0.0	0.0	0.0	0.0	
Grants to be released	93	11,825.2	11,284.5	17,329.6	26,361.8	31,711.4	18,074.7	
	94	202,864.8	203,390.8	210,531.5	220,689.4	242,983.6	255,848.3	
Provisions for liabilities & charges	95	0.0	0.0	0.0	0.0	0.0	0.0	
Pension asset / (liability)	96	2,765.0	2,765.0	2,765.0	2,765.0	2,765.0	2,765.0	
NET ASSETS	97	239,293.0	221,311.5	216,055.4	215,824.2	210,552.8	202,570.0	
Capital & Reserves								
Share capital	100	0.0	0.0	0.0	0.0	0.0	0.0	
Revaluation reserve	101	152,171.7	123,196.7	108,000.8	90,773.2	58,790.6	16,053.2	
Restricted reserves	102	0.0	0.0	0.0	0.0	0.0	0.0	
Revenue reserves	103	87,121.3	98,114.8	108,054.6	125,050.9	151,762.2	186,516.8	
TOTAL CAPITAL & RESERVES	104	239,293.0	221,311.5	216,055.4	215,824.2	210,552.8	202,570.0	
Intra Group Receivables - as included above	106	97.0	0.0	0.0	0.0	0.0	0.0	
Intra Group Payables - as included above	107	1,420.0	0.0	0.0	0.0	0.0	0.0	

Number of units lost during year to:		£'000	£'000	£'000	£'000	£'000	£'000	Comments
STATEMENT OF CASHFLOWS								
Net Cash from Operating Activities								
Operating Surplus/(Deficit)	112	15,973.2	17,101.0	16,132.1	23,008.5	32,743.8	42,030.8	
Depreciation & Amortisation	113	10,748.0	11,509.8	12,623.9	13,649.3	14,210.5	14,522.4	
Impairments / (Revaluation Enhancements)	114	(80.0)	(80.8)	(81.6)	(82.4)	(83.3)	(84.1)	
Increase / (Decrease) in Payables	115	(836.6)	(2,504.0)	157.5	160.7	163.9	167.2	
(Increase) / Decrease in Receivables	116	1,923.8	(2,682.5)	42.9	(27.5)	(26.1)	(25.6)	
(Increase) / Decrease in Stock & WIP	117	0.0	0.0	0.0	0.0	0.0	0.0	
Gain / (Loss) on sale of non-current assets	118	0.0	0.0	0.0	0.0	0.0	0.0	
Other non-cash adjustments	119	(1,055.0)	(4,235.4)	(4,245.9)	(11,560.0)	(21,196.6)	(28,057.1)	
NET CASH FROM OPERATING ACTIVITIES	120	26,673.4	19,108.1	24,628.9	25,148.6	25,812.2	28,553.6	
Tax (Paid) / Refunded	122	0.0	0.0	0.0	0.0	0.0	0.0	
Return on Investment and Servicing of Finance								
Interest Received	125	138.0	141.0	174.9	170.3	117.7	100.0	
Interest (Paid)	126	(4,440.5)	(5,361.4)	(5,362.0)	(5,362.7)	(5,572.1)	(7,037.2)	
RETURNS ON INVESTMENT AND SERVICING OF FINANCE	127	(4,302.5)	(5,220.4)	(5,187.1)	(5,192.4)	(5,454.4)	(6,937.2)	
Capital Expenditure & Financial Investment								
Construction or acquisition of Housing properties	130	(8,226.3)	(11,778.1)	(17,688.7)	(34,958.5)	(52,661.4)	(42,410.0)	
Improvement of Housing	131	(11,828.5)	(32,515.6)	(21,756.9)	(17,315.9)	(17,474.4)	(17,837.8)	
Construction or acquisition of other Land & Buildings	132	0.0	0.0	0.0	0.0	0.0	0.0	
Construction or acquisition of other Non-Current Assets	133	(550.0)	(4,511.2)	(1,868.2)	(1,629.9)	(1,425.2)	(1,102.7)	
Sale of Social Housing Properties	134	0.0	0.0	0.0	0.0	0.0	0.0	
Sale of Other Land & Buildings	135	0.0	0.0	0.0	0.0	0.0	0.0	
Sale of Other Non-Current Assets	136	0.0	0.0	0.0	0.0	0.0	0.0	
Grants (Repaid) / Received	137	4,505.6	3,694.8	10,291.0	20,592.2	26,546.3	14,420.4	
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	138	(16,099.2)	(45,110.1)	(31,022.8)	(33,312.1)	(45,014.7)	(46,930.1)	
NET CASH BEFORE FINANCING	140	6,271.7	(31,222.4)	(11,581.0)	(13,355.9)	(24,656.9)	(25,313.7)	
Financing								
Equity drawdown	143	0.0	0.0	0.0	0.0	0.0	0.0	
Debt drawdown	144	0.0	0.0	0.0	0.0	0.0	0.0	
Debt repayment	145	0.0	0.0	0.0	0.0	0.0	0.0	
Working Capital (Cash) - Drawn / (Repaid)	146	0.0	0.0	0.0	0.0	15,787.9	25,313.7	
NET CASH FROM FINANCING	147	0.0	0.0	0.0	0.0	15,787.9	25,313.7	
INCREASE / (DECREASE) IN NET CASH	149	6,271.7	(31,222.4)	(11,581.0)	(13,355.9)	(8,869.0)	0.0	
Cash Balance								
Balance Brought Forward	152	63,756.6	70,028.3	38,805.9	27,224.9	13,869.0	5,000.0	
Increase / (Decrease) in Net Cash	153	6,271.7	(31,222.4)	(11,581.0)	(13,355.9)	(8,869.0)	0.0	
CLOSING BALANCE	154	70,028.3	38,805.9	27,224.9	13,869.0	5,000.0	5,000.0	
ADDITIONAL INFORMATION								
Number of units added during year to:								
New Social Rent Properties added	159	12	37	47	112	257	345	
New MMR Properties added	160	0	0	0	0	0	0	
New Low Costs Home Ownership Properties added	161	0	0	0	0	0	0	
New Properties - Other Tenures added	162	0	0	0	0	0	0	
Total number of new affordable housing units added during year	163	12	37	47	112	257	345	

Number of units lost during year to:		£'000	£'000	£'000	£'000	£'000	£'000	Comments
Number of units lost during year from:								
Sales including right to buy	166	0	0	0	0	0	0	
Demolition	167	0	50	50	50	50	50	
Other	168	0	0	0	0	0	0	
Units owned:								
Social Rent Properties	171	10,255	10,242	10,239	10,301	10,508	10,803	
MMR Properties	172	100	100	100	100	100	100	
Low Costs Home Ownership Properties	173	0	0	0	0	0	0	
Properties - Other Tenures	174	0	0	0	0	0	0	
Number of units owned at end of period	175	10355	10342	10339	10401	10608	10903	
Number of units managed at end of period (exclude factored units)	177	10,255	10,242	10,239	10,301	10,508	10,803	
Financed by:								
Scottish Housing Grants	180	1,055.0	4,235.6	4,246.0	11,560.0	21,196.6	28,057.1	
Other public subsidy	181	0.0	0.0	0.0	0.0	0.0	0.0	
Private finance	182	1,643.6	5,753.8	6,109.2	9,258.1	22,362.1	31,211.4	
Sales	183	0.0	0.0	0.0	0.0	0.0	0.0	
Cash reserves	184	0.0	0.0	0.0	0.0	0.0	0.0	
Other	185	0.0	0.0	0.0	0.0	0.0	0.0	
Total cost of new units	186	2,698.6	9,989.4	10,355.2	20,818.1	43,558.7	59,268.5	
Assumptions:								
General Inflation (%)	189	3.0	1.5	3.0	3.0	3.0	2.5	
Rent increase - Margin above General Inflation (%)	190	(1.0)	0.5	(1.0)	(0.1)	(0.1)	0.4	
Operating cost increase - Margin above General Inflation (%)	191	0.0	0.0	0.0	0.0	0.0	0.0	
Direct maintenance cost increase - Margin above General Inflation (%)	192	0.0	0.0	0.0	0.0	0.0	0.0	
Actual / Assumed average salary increase (%)	193	3.0	1.5	1.5	1.5	2.0	2.0	
Average cost of borrowing (%)	194	3.4	3.4	3.4	3.4	3.5	4.0	
Employers Contributions for pensions (%)	195	24.5	24.5	24.5	24.5	24.5	24.5	
Employers Contributions for pensions (£'000)	196	1,026.0	1,127.0	1,144.0	1,161.0	1,184.0	1,208.0	
SHAPS Pensions deficit contributions (£'000)	197	0.0	0.0	0.0	0.0	0.0	0.0	
Minimum headroom cover on tightest interest cover covenant (£'000)	198	18,358.4	6,730.3	10,565.4	10,305.6	10,574.8	11,476.9	RBS Interest Cover Covenant
Minimum headroom cover on tightest gearing covenant (£'000)	199	43,323.6	37,758.9	48,273.3	54,856.9	60,567.2	76,429.5	RBS: Net Debt / Historic Cost
Minimum headroom cover on tightest asset cover covenant (£'000)	200	5,407.5	5,461.6	5,516.2	5,571.4	5,627.1	5,683.3	M&G asset cover
Total staff costs (including NI & pension costs)	202	9,363.0	11,383.0	11,554.0	11,727.0	11,962.0	12,201.0	
Full time equivalent staff	203	266.0	282.0	282.0	282.0	282.0	282.0	
EESSH Revenue Expenditure included above	205	0.0	0.0	0.0	0.0	0.0	0.0	
EESSH Capital Expenditure included above	206	1,029.5	14,365.5	9,197.9	5,820.0	5,259.6	5,919.6	
Total capital and revenue expenditure on maintenance of pre-1919 properties	207	0.0	170.0	96.0	22.0	32.5	19.5	
Total capital and revenue expenditure on maintenance of all other properties	208	20,287.5	41,980.1	31,573.2	27,544.8	28,261.9	28,606.1	
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	Ratios								
	Dumfries and Galloway Housing Partnership						315		
		2020/21	2021/22	2022/23	2023/24	2024/25	2025/26		
		Year 0	Year 1	Year 2	Year 3	Year 4	Year 5		
	Financial capacity								
	Interest cover %	603.792	359.031	462.585	472.130	465.352	407.173		
	Gearing %	50.570	69.269	76.822	83.614	97.967	114.910		
	Efficiency								
	Voids %	1.544	2.118	2.077	1.979	1.968	1.922		
	Arrears %	2.499	5.222	4.951	4.779	4.585	4.315		
	Bad debts %	0.684	2.361	2.593	2.603	2.602	2.599		
	Staff costs / turnover %	19.561	22.181	22.493	19.595	16.759	15.048		
	Turnover per unit (£)	4,622	4,962	4,968	5,754	6,729	7,436		
	Responsive repairs to planned maintenance ratio	4.4	7.6	5.3	4.3	4.2	4.0		
	Liquidity								
	Current ratio	6.6	5.2	3.8	2.2	1.2	1.2		
	Profitability								
	Gross surplus / Deficit %	33.372	33.324	31.406	38.445	45.874	51.840		
	Net surplus / Deficit %	17.522	(35.040)	(10.233)	(0.385)	(7.385)	(9.846)		
	EBITDA / revenue (%)	30.387	(9.161)	11.328	29.550	38.897	45.879		
	Financing								
	Debt Burden ratio	4.0	3.7	3.8	3.2	3.0	2.9		
	Net debt per unit (£)	11,686	14,823	16,053	17,350	19,445	21,350		
	Debt per unit (£)	18,449	18,575	18,687	18,684	19,916	21,808		
	Diversification								
	Income from non-rental activities %	8.350	13.213	11.411	21.335	31.411	36.011		



Report

To: DGHP Board

By: Matt Foreman, Managing Director

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

Subject: Corporate Risk Register

Date of Meeting: 26 May 2021

1. Purpose

- 1.1. To provide the DGHP Board with a revised Corporate Risk Register at **Appendix 1** for approval.

2. Authorising and strategic context

- 2.1. In accordance with the Group Authorise/Monitor/Manage Matrix, the Group Board is responsible for managing and monitoring the Wheatley Group Risk Management Framework. The DGHP Board (the board) is responsible for managing and monitoring its Corporate Risk Register and Risk Appetite in accordance with the Group Risk Management Framework.
- 2.2. Risk registers are in place across the Group and are reported to each subsidiary board on a bi-annual basis. These capture risks that may impact on the delivery of the Board's strategic aims.

3. Risk appetite and assessment

- 3.1. Each identified risk has been scored in line with the Group's risk management policy and considered using the Group's risk appetite matrix.

4. Background

- 4.1. The Group Audit Committee reviewed the Strategic Risk Register on 24 February 2021 and agreed changes were approved by the Wheatley Group Board on 28 April 2021. These risks have been considered when updating our Corporate Risk Register.
- 4.2. To reflect changes to the Group's Risk Management approach (as approved by the Group Audit Committee) a revised Group Risk Management Policy was approved by the Group Board on 28 April 2021.
- 4.3. The full policy will be available on Admincontrol. The key changes to the Policy are as follows:

Change	Reason for change
Format	Aligned to current Group style.
Introduction and Our aims	These sections replace the following sections: Background; Objectives of the Policy; Group Benefits; and Regulatory Requirements. Content has been streamlined to make the policy clearer and more concise. The 'Introduction' and 'Our aims' sections provide information on the Group's aims and approach towards risk management, regulatory guidance, and the benefits of managing risk effectively.
Roles and Responsibilities	New section setting out key responsibilities of Boards and Senior Management within the Group risk management approach.
Risk Hierarchy	New section to clarify the structure and hierarchy of risk within the Group.
Risk Appetite	New section stating that the Group's Risk Appetite is set by the Group Board annually, and that Group risk should be managed within these levels.
Publication	New section capturing publication arrangements for the policy.

5. Customer engagement

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

6. Discussion

- 6.1. Key strategic risk areas have been identified through a high-level review of our evolving strategies, operational risks and the current operating environment. The following table provides a summary of the changes to the Corporate Risk Register, which is available in full at Appendix 1.

Risk reference	Risk Title	Proposed change
DGHP01	Rent arrears, including Universal Credit	Risk updated to reflect impact of current legislation preventing evictions on rent arrears.
DGHP03	Stock Condition	Additional control added relating to appraisals being undertaken to identify regeneration and demolition opportunities.
DGHP05	Political and Policy Changes	Risk and controls updated to remove Brexit references.
DGHP06	Laws and Regulations	Controls updated to reflect that the annual Assurance Statement process is now established.

Risk reference	Risk Title	Proposed change
DGHP12	Brexit trade deal	Risk and controls updated to reflect the impact of Brexit trade deal risk on supply chains.
DGHP13	Securing new funding and adverse market changes	Controls updated to reflect latest Board-approved financial golden rules.
DGHP15	Group Credit Rating	Risk description and risk scoring updated following Brexit and clarity on trade agreement.
DGHP16	Pension Contributions	Controls updated to reflect Group's approach to SHAPs and LGPS schemes.
DGHP17	Cyber Security	Risk update to reflect importance of this as increased working from home
DGHP18	Post-2021 Housing Policy and Grant availability	Controls updated to reflect launch of Group's Green Investment Plan.
DGHP19	Customer Satisfaction	Controls updated to refer to 2021-26 Group Strategy and approach to gathering customer insight.
DGHP21	Ongoing threat of future waves of COVID-19	Change to inherent risk score, to reflecting the risk of further waves of virus.
DGHP22	New operating model implementation	Controls updated to reflect current status of implementation of new operating model.
DGHP24	Coronavirus vaccination roll-out	New risk added relating to the lack of clarity over employers' responsibilities in relation to the Covid-19 vaccine.
DGHP25	Climate Change	New risk added to capture potential risks arising from climate change.

7. Digital transformation alignment

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

8. Financial and value for money implications

8.1. There are no direct financial or value for money 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. Equalities implications

10.1. There are no equalities implications arising from this report.

11. Environmental and sustainability implications

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

12. Recommendation

12.1. The Board is asked to review and approve the revised Corporate Risk Register.

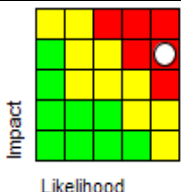
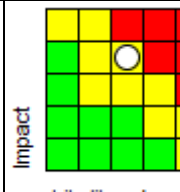
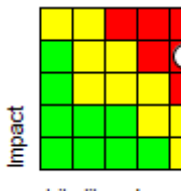
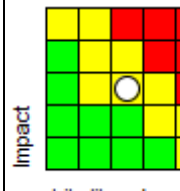
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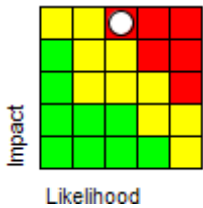
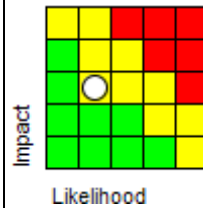
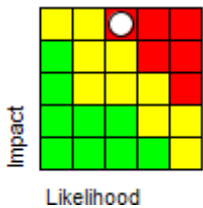
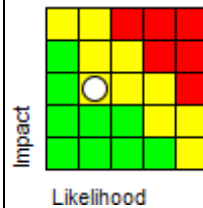
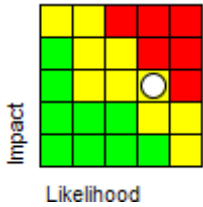
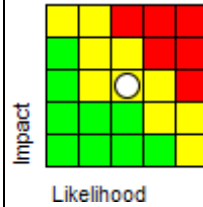
Appendix 1 –DGHP Corporate Risk Register- Draft for Approval.

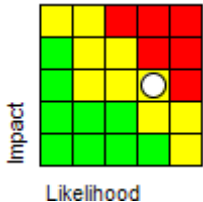
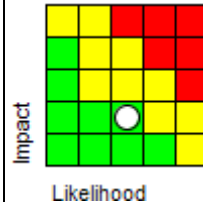
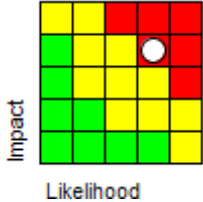
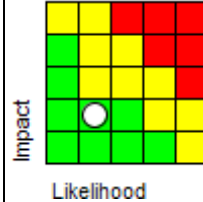
Appendix 2- Risk Scoring Definitions

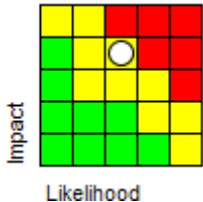
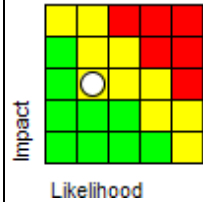
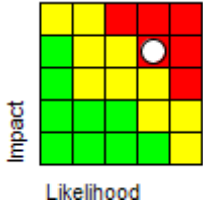
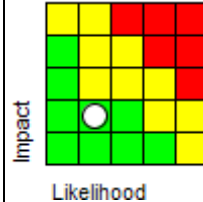
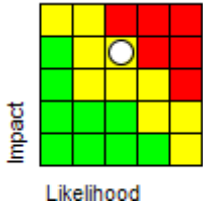
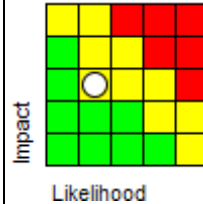
Appendix 3- Risk Appetite Definitions

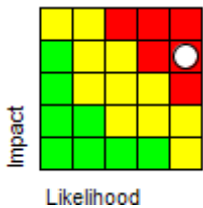
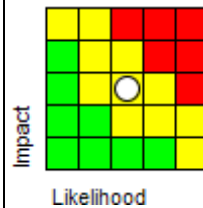
Appendix 1 - DGHP Corporate Risk Register (Proposed Changes in red text)

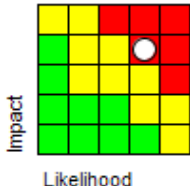
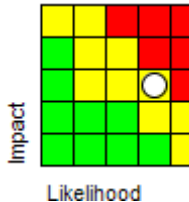
Code & Title	Description	Inherent risk score	Existing Controls / Monitoring & Check	Residual Risk score	Risk Appetite
DGHPRR01 Rent arrears including Universal Credit	<p>The impact of Covid-19, including legislation to prevent evictions, as well as the continued expansion of Universal Credit, continue to impact on our rental income stream and increase our arrears.</p> <p>This also has negative impacts for customers, with increasing financial hardship.</p>	 <p>Impact</p> <p>Likelihood</p>	<p>Staff across the Group – including frontline housing teams, the customer service centre and communications – run ongoing campaigns and programmes of contact with customers affected by financial hardship and with problems in paying their rent, whether caused as a result of Covid-19, the wider issues with Universal Credit or for other reasons.</p> <p>This includes a dedicated Universal Credit team, use of mobile technology for staff to assist customers with online transactions and working with partners to influence the UK and Scottish policy and funding environment.</p> <p>Our small housing patch sizes of 1:200 from December 2020 provide a key mitigation, allowing staff to work proactively with customers before their debts become unmanageable, drawing in support services such as welfare benefits advice, energy advice and emergency funds where appropriate.</p> <p>The DGHP business plan also contains a significant buffer within its assumptions for risk in relation to bad debts and rent arrears.</p>	 <p>Impact</p> <p>Likelihood</p>	Cautious
DGHPRR02 Development Program	<p>Appropriate viable development sites with housing demand fail to be identified and acquired resulting in non-delivery of partnership promise to build 1000 new homes and results in reduced income flow and loss of reputation, with potential consequences as follows:</p> <ul style="list-style-type: none"> • Inability to attract new customers • Loss of confidence by stakeholders • Reduced income stream 	 <p>Impact</p> <p>Likelihood</p>	<p>Development of new build strategy for DGHP which considers different routes to delivery.</p> <p>Analysis of demand by Indigo House to inform programme.</p> <p>Political lobbying and support.</p> <p>Good design and cost planning, aligning to the Group design standard.</p> <p>Access to the Group Contractor and Consultant Frameworks.</p> <p>Increasing Contractor base in Dumfries and Galloway.</p> <p>Developing and maintaining positive relationships with Scottish Government, Funders and D&G Council.</p> <p>Governance structure reporting to the group development committee.</p>	 <p>Impact</p> <p>Likelihood</p>	Open

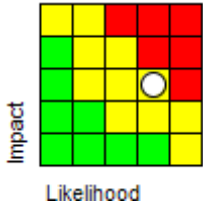
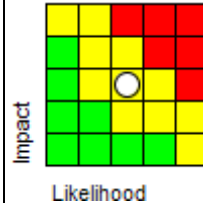
Code & Title	Description	Inherent risk score	Existing Controls / Monitoring & Check	Residual Risk score	Risk Appetite
			Recruitment complete for vacant posts.		
DGHPRR03 Stock Condition	Failure to invest in DGHP stock to meet SHQS/ EEESH and Compliance standards. Risk of reputation damage and regulatory intervention.		<p>Stock condition surveys and investment plan in place</p> <p>Investment Programme developed and funding in place to meet and maintain standards in business plans.</p> <p>Developing Asset Management Strategy - Stock Appraisal being undertaken identifying regeneration and demolition opportunities</p> <p>Support from group to draw down delivery capacity and expertise to support delivery of programme</p> <p>Group provides regular updates against regulatory standards to Regulator.</p> <p>Regular updates on performance against compliance and investment delivery delivered to DGHP Board.</p>		Averse
DGHPRR04 Business Continuity & Disaster Recovery	DGHP does not have adequate or tested business continuity / disaster recovery plans in place for key business activities, including those with significant contractors, resulting in significant disruption to service.		<p>Plans in place and being refreshed alongside new leadership team and management arrangements with Group.</p> <p>Positive working relationships with D&G community resilience planning.</p> <p>Group Assurance continue to monitor progress and robustness of plans.</p>		Minimal
DGHPRR05 Political & Policy Changes	The risk that political and policy changes (within Scotland and the UK) affect the ability of DGHP to deliver strategic objectives resulting in significant adverse reputational impact.		<p>The current policy and national political environment (e.g. Brexit) brings a degree of uncertainty.</p> <p>The Group has an established stakeholder management framework in place and relevant Managers will be focussed on responding to changes in policy and administration as they arise.</p> <p>The Group's policy of not building homes for sale also mitigates potential property market risk.</p>		Cautious

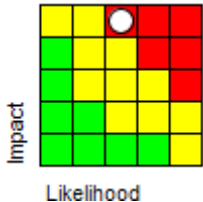
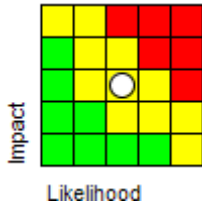
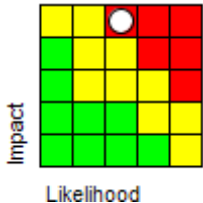
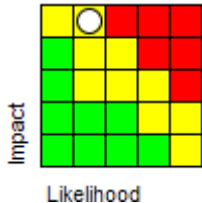
Code & Title	Description	Inherent risk score	Existing Controls / Monitoring & Check	Residual Risk score	Risk Appetite
DGHPRR06 Laws & Regulation	Non-compliance with statutory laws and regulations, including but not limited to: (i) Scottish Housing Regulator and Care Inspectorate regulations, (ii) Financial Conduct Authority (FCA) regulations, (iii) compliance with Health and Safety Building Regulations, (iv) Freedom of Information (Scotland) Act, and (v) General Data Protection Regulations resulting in adverse feedback and loss in confidence from Regulator, the Scottish Information Commissioner, funders, customers and potential partners, as well as potential fines and penalties.		<p>A Group wide Scottish Housing Charter Assurance process is established supported by the Strategic Scrutiny Panel reviewing outcomes.</p> <p>FCA regulations are considered when new products and services are developed.</p> <p>Qualified personnel undertaking capital improvement works as well as suitable sign off and compliance checks of new installations.</p> <p>New product offerings follow a clear route to governance, with approval required from the Executive Team before formal approval is requested from the Group Board.</p> <p>Legal and financial advice is obtained for all financial offerings to customers.</p> <p>Compliance Plan monitored on an on-going basis and any issues raised to Executive Team and Group Audit Committee on an exceptions basis. The Group has on-going relationship management with Regulator.</p> <p>Group-wide approach to how the Group manages information.</p> <p>Privacy Impact Statements to be implemented across the Group.</p> <p>Changes to existing legislation are identified and implemented by identified responsible officers across the Group.</p>		Averse
DGHPRR07 Failure to recruit, develop, retain and succession plan	Failure to recruit, develop, retain and succession plan for high quality / qualified staff, resulting in reduced levels of service provision, staff not competent to perform their job to expected standard and achieve strategic objectives.		<p>New DGHP leadership team in place and significant progress made to attract and retain current team to new DGHP operating structure.</p> <p>Personal development plans are in place for all staff.</p> <p>Training courses at the Academy and online.</p> <p>Leadership Development programme, succession planning and talent management programme.</p> <p>HR policies on recruitment and selection.</p> <p>Employee satisfaction surveys.</p>		Open

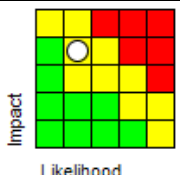
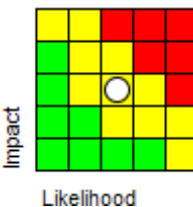
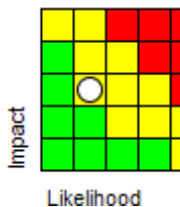
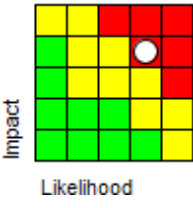
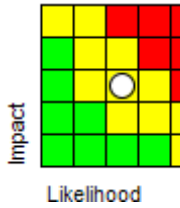
Code & Title	Description	Inherent risk score	Existing Controls / Monitoring & Check	Residual Risk score	Risk Appetite
DGHPRR08 Board Governance	<p>DGHP Board members or Senior Officers leave and cannot be replaced leading to:</p> <ul style="list-style-type: none"> • Loss of knowledge, experience and reduced effectiveness of Board. • Potential Notifiable Event to the Scottish Housing Regulator if membership falls under 7. • Lack of effective Governance 		<p>DGHP Board recruitment and succession plan in place.</p> <p>Reputational improvement at DGHP attracting applicants to join vacant posts and Board positions through last advert cycle.</p> <p>Advertise to attract appropriate skills</p> <p>Skills mix updated through recent recruitment</p> <p>Group approach to induction and refresher training for Board members</p> <p>New agile working model extends opportunity for remote working and increases available talent pool for DGHP.</p>		Cautious
DGHPRR09 Property Services	<p>Failure to effectively manage repairs service and contractors results in interruption of services to customers with potential consequences as follows:</p> <ul style="list-style-type: none"> • Loss of key personnel; • Financial objectives are not achieved; • Reduced customer satisfaction; • Lack of ability to attract and retain skilled workforce; • Lack of opportunity to plan for succession; • Inability to maintain stock. 		<p>DGHP repairs service now delivered in house.</p> <p>Plans to transfer heating servicing and maintenance in house from April 2021.</p> <p>Succession plan being prepared</p> <p>Apprenticeship programme</p> <p>Revised business model</p> <p>Procurement strategy</p> <p>Third party contractor framework</p> <p>Support from Group Health and Safety</p> <p>Management support from Wheatley Director of Investment, Repairs and Compliance</p>		Open
DGHPRR10 Building safety	<p>The risk that the health and safety of our customers and staff is put at risk through failure to comply with all relevant building health and safety rules.</p>		<p>DGHP's Head of Investment and Compliance ensures focus on health and safety building compliance.</p> <p>Community Improvement Partnership focused on fire prevention and education.</p> <p>Business Continuity Plans.</p>		Averse

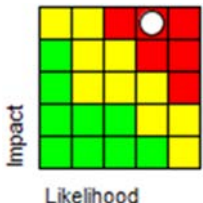
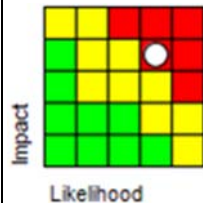
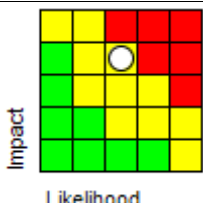
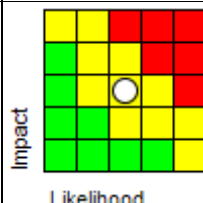
Code & Title	Description	Inherent risk score	Existing Controls / Monitoring & Check	Residual Risk score	Risk Appetite
	The continuously changing nature of regulations and guidance in this area, for example in relation to fire safety, elevates the risks in relation to continuing compliance.		Fire Prevention and Mitigation Framework and Fire Risk Assessments. Regular updates on performance against compliance delivery delivered to DGHP Board.		
DGHPRR11 Care and Support Services	<p>A failure in the care of an individual could result in serious personal harm, leading to risk to life and limb, financial liability and loss of future work due to reputational damage.</p> <p>The commissioning environment relating to care and support services creates risks that funding is insufficient to allow services to break-even while paying staff fair wages.</p>		<p>Care and support services governance arrangements, including the authorising environment, are clear and have been approved. These include regular reviews of service financial positions and processes to hand back services which cannot be delivered in a financially viable manner.</p> <p>Care Assurance Framework (which includes monitoring the results from Care Inspectorate service visits and Group Assurance inspections) in place which assesses the quality of care and adherence to Care policies and procedures across Group.</p> <p>There are also regular formal calls between inspection officers and registered managers</p> <p>Regular management review of service users' care packages to monitor where people are leaving the services and how to redeploy resources or attract new users.</p> <p>The Protecting People Policy Framework sets out arrangement for protecting the People We Work For, including those considered to be vulnerable. Work to deliver against the Framework is reported to the Wheatley Care Board.</p> <p>Future mitigation will be the alignment of DGHP and Wheatley Care policy and practice, along with Wheatley Care providing management of care activities.</p>		Cautious

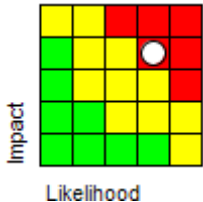
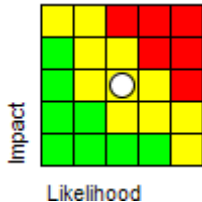
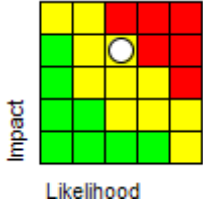
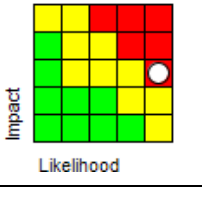
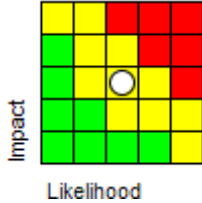
Code & Title	Description	Inherent risk score	Existing Controls / Monitoring & Check	Residual Risk score	Risk Appetite
DGHPRR12 Brexit trade deal	<p>The absence of a impact of the Brexit trade deal, may mean some delays in sourcing materials and goods, whether directly or indirectly via our supply chain. which could adversely impact the Group and its contractors' supply chains. Specific risks relate to availability / cost of materials and / or availability of trades. Wheatley Care may also face workforce challenges.</p> <p>This could result in increased costs for new build and property investment and repair works, or negatively impact on the wellbeing and satisfaction of People We Work For.</p>		<p>General</p> <p>Procurement procedures include assessment of suppliers' financial health. Proactive monitoring of supply chains by Operational leads with regular contract management meetings. Regular engagement with Scottish Government on cost or delay impact potential as issues emerge. In the event of supplier insolvency, procurement frameworks / approved supplier listings would be used to identify alternative suppliers.</p> <p>Repairs Service</p> <p>Manage stock levels of components and materials via St. Gobain.</p> <p>Engagement with key suppliers.</p> <p>Specific contingency plans for key services e.g. lifts.</p> <p>Local staff directly employed by DGHP repairs team.</p> <p>Investment Programme.</p> <p>Manage stock levels of components and materials. Engagement with key suppliers.</p> <p>New Build</p> <p>Regular engagement with new build contractors where the Group's financial exposure is greatest to test financial standing.</p> <p>Monitor on a site basis the availability and adequacy of contactor's resource on site – consider increased clerk of works site monitoring to ensure quality of workmanship.</p> <p>Use of new framework in procurement to maintain competitiveness.</p> <p>Engagement with Scottish Government on cost increase impact on grant applications.</p> <p>Monthly project monitoring to identify early issues relating to materials availability.</p>		Cautious

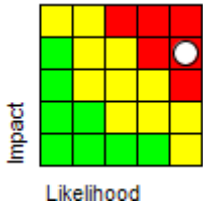
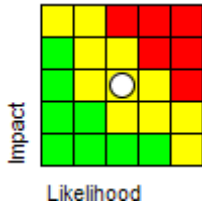
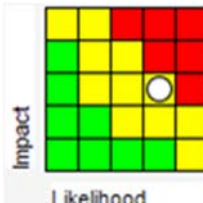
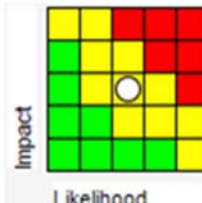
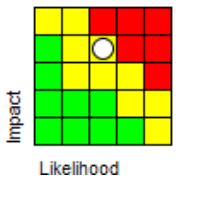
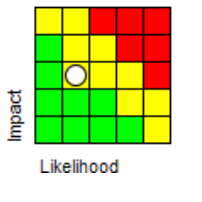
Code & Title	Description	Inherent risk score	Existing Controls / Monitoring & Check	Residual Risk score	Risk Appetite
			<p>– Consideration of long term mitigation e.g. change of specification to locally sourced materials and components where practicable.</p> <p>– Monitor availability of trades on site – consider increased site monitoring to ensure quality of workmanship.</p> <p>Operational Supplies</p> <p>Utilisation of Group and 3rd party frameworks to minimise price increase risk. Engagement with key suppliers on stock levels.</p> <p>Wheatley Care</p> <p>Working with SG via membership organisations to understand potential level of risk. Contingency plans to mitigate locally and maintaining a 16-week stock of PPE.</p>		
DGHPRR13 Securing future funding and adverse market changes	Wider economic and/or political conditions could cause deterioration in the funding market, for example another banking crisis or constitutional changes causing investor uncertainty. This could limit our ability to raise borrowing at cost-effective rates or raise the required funds to meet our liquidity Golden Rules, thereby increasing the risk that we do not have enough available cash to meet our commitments or achieve our business plan objectives.		<p>Our strategy is to diversify funding sources and relationships, providing a range of options for future funding in the event of adverse funding market changes.</p> <p>Our liquidity Golden Rules are designed to ensure that we have sufficient cash available for two years 18 months + 25% contingency, and this rule is re-assessed annually by the Group Board. Compliance with these is reported to the Group and WFL Boards quarterly.</p> <p>We do not borrow in currencies other than sterling to reduce exchange rate risks, including in the event of a potential future change in currency, nor do we borrow from non-UK domiciled investors (with the exception of the EIB).</p> <p>The Group's Internal Rate of Return (for appraising and approving projects) will be revised when finance costs increase to ensure new build projects do not become loss-making.</p>		Open

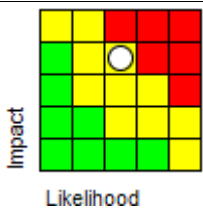
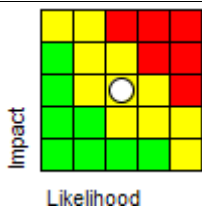
Code & Title	Description	Inherent risk score	Existing Controls / Monitoring & Check	Residual Risk score	Risk Appetite
DGHPRR14 Compliance with funders' requirements	Failure to meet/maintain the requirements of funders and investors could have a range of impacts, from default on loan agreements (i.e. covenants) to general loss of confidence. This could adversely impact on our ability to raise new funding to deliver strategic objectives.		<p>Regular meetings with funders and investor representatives to update on financial status of the Group.</p> <p>Financial performance monitored monthly and covenant compliance reviewed quarterly by the Group Board, before being submitted externally to funders.</p> <p>Covenant compliance monitoring tool introduced by Finance.</p> <p>Financial performance is monitored on an ongoing basis through monthly reporting cycle and Group/subsidiary Board review of management accounts.</p> <p>Subsidiary and Group Business Plans are subject to annual updates and review by respective Boards.</p> <p>DGHP is not subject to a credit rating on a stand-alone basis, but our Parent, Wheatley Housing Group Limited is rated by Standard & Poors (S&P). S&P include the financial position of DGHP in their overall assessment of the Group, despite the distinct funding arrangements.</p> <p>We maintain an ongoing dialogue with the relevant credit rating agency in order to mitigate the risks of unexpected rating changes.</p> <p>DGHP currently has £147.04m of unsecured assets on a EUV-SH basis, which is available to charge as additional security (which will take up to 9 months to legally secure).</p>		Cautious
DGHPRR15 Group Credit Rating	<p>The Group's credit rating is downgraded, adversely impacting our ability to raise funds on the capital markets or potentially impacting on the cost of debt to the Group.</p> <p>External factors such as a no-deal Brexit the UK's credit rating or a sovereign downgrade could lead to a down grade in the Group's credit</p>		<p>The Group's business plan is designed to maintain a strong credit rating, for example by excluding build for sale activity. Our Board-approved financial Golden Rules include maintaining strong levels of liquidity to mitigate refinance risks.</p> <p>Ongoing dialogue is maintained with relevant credit rating agencies in order to mitigate the risk of unexpected rating changes which are controllable.</p>	 <p>Revised:</p>	Cautious

Code & Title	Description	Inherent risk score	Existing Controls / Monitoring & Check	Residual Risk score	Risk Appetite
	rating. This could trigger potential prepayment of our European Investment Bank loans if the rating falls to BBB+ or below.		<p><i>Mitigation drafting used in legal clauses</i> - in the event the rating fell to BBB+, the legal clauses are specific that this is not an event of default (thereby avoiding cross-default).</p> <p><i>Negotiation period</i> – the legal clauses provide for a period to negotiate with EIB on mitigating measures, such as revisions to covenants or posting of increased security/collateral.</p> <p><i>Standby funders to replace EIB if necessary</i> - A strong relationship is maintained with EIB to mitigate future risk from external factors causing a credit rating downgrade. Strong investor/lender relationships are maintained with a number of other organisations at all times in case of unanticipated funding need.</p>		
DGHPRR16 Pension contributions	Increases in the pension contribution for all pension funds, leads to potential cost pressures for DGHP if additional contributions to these funds are required-		<p>The Group's Pensions Policy sets out a range of measures to manage pension costs. We have established a defined contribution scheme which will be the default arrangement for new joiners and auto-enrolment in future for most subsidiaries, except where prior approval of the RAAG Committee is received.</p> <p>We are also consolidating SHAPS and LGPS schemes where possible to reduce the risk of cessation liabilities being triggered.</p>		Averse
DGHPRR17 Cyber Security	<p>The Group's approach to cyber security is not robust and staff are not actively engaged due to culture or poor staff understanding; or knowledge of the subject, the Group's response to it or their individual role. This is particularly important with increased home working across the Group.</p> <p>A lack of compliance with the approach and arrangements made could lead to greater opportunity for cyber-attack, resulting in unplanned</p>		<p>IT cyber security live tests undertaken and results reported to ET and Group Board.</p> <p>Group IT has an information and cyber security approach that covers: i) Overall Information security policy for Group and ii) staff engagement and training across 5 key learning themes.</p> <p>Established processes across key risk areas: information security response / access controls / secure disposal / Group Data Protection Policy / IT Cloud Services Policy / Vendor Security Assessments.</p> <p>Group IT is externally assessed annually on information security and IT general controls via 3rd party auditors.</p>		Minimal

Code & Title	Description	Inherent risk score	Existing Controls / Monitoring & Check	Residual Risk score	Risk Appetite
	system downtime, data loss, reputational damage, customer dissatisfaction and potential legislative or regulatory breach.		A Bi-Annual cyber security assessment is conducted by NCC across 20 key control areas. An internal Information Security Working Group has been established within technical teams across Group IT.		
DGHP18 Post-2021 Housing Policy and Grant availability	There is a risk that without sufficient Scottish Government financial support we may be unable to deliver some of the objectives in our 2021 – 2026 Strategy in relation to energy efficiency.		<p>Wheatley Group staff are meeting with Scottish Government representatives regularly to proactively present the case for housing investment to Ministers and senior officials directly and through our representative bodies SFHA and CIH.</p> <p>A Green Investment Plan proposal has been developed and will form the basis of direct discussions with the Scottish Government. Financial scenario planning in place to understand potential impact on our investment programme under a variety of grant scenarios.</p>		Cautious
DGHPRR19 Customer satisfaction	Customers do not feel our homes and services meet their needs and/or the standards they expect, leading to declining customer satisfaction.		<p>Customer service excellence is a key element of DGHPs objectives and the 2021-26 strategy. We use a variety of methods to collect customer feedback, both during the year and annually. This information helps us understand customer views and informs our delivery and investment plans every year. with annual customer satisfaction surveys to help us understand customer views and detailed action plans to address feedback every year. This will continue as part of our 2021-26 strategy. This will be augmented by a range of new approaches to improve satisfaction among particular target groups such as young families. The new performance management framework will also include a stronger focus on measuring drivers of customer value in our key services.</p> <p>Small housing officer patch sizes of 1:200 allow housing staff to deliver personalised services under the Think Yes approach.</p> <p>Our housing stock investment programme includes provision for addressing customer priorities and The</p> <p>The partnership promises will help deliver significant investment in homes and communities at DGHP over the next 5 years.</p>		Hungry

Code & Title	Description	Inherent risk score	Existing Controls / Monitoring & Check	Residual Risk score	Risk Appetite
DGHPRR20 Service remobilisation post Covid-19	<p>A lack of clear planning, coherence and communication with staff and customers in our service remobilisation planning as we move through the Scottish Government's Covid recovery phases could lead to:</p> <ul style="list-style-type: none"> poor or inconsistent service outcomes; customer and staff confusion and frustration, including an increase in complaints; risks to customer and staff health and safety (for example if PPE requirements are not properly understood and delivered); deterioration in trade union and stakeholder relationships. 		<p>Service remobilisation plans must meet strict criteria and be approved by the Exec Team. Governance oversight is provided by all Boards. Services cannot move between different stages of remobilisation without a full review of lessons learned from the previous stage and a further gateway approval from the Exec Team.</p> <p>The following are key components of each service's remobilisation plans and must be approved by the Exec Team at each stage:</p> <ul style="list-style-type: none"> Health and safety implications/forecast requirements of PPE can be met; Furloughing implications are agreed and understood; Customer views from the previous stage service model have been assessed and any lessons learned understood; Trade union partners have endorsed the proposals for remobilisation. 		Cautious
DGHPRR21 Ongoing threat of future waves of Covid-19	<p>The risk of a future waves of Covid-19 and / or another pandemic along with the risk of a second further periods of lockdown (either Scotland wide or by geographical area); potentially through winter months may result in previously remobilised services being paused.</p> <p>For example, a reduced ability to let homes will result in reduced income.</p>	 <p>Revised:</p> 	<p>Through lessons learnt from previous lockdown and remobilisation, services are planning now have contingency plans (both Group wide and at a local level) in place for future waves and/ or another pandemic.</p> <p>Housing officers can now deliver services from home. Targeted visits to hard-to-engage customers when allowed by Government guidelines. Housing officers can now take payments in Orchard, without need to engage CSC colleagues.</p>		Cautious

Code & Title	Description	Inherent risk score	Existing Controls / Monitoring & Check	Residual Risk score	Risk Appetite
DGHPRR22 New operating model implementation	The implementation of a new operating model as we emerge from the Covid-19 crisis, including changing staff patterns/places of work, reducing the number of offices and placing greater reliance on technology could be poorly implemented and communicated, leading to staff disengagement and lack of support from our trade union partners.		<p>A clear strategy is in place for consultation with all relevant staff, including through our Trade Union partners, who are supportive of the new model.</p> <p>Detailed guidance has been provided to all staff on the health & safety aspects of home working.</p> <p>There will be clear communication of the protocols for accessing new staff hubs and what they should be used for once Scottish Government guidance allows use of non-essential offices once again.</p> <p>A detailed implementation and communications plan has been developed as part of the change process. This includes the approach to communicating with all staff involved.</p> <p>Trade Union partners have been consulted and changes are supportive. We will continue to engage with our Union partners throughout the process.</p>		Open
DGHPRR23 Partnership Promises	Failure to deliver Partnership promises set out with Partners and Customers on joining Wheatley Group.		<p>Detailed Transformation Plan in place</p> <p>Support from Group Partners to support successful transformation and capacity to deliver against the plan</p> <p>Quarterly updates against transformation plan provided to DGHP Board</p> <p>Partnership promises being incorporated into new DGHP Strategy 2021-26, including key performance indicators against the partnership promises.</p>		Minimal
DGHPRR24 Covid-19 vaccination roll-out Risk Owner: Group CEO (Martin Armstrong)	There is a risk that a lack of clarity over employers' responsibilities in relation to the Covid-19 vaccine, including employment law and data protection implications of requiring staff to notify their employer and / or the vaccine being made mandatory for certain roles, results in		<p>The Employee Relations team continues to consult with employment law advisers to obtain ongoing legal advice.</p> <p>The Group continues to liaise closely with trades unions and staff to develop its approach.</p> <p>Data privacy notices for Care staff have been updated to allow the Group to keep a record of which staff have received the vaccine, and work to updated privacy notices for all Group staff continues.</p>		Averse

Code & Title	Description	Inherent risk score	Existing Controls / Monitoring & Check	Residual Risk score	Risk Appetite
	reputational damage and / or potential breach of employment law or data protection regulations.		Where Care staff have not received a vaccine, or unable to wear full PPE, the Group's interim approach is to reassign employees to non-customer facing roles, to safeguard both customers and the employee.		
DGHPRR25 Climate change	<p>Climate change poses a number of risks to the Group, including:</p> <p>Regulatory and legislative compliance – that the scale of cost and/or nature of available technology may not allow us to improve the energy efficiency of our properties to required regulatory standards such as EESSH 2.</p> <p>Asset resilience – more frequent flooding, seasonal temperature variation or extreme climate events could negatively impact our infrastructure, properties, and operations.</p> <p>Funding and investment – without a clear plan for how we reduce our carbon and energy use, as part of a wider sustainability strategy, our ability to access institutional investment may become restricted.</p> <p>Communication – our organisational commitment to contributing to the climate change/sustainability is not sufficiently publicised and could impact external perceptions of our commitment in this area.</p>	 <p>Impact</p> <p>Likelihood</p>	<p>Our strategy includes an objective to reduce emissions from our corporate activities to net zero by 2026.</p> <p>We have detailed asset information and baseline data, an EESSH 2 plan is under development and we are in discussions with the Scottish Government about funding to accelerate investment in our properties through a Wheatley Green Investment Plan.</p> <p>Business continuity plans (both at Group and local level) provide for operational responses to extreme weather events such as flooding and severe winter snow (eg "Beast from the East" type events).</p> <p>We produce an annual ESG report for investors setting out our progress on the environmental agenda, and will produce a sustainability framework for investors to support the raising of sustainability-linked finance in future.</p> <p>In addition to ESG reporting, increased public messaging around our work in relation to climate change.</p>	 <p>Impact</p> <p>Likelihood</p>	Cautious

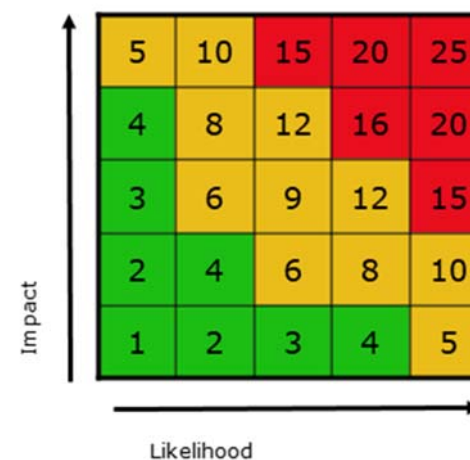
Appendix 2 - Risk Scoring Definitions

Impact scoring for strategic risks

Risk Rating Score	Impact Classification	Reputation	Health, Safety and Welfare	Finance
1	Insignificant	Managed/reported to Business Unit Local media (short term duration)	Minor injury cleared with first aid treatment	Up to £100,000
2	Minor	Managed/reported to Departmental Management Team Local media (short/medium term duration)	Reportable dangerous occurrence (near misses)	£100,001 to £500,000
3	Moderate	Managed/reported to Team and Board Members Regional media (short/medium term duration)	Reportable over three day injuries or reportable diseases	£100,001 to £500,000
4	Significant	Regional/National media coverage (medium/long term duration)	Major reportable injury or injuries	£500,001 to £1M
5	Catastrophic	Third Party intervention Public Interest Group National/international media (long term duration)	Fatality or permanent disability	Over £1M

Likelihood scoring

Risk Rating Score	Likelihood Classification	Risk Description
1	Remote	Likely to occur greater than 10 years
2	Unlikely	Likely to occur within 5 to 10 years
3	Possible	Likely to occur within 3 to 5 years
4	Likely	Likely to occur within 1 to 3 years
5	Very Likely	Likely to occur within 1 year



Appendix 3 - Risk Appetite Definitions

	1 Averse	2 Minimal	3 Cautious	4 Open	5 Hungry
	Avoidance of risk and uncertainty is a key Organisational objective.	Preference for ultra-safe business delivery options that have a low degree of inherent risk and only have a potential for limited reward.	Preference for safe delivery options that have a low degree of inherent risk and may only have limited potential for reward.	Willing to choose the one that is most likely to result in successful delivery while also providing an acceptable level of reward (and value for money etc.).	Eager to be innovative and to choose options offering potentially higher business rewards (despite greater inherent risk).
Risk Category	Example behaviours when taking key decisions....				
Reputation and credibility	<ul style="list-style-type: none"> Minimal tolerance for any decisions that could lead to external scrutiny. 	<ul style="list-style-type: none"> Tolerance for risk taking limited to those events where there is no chance of significant repercussion. 	<ul style="list-style-type: none"> Tolerance for risk taking limited those events where there is little chance of any significant repercussion should there be a failure. 	<ul style="list-style-type: none"> Appetite to take decisions with potential to expose us to additional scrutiny but only when appropriate steps have been taken to minimise any exposure. 	<ul style="list-style-type: none"> Appetite to take decisions that are likely to bring external scrutiny but where potential benefits outweigh the risks.
Operational and Policy delivery	<ul style="list-style-type: none"> Defensive approach to objectives – aim to maintain or protect, rather than to create or innovate. Priority for tight management controls and oversight with limited devolved decision making authority. General avoidance of systems / technology developments. 	<ul style="list-style-type: none"> Innovations always avoided unless essential. Decision making authority held by senior management. Only essential systems /technology developments to protect current operations. 	<ul style="list-style-type: none"> Tendency to stick to the status quo, innovations generally avoided unless necessary. Decision making authority generally held by senior management. Systems / technology developments limited to improvements to protection of current operations. 	<ul style="list-style-type: none"> Innovation supported, with demonstration of commensurate improvements in management control. Systems / technology developments considered to enable operational delivery. Responsibility for non-critical decisions may be devolved. 	<ul style="list-style-type: none"> Innovation pursued – desire to ‘break the mould’ and challenge current working practices. New technologies viewed as a key enabler of operational activity.
Financial / VFM	<ul style="list-style-type: none"> Avoidance of financial loss is a key objective. Only willing to accept the low cost option. Resources withdrawn from non-essential activities. 	<ul style="list-style-type: none"> Only prepared to accept the possibility of very limited financial loss if essential. VFM is primary concern. 	<ul style="list-style-type: none"> Prepared to accept the possibility of some limited financial loss. VFM still the primary concern but willing to also consider the benefits. Resources generally restricted to core operational targets. 	<ul style="list-style-type: none"> Prepared to invest for reward and minimise the possibility of financial loss by managing the risks to a tolerable level. Value and benefits considered (not just cheapest price). Resources allocated in order to capitalise on potential opportunities. 	<ul style="list-style-type: none"> Prepared to invest for the best possible reward and accept the possibility of financial loss (although controls may be in place). Resources allocated without firm guarantee of return – ‘investment capital’ type approach.
Compliance – legal / Regulatory	<ul style="list-style-type: none"> Avoid anything which could be challenged, even unsuccessfully. Play safe. 	<ul style="list-style-type: none"> Want to be very sure we would win any challenge. 	<ul style="list-style-type: none"> Limited tolerance for “sticking our neck out”. Want to be reasonably sure we would win any challenge. 	<ul style="list-style-type: none"> Challenge will be problematic but we are likely to win it and the gain will outweigh the adverse consequences. 	<ul style="list-style-type: none"> Chances or losing are high and consequences serious. But a win would be seen as a great coup.