THE WEST LOTHIAN HOUSING PARTNERSHIP LIMITED
BOARD MEETING

Wednesday 30 March 2022 at 14.00pm
New Mart Road, Edinburgh

AGENDA

1. Apologies for absence

2. Declarations of interest

3. a) Minute of meeting held on 9 February 2022 and matters arising
   b) Action list

4. [redacted]

5. New operating model update

6. a) 2022/23 Budget
   b) Finance report

7. Home Safe building compliance update

8. Energy costs: supporting our customers

9. *A New Deal for Tenants* – draft Rented Sector Strategy consultation

10. AOCB

Report

To: West Lothian Housing Partnership Board

By: Lynsey Fotheringham, Head of Housing

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

Subject: New operating model update

Date of Meeting: 30 March 2022

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1. Purpose

1.1 This report provides an update on progress with our new operating model and the proposed next steps as we emerge from the Scottish Government's Omicron-related restrictions.

2. Authorising and strategic context

2.1 Our new operating model is a key part of our 2021-26 strategy has been subject to detailed review and approval prior to its implementation by the Group and partner organisation Boards. This includes our largest-ever tenant engagement exercise which allowed us to establish that it has strong support amongst our customers. However, given its ongoing strategic importance, it is proposed that we continue to update the Board on its progress throughout the course of the year.

3. Background

3.1 The Scottish Government released an update to their Strategic Framework: COVID19 on the 21 February 2022, outlining an approach to managing the pandemic in Scotland into the summer of 2022 and beyond. The update to the Strategic Framework for managing COVID-19 sets out future plans as we prepare for a calmer phase and how this can be sustained. The Framework makes clear that – due to the progress in vaccination and treatments – there will be less reliance on legal requirements and more on people and organisations to take basic, sensible steps to reduce the risk of and harm from COVID-19. As regulations are converted into guidance, clear information will be provided to help people and organisations make and sustain the changes required to reduce transmission of the virus on a routine basis. This will involve maintaining and enhancing some of the behaviours and physical adaptations that have helped reduce transmission and will help to improve public health more generally going forward.

3.2 The restrictions imposed over December and January meant the ability of our staff to meet in person was limited. The Group *Wheatley Way* staff engagement sessions were paused, and Board meetings went back to being online. Despite this backdrop, we have continued to make good progress with the implementation of our new operating model and we have now started to hold staff team meetings in person.

4. Discussion

4.1 The tenant consultation carried out last autumn contained four key customer-facing elements that underpin our new operating model. These were:

(i) Customer First Centre

4.2 The Customer First Centre launched successfully on 1 December and has since handled over 135,000 calls, of which around 40% related to repairs. The Centre is open 24/7, 365 days a year. Specialist teams of housing professionals are now in place to support the call handlers and the overall resource in the centre has increased by 110 people on the previous call centre.

4.3 We have updated and simplified the phone line structures and messages, reducing the number of routes/queues ("press 1 for repairs", etc) from 17 to 6; increasing use is being made of text for customer communications and this will continue with the environmental text update service presented to the Board last year. The technical IT system work has now been completed in readiness for extending web-chat to more service areas post-April.

4.4 Early evidence shows that the Customer First Centre is proving to be an efficient way for tenants to get day-to-day problems solved and questions answered quickly. At the start of week commencing 14th February, the grade of service across Group had risen to 90% of calls being answered within 30 seconds (10% higher than our target), 92% were resolved by the call handler with no hand-offs to other staff required and the call abandonment rate was below 3%, compared to 13% last November.

4.5 In our context, the table below shows a positive position with the grade of service at 90.57%. This data covers the period 19 January to 8 March 2022.

Calls Presented	WLHP
Customer Experience	336
MyHousing	103
Repairs	599
Third Party	150
Grand Total	**1188**
% REPAIRS	**50%**
GRADE OF SERVICE	**90.57%**

4.6 Initial feedback from housing officers is that they are experiencing a significant reduction in tasks allocated by the CFC (via our customer relationship management system) compared to the previous call centre. The percentage of repairs being raised by housing officers has also dropped, from over 30% last October to 12-15% by the start of February. This supports our commitment to reducing the transactional-type workload for housing officers, thereby freeing them up to spend more time out and about in our communities. Work is ongoing to evaluate the service provided and support offered by the Housing Specialist Team and an internal review group liaise regularly to share successes and identify areas for improvement. We will continue to evaluate the activity profile of housing officers as part of our evaluation of the operating model over the course of the year.

4.7 Group has commissioned an external review of the CFC, to be carried out during March and April. This will provide an independent assessment of what is working well and areas we should focus on for further development after the first few months of its operation. We anticipate that a further detailed review will be carried out in 12 months' time to provide an external view on how well the significant investment we have made across Group in the CFC is delivering on our objectives.

(ii) More services in your home

4.8 Over recent months, our housing officers have continued to operate throughout our communities and deliver services to the door of customers' homes. Our staff are meeting customers face to face through home visits, or in locations of the customer's choice in the community, to deal with complex cases, supporting the most vulnerable and dealing with anti-social behaviour and estate management.

4.9 Customers can request a housing officer visit online or through the Customer First Centre, and housing officers can update their diaries while on the move using technology to access Office 365 on their mobile devices. The ability of housing officers to support customers in their homes will be particularly important in the coming months for those on Universal Credit, as we can provide face-to-face support to help tenants navigate their DWP online journal and amend their claims to take account of the upcoming rent increase.

(iii) Do more online

4.10 Housing applications are already fully online through our *MyHousing* page and we allocate our homes through the *MyHousing* system.

4.11 The Board reviewed a significant new digital service offering last autumn for environmental services, which will introduce a range of electronic communications for customers on issues such as stair cleaning and grass cutting. This is due to be introduced in the summer.

4.12 On repairs, we have conducted user experience testing on our repairs ordering website with small groups of tenants in preparation for it going live again. This was well received by our customers who participated. However, to deliver the full range of service to customers set out in our strategy – the “Book It, Track It, Rate It” approach – we will need to deploy a new system. We have identified a preferred provider (Localz) and are working with them on developing this approach. In parallel, the Dunedin Canmore repairs IT system will also have to be upgraded to allow this functionality, since customer messages will be delivered from this system.

4.13 In line with our project plan for the year, we have carried out a detailed evaluation, including feedback from a group of tenants, of potential “community apps”, which could contain content about local events, customer news and information, etc. In response to tenant feedback, we propose not to develop an app just for this purpose, but to broaden our successful local digital engagement forums such as community Facebook pages instead. In this context, our social media engagement across Group over the last year has seen:

- Nearly 300,000 social media accounts reached;
- 144 new social media followers take the total to nearly 45,000;
- 40% increase in visits to Wheatley’s careers pages;
- Facebook and Instagram reach doubles year-on-year; and
- and a 10% increase to Wheatley Group website traffic compared to December 2020.

4.14 From a WLHP perspective, in the year Jan 2021-Jan 2022, our website users increased from 1241 to 1531 and we have 909 followers on Facebook.

4.15 Our strategy will focus on the development of a Wheatley app that offers key services, in particular repairs booking functionality.

(iv) Our new hubs – centres of excellence

4.16 With the Scottish Government’s announcement of the move to hybrid working, staff have been returning in small groups to our Wheatley House hub. Work is on-going across Group to develop our other centres of excellence.

4.17 In Edinburgh, works are underway at New Mart Road, with an overall July completion planned. The work will be undertaken in two phases, ten weeks per floor, with a new air conditioning system a key part of the project.

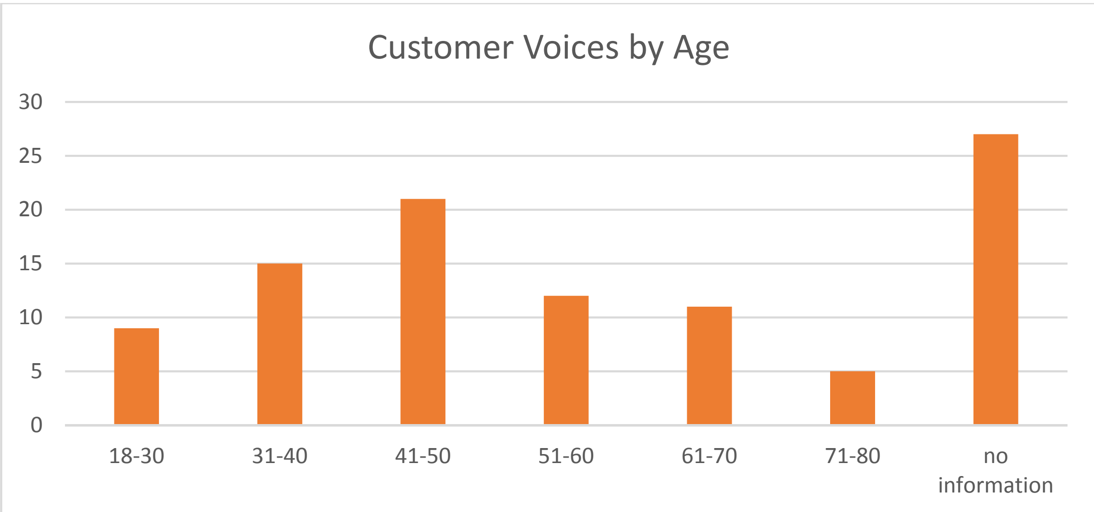
4.18 Our Bathgate office recently underwent an IT upgrade ahead of its transformation as a touchdown point. The work, being carried out in the summer, will involve re-branding, the development of collaboration space and updated décor.

New engagement structures

4.19 To support our new way of engaging we have recruited our first 100 Customer Voices across the Group, 10 of whom are our customers. These Customer Voices – covering every one of our RSLs - are customers who have been involved in recent engagement work with us such as rent consultation focus groups; web self-service testing; local neighbourhood walkabouts and regeneration activity. As a follow on from these activities we have asked those involved if they would like to sign up with us as a Customer Voice, enabling them to take part in further activities with us to influence service design and local investment.

4.20 At the end of January we wrote to all customers to formally launch the Customer First Centre and to invite customers who were interested in engaging with us to sign up to our Customer Voice programme. We will follow this up with local Housing Officer engagement and information on social media in order to build up our database of customers who want to be actively engaged with us on local or group-wide activities.

4.21 Part of our commitment in the Stronger Voices engagement framework was to increase the diversity of those customers who actively engage with us to influence services and investment. Analysis of our first 100 Customer Voices show a gender split of 30% male to 70% female, so we will review how we can attract more male customers to become involved. We have also segmented our Customer Voices by age, where people were willing to share that information with us. As the chart below shows we have some diversity across age bands, and the fact that we have been promoting more digital engagement activities is likely to have helped us attract more customers in lower age bands than we have been able to previously.



4.22 Our Customer Voice engagement programme for 2022/23 is currently in development. This will build on the success of 2021/22 where we engaged customers in walkabouts identifying which improvements they'd like to see in their communities. A range of requests were made from customers and we have utilised the allocated budget to its capacity installing washing poles, erecting fencing and carrying out paintwork both externally and within common stairs. In the year ahead our customers will be engaged in formal consultation on the partnership proposal between WLHP and Dunedin Canmore.

4.23 In terms of Group-wide engagement activities, this will feature the following topics:

- Equality and diversity – focus groups with customers looking at the development of our Equality and Diversity approach and the information we collect from customers for this purpose;
- On-line services – further customer journey mapping and user research with customers to ensure our on-line service offering meets customer needs and requirements;
- Customer First Centre – we will be using customer insight to improve and refine this service, and we will also involve Customer Voices in the scrutiny of this information through engagement panels;
- Community led development – we will use a mixture of focus groups and surveys to work with local communities in areas where we have proposed new build sites; and
- Repairs – we will use focus groups and customer journey mapping to gather insight and improve customer experience of our repairs service in each region of the Group.

New working model for staff

4.24 The new operating model also changes the way our staff work. Even those whose working patterns and locations may not change – such as our environmental operatives – will be impacted in some way by the changes. For example, using the new technology such as the environmental app presented to the Board last year. It will be important that we understand the differential impacts in parts of the Group so that we can learn how the model is working and make adjustments as necessary.

4.25 A steering group will be established to oversee the key workstreams. These will include:

- **A review of our policies and procedures** – while a number of key policies have already been updated, such as health and safety, lone working and working from home; it will be important to assess how these are operating in practice, as well as identify and further amendments necessary to these or other policies. For example, we may augment areas of staff guidance to reflect the long term use of video conferencing.
- **Understanding the staff experience** – we continue to engage with staff to understand their experiences of the new working model and any elements we may need to adjust. This will also inform an assessment of training needs and building design/functionality, such as whether changes need to be made to the layout or operation of Wheatley House or other new hubs/touchdown points to support staff working arrangements.
- **Learning and development** – this operates differently in a blended working context, with a mix of online and face-to-face approaches. The group will consider the balance between these and which models are proving most effective.

- **Leadership** – this year we will launch our leadership development programme, but we recognise that this will require ongoing adaptation in light of staff feedback and experiences of how leadership models are evolving in the blended working environment. Staff empowerment and a culture of trust have been key elements of our Think Yes culture, and we will consider how this continues to develop in our new model; for example, through considering questions such as how we might devolve more responsibility and accountability to repairs trades teams.

5. Customer engagement

5.1 A letter was issued to all our tenants at the end of January informing them of the results of the consultation on the operating model. It also informed tenants that the Customer First Centre has been established and sought interest for becoming part of our new engagement structures.

6. Environmental and sustainability implications

6.1 The new operating model supports our objective to transition to a net zero corporate carbon footprint by 2026. The reduced office footprint across Group, more energy efficient buildings and reduced staff travel form part of this. More detailed updates will be provided at future Board meetings.

7. Digital transformation alignment

7.1 The new operating model is a key element of our digital transformation plans. In addition to developing our digital customer services, we are increasingly using digital means of engagement – for example, this year we have run rent focus groups online for the first time.

8. Financial and value for money implications

8.1 The proposals in this report can be funded within existing budgets as set out in our business plan projections; there are no new financial implications.

9. Legal, regulatory and charitable implications

9.1 To support our new operating model, we will undertake a review of compliance with laws, policies and regulations across all areas of the Group over the coming months. This will provide a further level of assurance that in changing our operating model and working practices, we continue to be compliant with applicable requirements. This will include technical building maintenance and environmental requirements such as water testing, electrical checks and fire safety. It will also cover compliance with corporate governance and regulatory requirements such as Companies House, Scottish Government and Scottish Housing Regulator codes of practice and Financial Conduct Authority rules.

10. Risk appetite and assessment

10.1 Our risk appetite for service delivery innovation is “open”; which means we are prepared to take risk and embrace change. In this context, our new operating model represents a significant change from our previous approach, and it is critical to the success of our overall 2021-26 strategy.

10.2 If key elements do not operate effectively – for example the Customer First Centre or the model of hybrid working – then there is a risk that we might fail to deliver out strategic objectives around customer satisfaction, service standards and staff morale. For that reason, this paper sets out a number of measures designed to closely monitor the impact and effectiveness of our new operating model and to allow us to refine elements of it as required in the coming months.

11. Equalities implications

11.1 There are no further equalities implications associated with this report.

12. Key issues and conclusions

12.1 Our new operating model was developed in consultation with tenants and we are continuing to progress across each of the key themes we set out in our consultation with tenants.

13. Recommendation

13.1 The Board is asked to note the contents of the report.

WEST LOTHIAN Housing Partnership

Report

To: West Lothian Housing Partnership Board

By: Chris Cameron, Finance Manager

Approved by: Steven Henderson, Group Director of Finance

Subject: 2022/23 Budget

Date of Meeting: 30 March 2022

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1. Purpose

1.1 The purpose of this paper is to seek approval for the 2022/23 budget.

2. Authorising and strategic context

2.1 Under the terms of the Intra-Group Agreement between WLHP and the Wheatley Group, as well as the Group Authorising Monitor Matrix, this Board is responsible for the on-going monitoring of performance against agreed targets, including the on-going performance of its finances.

2.2 The strategic context is of a challenging external environment, with inflation rising rapidly on fuel, utilities and construction materials. The business plan approved by the Board in February set out a range of measures to address these cost pressures while complying with our financial policies.

3. Background

3.1 At the previous meeting on 9 February 2022 the Board approved the 2022/23 five year financial projections and agreed that the 2022/23 figures would form the basis of the 2022/23 annual budget, which is presented at Appendix 1.

3.2 Approval for the full year budget is sought pending any transfer to Dunedin Canmore.

4. Discussion

4.1 The detailed budget pack presented at Appendix 1 tracks comparative figures from the latest 2021/22 forecast to the 2022/23 budget to give the context of the year-on-year changes.

4.2 The 2022/23 budget reports a net operating surplus of £4,278k, and a statutory surplus of £2,916k, both £4k lower than financial projections, due to a proposed increase to insurance premiums following the outcome of the 2022/23 insurance renewal and an increase in the budget for utility costs in recognition of continued inflation in energy tariffs.

4.3 The net operating surplus budgeted of £4,278k compares to a forecast of £5,389k for 2021/22, lower by £1,111k. The key drivers for this year on year variation are non cash in nature with lower grant income recognised on the completion of new build properties and a higher adjustment for depreciation charges as a result of the value of investment works carried out in our properties over the recent years.

4.4 Key points to note:

- Net rental income of £4,589k is in line with financial projections and reflects the agreed 1.9% rent increase (2% for ex Barony tenants) and includes a void assumption of 1.3%. It is £752k higher than the 2021/22 forecast, reflecting the rent increases and the rent due on the new build properties for social rent completed during 2021/22 and the 34 new build properties for social rent expected to be completed during 2022/23.
- Other income includes lease income from Lowther Homes for our mid-market ("MMR") properties. The increase in MMR lease income is from the properties due to be completed.
- Grant income of £3,860k relates to completion of 34 social rent units and 32 MMR units anticipated in 2022/23.
- Operating costs in total are £5k higher than the financial projections with the inclusion of the additional amounts for insurance in direct running costs and the higher provision for utilities.
- The budget for net interest payable of £1,363k is in line with the financial projections.
- Within investment expenditure, the budget reflects total capital investment of £12,624k across our existing properties, new build development programme and other capital expenditure which includes our share of Group ICT capital investment.

5. Customer engagement

5.1 This report relates to our 2022/23 budget and therefore there is no direct customer implications arising from this report.

6. Environmental and sustainability implications

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

7. Digital transformation alignment

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

8. Financial and value for money implications

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

8.2 The budgeted net operating surplus is £5k lower than the financial projections, with additional provision being made for higher insurance renewal costs and in recognition of recent price increases for fuel which are likely to increase the costs of operating our in house repairs service.

8.3 Financial covenants are assessed for the RSLs within the WFL1 borrowing group as a whole. In preparing the 2022/23 budgets across the RSL borrower group, we have identified financial mitigations which offset the additional insurance and fuel costs included in our 2022/23 budget and allow the overall budgeted operating surplus and covenants for the WFL1 borrowers to be maintained in line with the RSL financial projections and for financial policy limits to be met.

9. Legal, regulatory and charitable implications

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

10. Risk appetite and assessment

10.1 The Board's agreed risk appetite for business planning and budgeting assumptions is "open". This level of risk tolerance is defined as "prepared to invest for reward and minimise the possibility of financial loss by managing the risks to a tolerable level".

10.2 Delivery of financial results within approved budgetary limits is a key element in delivering our strategy and maintaining the confidence of investors.

11. Equalities implications

11.1 There are no equalities implications arising from this report.

12. Key issues and conclusions

12.1 This paper presents the proposed 2022/23 budget.

13. Recommendation

13.1 The Board is requested to approve the draft 2022/23 budget

List of Appendices

Appendix 1: Budget 2022/23

WEST LOTHIAN
Housing Partnership

2022-23 Budget

Operating Statement

WEST LOTHIAN Housing Partnership

	2021/22	2022/23	2022/23	2022/23
	Forecast £ks	Financial Projection £ks	Budget £ks	Budget Variance to FP £ks
INCOME				
Rental Income	3,859	4,651	4,651	-
Void Losses	(22)	(62)	(62)	-
Net Rental Income	**3,837**	**4,589**	**4,589**	**-**
Other Income	41	131	131	-
Grant Income	5,160	3,860	3,860	-
TOTAL INCOME	**9,038**	**8,580**	**8,580**	**-**
EXPENDITURE				
Employee Costs - Direct	536	501	501	-
ER/VR	-	93	93	-
Employee Costs - Group Services	72	87	87	-
Direct Running Costs	227	407	411	4
Running Costs - Group Services	51	56	56	-
Revenue Repairs and Maintenance	647	733	733	-
Bad Debts	51	68	68	-
Depreciation	2,065	2,354	2,354	-
TOTAL EXPENDITURE	**3,649**	**4,298**	**4,302**	**- 4**
NET OPERATING SURPLUS / (DEFICIT)	**5,389**	**4,282**	**4,278**	**- 4**
Operating Margin	*60%*	*50%*	*50%*	
Interest Receivable	1	1	1	-
Interest Payable	(768)	(1,363)	(1,363)	-
STATUTORY SURPLUS / (DEFICIT)	**4,622**	**2,920**	**2,916**	**- 4**

INVESTMENT				
Total Capital Investment Income	**2,851**	**8,566**	**8,566**	**-**
Total Expenditure on Core Programme	828	581	581	-
New Build Expenditure	10,327	11,964	11,964	-
Other Capital Expenditure	67	79	79	-
TOTAL CAPITAL EXPENDITURE	**11,222**	**12,624**	**12,624**	**-**
NET CAPITAL EXPENDITURE	**8,371**	**4,058**	**4,058**	**-**

Key highlights:

- Net operating surplus per the 2022/23 budget of £4,278k and statutory surplus of £2,916k are both £4k lower than financial projections. These movements from the financial projections are due to increases in insurance premiums following the outcome of the 2022/23 insurance renewal.
- Budgeted **net rental income** of £4,589k is in line with the financial projections. The budgeted void rate is prudently assumed at 1.3% for all properties in line with financial projections.
- **Grant Income** recognised on completion of new build units is budgeted at £3,860k with completion of 34 social rent units and 32 MMR units anticipated in 2022/23.
- **Direct and Group services employee** costs are in line with the financial projections and reflect the cost of living increase. A prudent allocation for a share of Group ER/VR costs of £93k has been set aside to help deliver the cost efficiency targets in the financial projections through staff savings. Group services of £87k includes the costs for support functions such as Finance, IT and HR, as well as the staff costs for the Customer First Centre provided by Wheatley Solutions.
- **Direct running** costs are budgeted at £411k, which is £4k higher than the financial projections, reflecting higher insurance costs. The budget includes initiative spend, the donation to the Wheatley Foundation, insurance, office and property running costs. Group services running costs of £56k are in line with financial projections.
- **Repairs and maintenance** costs of £733k are assumed in the budget, which is in line with financial projections.
- **Bad debt** costs are in line with financial projections and have been set prudently.
- **Depreciation** costs which reflect a non cash accounting adjustment are £289k higher than the expected 2021/22 charge, with the increase driven by the level of investment in our properties.
- **Interest payable** of £1,363k is in line with financial projections and reflects interest due to WFL1. The increase on the 2021/22 forecast is due to additional drawdowns to fund the new build programme.
- **Investment programme** expenditure has been budgeted at £581k, which is in line with the financial projections.
- **New build** expenditure of £11,964k has been included in the budget for 2022/23, which is in line with the financial projections.
- **Capital Investment Income** (cash) of £8,556k is expected to be received in the year for the new build programme.

Underlying surplus

- The Operating Statement (Income and Expenditure Account) on page 2 is prepared in accordance with the requirements of accounting standards (Financial Reporting Standard 102 and the social housing Statement of Recommended Practice 2014).
- However, the inclusion of grant income on new build developments creates volatility in the results and does not reflect the underlying cash surplus/deficit on our letting activity.
- The chart below therefore shows a measure of underlying surplus which adjusts our net operating surplus by excluding the accounting adjustments for the recognition of grant income and depreciation, but including capital expenditure on our existing properties.
- An underlying surplus of £829k is budgeted which is £4k lower than the financial projections, with the changes between the budget and financial projections detailed in the operating statement on page 2. The variance to 2021/22 forecast is driven by higher net rental income and lower levels of core investment expenditure and offset by interest costs.

WLHP Underlying surplus/ deficit			
	21/22 Fcast £k	22/23 Projections £k	22/23 Budget £k
Net operating surplus	5,389	4,282	4,278
add back:			
Depreciation	2,065	2,354	2,354
less:			
Grant income	(5,160)	(3,860)	(3,860)
Net interest payable	(767)	(1,362)	(1,362)
Total expenditure on Core Programme	(828)	(581)	(581)
Underlying surplus	**699**	**833**	**829**

Rental & Other Income

	2021/22 Forecast	2022/23 Budget
Rental Income (£'000)		
Rent Receivable	3,859	4,651
Void Losses	(22)	(62)
Net Rental Income	**3,837**	**4,589**
Void Loss %	*0.6%*	*1.3%*
Other Income (£'000)		
Mid-Market Lease Income	-	119
Other	41	12
	41	**131**
Grant Income (£'000)		
New Build Grant Income Recognised	5,160	3,860
Total Income	**9,038**	**8,580**

Comments

- **Net rental income**, which includes rent and service charges, less void losses, is budgeted at £4,589k, £752k higher than 2021/22 forecast. The budget is based on anticipated opening stock levels at 1 April 2022 and adjusted for the completion of 34 social rent new build properties due in 2022/23. The approved rent increase of 1.9% (2% for ex Barony tenants) is also reflected in the budget.
- Void losses are budgeted at 1.3% for all stock which matches the prudent assumption made when preparing the financial projections.
- **Other income** of £131k includes MMR lease income of £119k driven by new build MMR properties completed during 2021/22 and 2022/23. WLHP lease the properties to Lowther for onward letting to tenants.
- Medical adaptation income of £12k is also included in the 2022/23 budget.
- **New build grant** income of £3,860k, in line with financial projections, is recognised upon completion of new properties.

Employee Costs

WEST LOTHIAN Housing Partnership

Employee Costs (£'000)	2021/22 Forecast	2022/23 Budget
Employee Costs - Direct		
Housing and Admin	328	363
Environmental	148	100
Wheatley 360	41	39
Past Service Pension Deficit	19	-
	536	**501**
Employee Costs - Group Services	72	87
	608	**588**

Comments

- Total **employee costs**, including frontline staff and Wheatley Group services, are budgeted at £588k.
- **Direct employee costs** of £501k are £35k lower than 2021/22 forecast due to the payment of the final amounts due under the current recovery plan being made in 2021/22. Staff costs include an inflationary cost of living uplift in costs consistent with the financial projections.
- **Environmental** related costs are budgeted at £100k, a £48k decrease on 2021/22 forecast as a result of savings across the RSL borrower group.
- Staff costs for **Wheatley Group services** are shown separately and include recharges for all support functions. These have increased by £15k to £87k as a result of the additional staff resources in the new Customer First Centre.

Running Costs

WEST LOTHIAN Housing Partnership

Running Costs (£'000)	2021/22 Forecast	2022/23 Budget
Direct Running Costs		
Housing & Office Costs	142	308
Initiatives	33	55
Wheatley 360	22	18
Environmental	30	30
	227	**411**
Running Costs - Group Services	46	56
	273	**467**

Comments

- Total **running costs** (Direct and Group services) are budgeted at £467k , £194k higher than the 2021/22 forecast and £4k higher than the provision in the financial projections. The majority of the budget relates to general running costs and property costs.
- **Housing and Office** costs includes insurance, travel, utility, printing & stationary, and other running costs. The increase of £166k reflects costs assumptions for the higher rates of inflation within the 2022/23 financial projections. This includes an additional £4k over the financial projections for a further increase in utility costs and the additional increase in insurance costs.
- **Initiative** expenditure of £55k is budgeted for 2022/23. This includes a donation to the Wheatley Foundation, delivering services in areas such as education and fuel poverty reduction and £28k for tenancy sustainment, delivered by the Wheatley Care TSS service.
- The **running costs - Group services** are shown separately and include recharges for all support functions.

Repairs and Maintenance Costs

Repair & Maintenance Expenditure (£'000)	2021/22 Forecast	2022/23 Budget
Reactive Repairs	497	574
Cyclical Maintenance	148	160
	647	**733**

Comments

- Budgeted **repairs and maintenance** expenditure is £734k for 2022/23, a £87k increase on 2021/22 forecast. This is in line with 2022/23 financial projections. The variance to the 2021/22 forecast is largely a result of additional provision linked to increase in housing stock numbers.
- **Reactive repairs** include appointment and emergency repairs as requested by our tenants, delivered in-house by colleagues within Dunedin Canmore Property Services ("DCPS").
- **Cyclical maintenance** includes electrical testing, gas servicing, mechanical equipment and pump/tank maintenance contracts, and other maintenance expenditure such as fire safety and alarm maintenance on our properties.

Capital Investment

Investment expenditure	2021/22 Forecast	2022/23 Budget
New Build Development - Cost	10,327	11,964
New Build Development - Grant	2,851	8,566
Core Programme Expenditure	828	581
Other Capital Investment	67	79
TOTAL CAPITAL EXPENDITURE	**11,222**	**12,624**
NET CAPITAL EXPENDITURE	**8,371**	**4,058**

Comments

Net capital expenditure is budgeted at £4,058k for 2022/23. This includes new build, investment in existing properties, and other fixed asset additions.

New Build

- The budget for **new build** expenditure is £11,964k, in line with financial projections.
- We anticipate WLHP to receive **grant income** of £8,566k in 2022/23. Grant claimed and received during the year relates to developments not yet completed will be deferred until site completion.

Investment Works

- Investment of £581k within existing stock includes component replacement and enhancements, in line with our five year investment programme.

Other Capital Investment

- Other capital expenditure of £79k includes WLHP's share of Group ICT investment, which aims to transform our services to improve the customer experience.

WEST LOTHIAN
Housing Partnership

Report

To: West Lothian Housing Partnership Board

By: Chris Cameron, Finance Manager

Approved by: Steven Henderson, Group Director of Finance

Subject: Finance report

Date of Meeting: 30 March 2022

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1. Purpose

1.1 The purpose of this paper is to provide an overview of the management accounts for the period to 28 February 2022;

2. Authorising and strategic context

2.1 Under the terms of the Intra-Group Agreement between WLHP and the Wheatley Group, as well as the Group Authorising Monitor Matrix, this Board is responsible for the on-going monitoring of performance against agreed targets, including the performance of its finances.

3. Background

Financial performance to 28 February 2022

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

	Year to Date (Period 11)		
£000	**Actual**	**Budget**	**Variance**
Turnover	£4,867	£6,449	(£1,582)
Operating expenditure	£3,249	£3,436	£187
Operating surplus	**£1,618**	**£3,013**	**(£1,395)**
Operating margin	*33%*	*47%*	-13%
Net interest payable	£999	£1,231	£232
Surplus	**£619**	**£1,782**	**(£1,163)**
Net Capital Expenditure	**£6,853**	**£8,624**	**(£1,771)**

4. Discussion

4.1 We have reported a statutory surplus of £619k for the period to 28 February 2022, which is £1,163k unfavourable to budget. The main drivers of the variance are lower levels of grant income & net rental income due to delayed completions to new build properties, offset in part by expenditure and interest savings. The key points to note are:

- Net rental income of £3,378k is £134k lower than budget at 28 February 2022, mainly driven by a reduction in expected rental income due to delayed completions at Almondvale and Jarvey Street.
- Grant income of £1,487k has been recognised for 20 completed units across our sites at Jarvey St and Winchburgh site O to date. Grant income recognised is £1,440k lower than budget with remaining properties due at Almondvale now delayed into 2022/23.
- Operating expenditure is £187k favourable to budget, with a number of cost lines reporting lower than budgeted spend at February, most notably employee costs and direct running costs as a result of an unplanned vacancy and the continuation of working from home.
- Gross interest payable of £999k is £232k favourable to budget driven by lower interest rates on borrowings following the fixed rate loan restructuring in March 2021.
- Net capital expenditure is £6,853k for the year to date, £1,771k lower than budget. Grant claims of £2,237k are £4,450k lower than budget. The profile of grant claims is linked to new build expenditure which is running £6,102k lower than budget to date. New build spend reflects delays in planning approvals and slow progress on sites due to supply issues. Greater spend had been anticipated across a number of sites for us including Winchburgh BB, Sibbalds Brae and Preston Crescent.
- The core capital investment programme variance to budget is £108k. This is expected to be in line with budget at year end.

5. Customer engagement

5.1 This report relates to our financial reporting and therefore there is no direct customer implications arising from this report.

6. Environmental and sustainability implications

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

7. Digital transformation alignment

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

8. Financial and value for money implications

8.1 The statutory surplus for the period to 28 February 2022 is £1,163k adverse to budget. Delivery of our cost efficiency targets is a key element of continuing to demonstrate value for money. The underlying results for the period to 28 February 2022 were £385k favourable to budget ensuring that these efficiency targets are met.

9. Legal, regulatory and charitable implications

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

10. Risk appetite and assessment

10.1 The Board's agreed risk appetite for business planning and budgeting assumptions is "open". This level of risk tolerance is defined as "prepared to invest for reward and minimise the possibility of financial loss by managing the risks to a tolerable level".

10.2 Delivery of financial results within approved budgetary limits is a key element in delivering our strategy and maintaining the confidence of investors.

11. Equalities implications

11.1 There are no equalities implications arising from this report.

12. Key issues and conclusions

12.1 This paper presents the financial performance position for the period to 28 February 2022.

13. Recommendation

13.1 The Board is requested to note the financial performance for the period to 28 February 2022.

List of Appendices

Appendix 1: Finance Report to 28 February 2022

Period to 28 February 2022
Finance Report

1) Period 11 YTD - Operating Statement

	Year to 28 February 2022			Full Year
	Actual £ks	Budget £ks	Variance £ks	Budget £ks
INCOME				
Rental Income	3,390	3,559	(169)	3,920
Void Losses	(12)	(47)	35	(51)
Net Rental Income	**3,378**	**3,512**	**(134)**	**3,869**
Other Income	2	10	(8)	32
Grant Income Recognised in the Year	1,487	2,927	(1,440)	12,467
TOTAL INCOME	**4,867**	**6,449**	**(1,582)**	**16,368**
EXPENDITURE				
Employee Costs - Direct	454	515	61	581
Employee Costs - Group Services	66	65	(1)	69
Direct Running Costs	195	274	79	296
Running Costs - Group Services	48	47	(1)	49
Revenue Repairs and Maintenance	585	595	10	647
Bad Debts	8	47	39	51
Depreciation	1,893	1,893	0	2,065
TOTAL EXPENDITURE	**3,249**	**3,436**	**187**	**3,758**
NET OPERATING SURPLUS / (DEFICIT)	**1,618**	**3,013**	**(1,395)**	**12,610**
Net Operating Margin	*33%*	*47%*	*-13%*	*77%*
Interest receivable	0	0	(0)	1
Interest payable	(999)	(1,231)	232	(991)
STATUTORY SURPLUS / (DEFICIT)	**619**	**1,782**	**(1,163)**	**11,619**

	Year to 28 February 2022			Full Year
	Actual £ks	Budget £ks	Variance £ks	Budget £ks
INVESTMENT				
Total Capital Investment Income	**2,237**	**6,687**	**(4,450)**	**7,274**
Total Expenditure on Core Programme	682	790	108	828
New Build & Other Investment	8,357	14,460	6,102	15,975
Other Capital Expenditure	51	61	10	67
TOTAL CAPITAL EXPENDITURE	**9,090**	**15,311**	**6,221**	**16,869**
NET CAPITAL EXPENDITURE	**6,853**	**8,624**	**1,771**	**9,595**

WEST LOTHIAN Housing Partnership

Key highlights year to date:

Net operating surplus of £1,618k is £1,395k adverse to budget. Statutory surplus for the period to 28 February is £619k, £1,163k adverse to budget. The main driver of the variance is a lower level of grant income recognised and rental income, offset in part by expenditure and interest savings.

- Total income of £4,867k is £1,582k adverse to budget:
- Net rental income is £134k adverse to budget primarily due to delayed handovers at Jarvey St and Almondvale resulting in lower than budgeted rental income.
- Grant income recognised to date relates to 12 units completed at Jarvey Street & 8 at Winchburgh site O. The unfavourable variance of £1,440k is driven by the budget assuming 42 units at Jarvey Street and 120 units at Almondvale would complete by the end of February offset by 8 units at Winchburgh O completing ahead of schedule.
- Total expenditure of £3,249k is £187k favourable to budget:
- Direct employee costs of £454k are £61k favourable to budget, due to a Housing Officer vacancy and staff recharges for one FTE to a different group subsidiary which were not budgeted.
- Direct running costs are £79k favourable to budget resulting from savings in office running costs generated while staff continue to work from home.
- Gross interest payable of £999k is £232k favourable to budget following the re-structuring of WFL 1 fixed rate loans in March 2021.
- Net capital expenditure of £6,853k is £1,771k favourable to budget. The variance is driven by the lower level of spend in the new build programme offset in part by lower grant claims in 2021/22.
- Core investment expenditure of £682k is £108k lower than budget. It is expected that spend will be in line with budget by year end.
- New Build expenditure of £8,357k is £6,102k, lower than budget driven by delayed spend at several sites including Winchburgh BB (£1.2m) and Sibbalds Brae (£3.4m) where planning approval has been delayed. This site is now likely to progress as a golden brick development with minimal spend now expected this year. The overall underspend is offset by Winchburgh O where progress has been ahead of schedule.
- Capital investment income relates to the cash receipt of new build grants and is £4,450k below budget. The lower levels of grants claimed are linked to the lower level of new build spend as noted above.

2) Period 11 only - Operating Statement

	Period 11 -February 2022			Full Year
	Actual £ks	Budget £ks	Variance £ks	Budget £ks
INCOME				
Rental Income	252	356	(104)	3,920
Void Losses	(2)	(4)	2	(51)
Net Rental Income	**250**	**352**	**(102)**	**3,869**
Other Income	0	10	(10)	32
Grant Income Recognised in the Year	0	0	0	12,467
TOTAL INCOME	**250**	**362**	**(112)**	**16,368**
EXPENDITURE				
Employee Costs - Direct	36	47	11	581
Employee Costs - Group Services	6	6	(0)	69
Direct Running Costs	15	24	8	296
Running Costs - Group Services	4	4	(0)	49
Revenue Repairs and Maintenance	77	52	(25)	647
Bad Debts	(1)	4	6	51
Depreciation	172	172	0	2,065
TOTAL EXPENDITURE	**309**	**309**	**(0)**	**3,758**
NET OPERATING SURPLUS / (DEFICIT)	**(59)**	**53**	**(112)**	**12,610**
Net Operating Margin	*-24%*	*15%*	*-39%*	*77%*
Interest receivable	0	0	(0)	1
Interest payable	(86)	(126)	40	(991)
STATUTORY SURPLUS / (DEFICIT)	**(145)**	**(73)**	**(72)**	**11,619**

	Period 11 -February 2022			Full Year
	Actual £ks	Budget £ks	Variance £ks	Budget £ks
INVESTMENT				
Total Capital Investment Income	**137**	**500**	**(363)**	**7,274**
Total Expenditure on Core Programme	45	41	(4)	828
New Build & Other Investment	836	1,406	570	15,975
Other Capital Expenditure	(3)	6	9	67
TOTAL CAPITAL EXPENDITURE	**878**	**1,453**	**575**	**16,869**
NET CAPITAL EXPENDITURE	**741**	**952**	**212**	**9,595**

WEST LOTHIAN Housing Partnership

Key highlights year to date:

- The table shows the operating statement for period 11 only. Net operating deficit of £59k is £112k adverse to budget. Statutory deficit for the month is £145k, £72k adverse to budget.
- Total income of £250k is £112k adverse to budget driven by delays to expected completions at Jarvey St and Almondvale.
- Total expenditure of £309k is in line with budget.
- Interest expenditure is £40k favourable to budget due to restructuring of WFL1 loans in March 2021.
- Core programme expenditure is £4k over budget due catch up bathroom works. New build expenditure is £570k below budget due to underspend at Winchburgh BB, Preston Crescent and Sibbalds Brae. Grant income is also £363k less than budget in line with underspend on new build expenditure.

3) Underlying surplus – P11 February 2022

Key comments:

- The Operating Statement (Income and Expenditure Account) on page 2 is prepared in accordance with the requirements of accounting standards (Financial Reporting Standard 102 and the social housing Statement of Recommended Practice 2014).
- However, the inclusion of grant income on new build developments creates volatility in the results and does not reflect the underlying cash surplus/deficit on our letting activity.
- The table 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, including capital expenditure on our existing properties.
- In the period to February 2022, an underlying surplus of £343k has been generated using this measure which is £385k favourable to budget. The variance is driven by the lower levels of expenditure, core programme investment and interest expenditure. The full year budget reflects an underlying surplus of £390k.

WLHP Underlying Surplus - February 2022				
	YTD Actual £ks	YTD Budget £ks	YTD Variance £ks	FY Budget £ks
Net operating surplus	1,618	3,013	(1,395)	12,610
add back:				
Depreciation	1,893	1,893	0	2,065
less:				
Grant income	(1,487)	(2,927)	1,440	(12,467)
Net interest payable	(999)	(1,231)	232	(990)
Total expenditure on Core Programme	(682)	(790)	108	(828)
Underlying surplus	**343**	**(42)**	**385**	**390**

4) Management Information - Employee & Running Costs

Employee Costs	Year to 28 February 2022			Full Year
	Actual £ks	Budget £ks	Variance £ks	Budget £ks
Salary/NIC/Pension	496	551	55	620
Staff Costs Capitalised	(43)	(36)	7	(39)
Overtime	1	- -	1	-
TOTAL	**454**	**515**	**61**	**581**

Direct Running Costs	Year to 28 February 2022			Full Year
	Actual £ks	Budget £ks	Variance £ks	Budget £ks
Consultancy/Legal/Insurance	31	29	(2)	32
Environmental Recharges	25	25	0	30
Initiatives	33	40	7	41
Office & Property	103	172	69	185
Staff Related Costs	3	8	4	8
TOTAL	**195**	**274**	**79**	**296**

Initiatives	Year to 28 February 2022			Full Year
	Actual £ks	Budget £ks	Variance £ks	Budget £ks
Helping Hand	2	2	1	2
Tenancy Support Service	7	9	1	9
Think Yes	4	5	1	5
Wheatley Foundation	20	18	(2)	18
Wider Action	-	6	6	6
TOTAL	**33**	**40**	**7**	**41**

Comments

WEST LOTHIAN Housing Partnership

Employee Costs

- Employee costs of £454k are £61k favourable to budget. Salary and on-costs are £55k lower than budget linked to a housing officer vacancy and an adjustment relating to a member of staff whose costs are now being recharged to another subsidiary.

Running Costs

- Direct running costs of £195k are £79k favourable to budget.
- Central environmental recharges include the use of the Bathgate depot, owned by Dunedin Canmore and vehicle and equipment use, where the costs for these are incurred centrally.
- Office and property costs are lower than budget as a result of savings made in overheads with all office-based staff working from home.

Initiatives

- The annual donation to the Wheatley Foundation was paid in period 1.

5) Management Information - Repairs and Investment

WEST LOTHIAN Housing Partnership

Repairs & Maintenance	Year to 28 February 2022		
	Actual £ks	Budget £ks	Variance £ks
Responsive Repairs	448	454	6
Cyclical Maintenance	117	136	19
Communal Heating	20	5	(15)
TOTAL	**585**	**595**	**10**

Investment	Year to 28 February 2022		
	Actual £ks	Budget £ks	Variance £ks
Void	54	35	(19)
Core Investment	557	689	132
Capitalised Staff	70	66	(4)
TOTAL	**682**	**790**	**108**

Key Comments:

Repairs

- Repairs and maintenance expenditure of £585k is £10k favourable to budget.
- Responsive repairs costs are £6k favourable to budget. Cyclical maintenance costs are £19k favourable to budget, while communal heating is £15k adverse to budget due in part to final actual costs being billed for the prior year.

Investment

- Core investment spend of £682k is £108k lower than budget due to works at Buttries View and some customer voice projects not progressing as planned. Some reprofiling of the programme has been actioned with the window replacements at Pyothall Court have been brought forward from 22/23 and the works at Buttries View will progress next year. Void costs of £54k are £19k adverse to budget largely due to works now being completed following the remobilisation of services.

1c. Investment Expenditure – Regeneration WLHP – P11

Development Name	Developer	Year to 28 February 2022			Full Year Budget £'000
		Actual £'000	Budget £'000	Variance £'000	
Almondvale	Cruden	3,124	3,764	640	3,994
Blackness Road	Cala Homes	748	1,344	596	1,420
Deans South	Springfield Partnership	5	-	(5)	-
Dixon Terrace		1	150	149	150
Jarvey Street	City Building	1,574	1,715	141	1,815
Kirk Lane		1	23	23	23
Raw Holdings	Persimmon Plc	21	-	(21)	-
Linkston Road	Robertson Partnership	-	-	0	112
Preston Crescent	Cala Homes	-	907	907	1,097
Sibbalds Brae	Taylor Wimpey	2	3,424	3,422	3,718
Winchburgh Ph1		36	-	(36)	-
Winchburgh O	BDW Trading	2,678	1,723	(955)	1,873
Winchburgh BB	Allan Water Homes	63	1,305	1,242	1,659
Capitalised Employee Costs		104	104	(0)	113
TOTAL INVESTMENT		**8,357**	**14,460**	**6,102**	**15,975**
GRANT INCOME		2,237	6,687	4,449	7,274
NET CAPITAL EXPENDITURE		**6,120**	**7,773**	**1,653**	**8,701**

WLHP new build spend by end of February totalled £8.4m, which was £6.1m under budget.

- ***Almondvale (MMR/26 and SR/120):*** delays with service and impacts of covid impacting on site progress; further delays in handover are anticipated – units are forecast to complete later and into the 2022/23 financial year.
- ***Blackness Road (MMR/6 and SR/8):*** Monthly certificates now being received, spend progressing
- ***Jarvey Street (SR/42):*** Final 14 units forecast to hand over in March 2022.
- ***Sibbalds Brae (SR/29):*** Planning permission was refused by WLC in January 2022. Taylor Wimpey will appeal the decision and it is hoped that this project will still progress during the course of 2022/23.
- ***Winchburgh O (Barratt Homes) (SR/20):*** 8 units completed in January with remaining units forecast to complete in March '22.
- ***Winchburgh BB (MMR/34 and SR/47):*** Original proposal was for 85 units, now reduced to 81 units follow changes made during the planning process. Approved by Board in November 2020 on the basis of a build contract with Allan Water Homes but developer has not held tender price. Alternative delivery options being reviewed to deliver site via McTaggart Construction.
- ***Raw Holdings (MMR/25 and SR/38)*** by Persimmon Homes. Approved by GDC in November 2021. MMR units to progress via Lowther direct. Acquisition/site start anticipated this financial year.

7) Balance Sheet

Period 11

	28 February 2022 £'000	31 March 2021 £'000
Fixed Assets		
Social Housing Properties	61,954	54,808
Other Fixed Assets	249	198
	62,204	55,006
Current Assets		
Trade & Other Debtors	242	263
Cash & Cash Equivalents	154	603
	397	866
Creditors: within 1 year		
Trade Creditors	(46)	(1)
Accruals & Deferred Income	(13,930)	(13,876)
Prepayments of Rent and Service Charge	(123)	(99)
Other Creditors	(82)	(91)
Amounts due to Group Undertakings	(2,504)	(1,010)
	(16,685)	(15,077)
Net Current Liability	(16,288)	(14,343)
Long Term Creditors		
Amounts due to Group Undertakings	(26,977)	(22,476)
Pension liability	(70)	(70)
Net Assets	**18,868**	**18,249**
Capital and Reserves		
Share Capital	-	-
Revenue Reserve	18,868	18,249
Partnership's funds	**18,868**	**18,249**
	0	0

WEST LOTHIAN Housing Partnership

Key Comments:

- The balance sheet reported reflects the audited 31 March 2021 year end statutory accounts position after completion of the audit. Year end adjustments applied include the revaluation of housing properties and actuarial valuation of the defined benefit pension scheme.
- The value of our fixed assets reflects additions in the year less depreciation.
- **Trade & other debtors** of £242k include rent arrears of £71k after bad debt provision. This compares to arrears of £90k at 31 March 2021.
- **Cash at Bank** – At 28 February WLHP had £154k in the bank and has access to draw down further funding from WFL1 as and when required.
- **Short-Term Creditors** – Amounts due within one year of £16,685k include £2,504k due to other Wheatley entities and £13,930k in accruals and deferred income, primarily grant received for the construction of new build properties. The remaining balance includes rent received in advance from our tenants, trade and other creditors.
- **Long-Term Creditors** - This relates to £27m of loans due to WFL1 less fees paid. This borrowing has primarily been used to fund the new build investment programme.

Report

To:	**West Lothian Housing Partnership Board**
By:	**Brian Stewart, Director of Repairs, Investment and Compliance**
Approved by:	**Frank McCafferty, Group Director of Repairs and Assets**
Subject:	**Home Safe building compliance update**
Date of Meeting:	**30 March 2022**

1. Purpose

1.1 This report provides an update to the Board on our building compliance work streams following the remobilisation of our work streams post pandemic.

2. Authorising and strategic context

2.1 Under the Group Authorise/Manage/Monitor matrix, the Board is responsible for the on-going monitoring and scrutiny of our compliance with relevant legislation and regulation. This report provides the Board with an operational update and details of compliance works that are undertaken and ongoing activities

2.2 In line with our Strategy "Your Home, Your Community, Your Future" we will maintain our commitment to "make the most of our homes and assets". We will ensure through our home safety compliance programmes that we protect and maintain our assets.

3. Background

3.1 Our compliance works programmes includes gas servicing, TMVs (thermostatic mixer valves), water management including legionella prevention and electrical works such as electrical inspections and smoke and heat detector life-cycle replacements.

3.2 Landlords have a legal duty to repair and maintain gas pipework, flues and appliances in a safe condition, to ensure an annual gas safety check on each appliance and flue, and to keep a record of each safety check.

3.3 Landlords also have obligations under legislation or approved codes of practice for a variety of building maintenance and inspection activities related to firefighting equipment (dry risers/sprinklers), lifting equipment, alarm systems etc.

3.4 Landlords also have a responsibility for electrical safety including carrying out Electrical Inspections, commonly referred to as EICR or FIT testing.

3.5 The status of our other compliance work programmes is shown in the table below.

Work Stream	Cycle	Status
TMV maintenance and Installation	Annual	Rolling programme ongoing since remobilisation
Smoke and Heat Detector life-cycle replacement programme	Every 10 years but is dictated *annually* by build date / LD2 install date	Rolling annual programme
Electrical (EICR)	Every 5 years	Rolling annual programme
Lift Insurance Inspections	Six monthly	Rolling programme continued through the pandemic
Proactive Lift Maintenance	Monthly	Ongoing
Mechanical and Electrical Works	Subject to asset requirements: examples are CCTV. Pumps, aerials, hoists	Ongoing

3.6 **Key Objectives for compliance work:**

- To increase customer safety within their homes by undertaking both statutory and good practice compliance activities.
- Increasing access levels for Dunedin Canmore Property Services (DCPS) trades operatives and other specialist contractors.
- Package up home safety visits where practical and minimise number of visits to decrease inconvenience to the customer while enhancing value for money and productivity.
- Increase visibility of compliance works with frontline staff, particularly Customer First Centre colleagues who can engage with customers while raising day to day repairs on their behalf for example.

One and done approach

3.7 Our approach to delivering compliance activities is embedded in our Group Repairs and Maintenance Policy Framework:

"*The Group's approach is to offer a one-stop shop service through compliance trades teams for compliance events required within a customer's home…. The aim of this service is to minimise disruption to the customer and to provide assurance on the safety of our homes."*

3.8 To that end, our principal contractor, DCPS, has developed a dedicated Home Safety delivery team which both plans and delivers the compliance programme. This Home Safety Team consists of officers and trades operatives with expertise across gas, electrical, water management and lift safety as well as customer service staff. For specialist functions the team will engage an appropriate external contractor.

3.9 Wherever practical for similar related compliance activities within our stock we will endeavour to package works together subject to asset compliance cycles, property attributes and individual customer requirements.

Type of Package	Stock Targeted	Type of works
Home Safety Bundle 1: Gas and Water Management works	Gas properties	▪ Annual gas servicing ▪ Temperature checks at water outlets ▪ TMV works ▪ Test/servicing of smoke/heat/carbon monoxide detectors ▪ Complete all certification
Home Safety Bundle 2: Electrical installs and servicing	All properties	▪ Installation of Smoke and Heat detectors (re-life programme) ▪ Carry out EICR inspections ▪ Test/servicing of smoke and heat detectors

3.10 When one of our properties is vacant we will also use the opportunity to carry out compliance activities. The purpose of the void compliance works is to ensure that customers receive a home which is safe and secure for them to live in, while also maximising the access opportunity for us to undertake as much cyclical or capital compliance works as possible while the property is vacant.

4. Discussion

Gas Safety

4.1 The measures to reduce the spread of COVID-19 in the early phases of lockdown had a significant adverse impact on our gas safety performance. Historically, we had 100% gas safety compliance (i.e. no outstanding CP12s). Achieving this compliance requires an annual inspection of every property with gas. We have 688 homes on the gas servicing contract.

4.2 Since the 11th August 2020, we have recovered our historical performance position and returned to zero failed CP12s and 100% compliance with SHR ARC performance indicators. We have maintained zero CP12 fails since reaching that level in August.

4.3 In addition to the formal appointment letters that are issued we have maintained our pro-active outbound calling through our customer service team, to maximise access into our tenants' homes and allow them the flexibility to change appointments over the phone.

4.4 Only as a last resort after we have exhausted all reasonable efforts to obtain access do we move to a forced appointment, to guarantee we maintain compliance and ensure the safety of our tenants.

Water Management

4.5 Legionella testing is part of our overall water management strategy and is a year round programme.

4.6 Our testing regime varies on a site by site basis taking into consideration the water system installed, the type of property and the customer demographic. Works can include visual inspections of the tanks, risk assessments, temperature checks of both the water inlet and of resting water within the tank, bacterial testing which checks the water supply for various bacteria including e-coli and legionella and chemical testing for metal and mineral contents to ensure that water meets the relevant water quality standards as set by the Water Supply (Water Quality) (Scotland) Regulations 2001.

4.7 The table below provides details of progress against the annual programme.

Subsidiary	Inspections completed so far	Total Inspections/Assessments Required	Percentage completion
WLHP	4 sites	4 sites	100%

TMV Servicing

4.8 TMVs are valves that help to maintain water temperature by blending hot and cold water together to ensure safety while washing hands, showering or bathing. The table below provides the total number of our households within this programme.

Business Area	Qualifying Households
WLHP	109

4.9 Our TMV programme is a rolling annual programme, and includes potentially vulnerable customer groups within qualifying households (e.g. those households with children under 5 years old or adults over 75 years old and also some sites where we deliver care services). The qualifying households are reviewed annually.

Smoke and Heat Detectors

4.10 We carried out a programme to install upgraded smoke and heat detectors in our homes before the Scottish Government deadline of the 31st January 2022. All customers were offered several appointments to enable the works to be completed at a time suitably convenient for them. Only as a last resort did we move to a forced appointment, to ensure we achieved 100% by the deadline.

Periodic Electrical Testing (EICR)

4.11 In May 2020 the Scottish Government updated its guidance to social landlords via the Scottish Housing Quality Standards (SHQS), requiring that periodic electrical inspections be undertaken in all properties on a cycle of no more than 5 years. This brought the social housing sector in line with guidance issued to the private rented sector in 2015. The relevant Part of the new SHQS guidance recommends that outstanding electrical inspections “should be done by the end of March 2022. Landlords must make “reasonable efforts” to ensure that homes are accessed to carry out the inspection.

4.12 Historically we budgeted for periodic inspection on a 5 yearly cycle, reflecting the following risk mitigation considerations:

- significant internal investment works that were carried out in our properties over the last decade included electrical upgrades as required;
- Age (build year) of the stock;
- availability of electrical safety repairs for customers 24/7/365;
- inspections and electrical repairs/upgrades undertaken at void; and
- on-going one off investment works which identify issues with electrical installations.

4.13 We undertook periodic electrical inspections in customers' homes (as required) when we were installing the new smoke and heat detector systems, to minimise disruption to customers.

4.14 The table below shows our current position with obtaining access to carry out the electrical inspection, which takes two hours to complete, the property must have credit in the electricity meter and clear access to power outlets in all rooms.

	Stock	EICR Total Outstanding	Percentage completion
WLHP	762	75	90.41%

Lift Inspections and Maintenance

4.15 Lift inspections by our insurance engineers commenced as normal throughout the pandemic and lockdown and any time related defects that were identified were actioned by our lift contractors as a priority. Any minor defects or recommendations have also now been completed since we remobilised back in April 2021.

4.16 Proactive servicing of our lifts is carried out monthly via our approved Insurance company (HSB).

4.17 All emergency callouts are being dealt with within timescales and there is continued dialogue with the contractor about any potential issues.

Mechanical and Electrical Works

4.18 Throughout the lockdown our specialist M&E contractor and their supply chain worked under our instruction to undertake all statutory compliance works which are accessible within common areas of our blocks or within landlord controlled areas (tank rooms, risers etc.), this work included water testing, dry riser testing, fire alarm maintenance.

4.19 All emergency callouts were dealt with within timescales.

4.20 The majority of our M&E equipment is within communal areas of blocks, which allowed our contractor to catch up quickly on non-essential works ensuring all our M&E works were up to date shortly after we remobilised.

Management and Delivery

4.21 Our Home Safety team will continue to provide day-to-day management of our compliance work programmes including all project management functions, supporting our Customer First Centre model with customer communication and provide all performance, financial monitoring and reporting. The team's approach will ensure we continue to provide a robust landlord assurance function across maintaining compliance in this area.

5. Customer engagement

5.1 Our experience through the COVID-19 pandemic highlighted the value of proactively engaging our customers, and emphasising the importance of our compliance work programmes through our annual "Stay Safe" Messaging. (See appendix 1) We will continue to develop our approach to working with our customers to deliver our compliance activities in the new operating model, utilising the size and scale of our new Customer First Centre to engage our customers and work with our Home Safety team to improve overall access rates.

5.2 We will further strengthen communications with customers at each stage to explain:

- what we are doing and why it's important;
- how we will ensure the work can be carried out safely;
- what we need them to do; and
- how they can get in touch to talk to us.

5.3 Key messages in all our communications to customers on compliance will be:

- The safety of our customers and staff is our top priority and as a result we will continue to follow all recommended best practices on PPE;
- Compliance activities are essential work aimed at keeping you and your home safe; and
- Develop positive messaging to improve the profile of compliance activities so that our customers see them as "value works".

5.4 These key messages, supplemented where appropriate with detail of the individual project or work being carried out, will be communicated to customers using a range of channels including telephone calls, on-line, web and social media.

6. Environmental and sustainability implications

6.1 There are no direct environmental and sustainability implications associated with this report.

6.2 However our approach to carry out associated compliance works in one visit will as a result lead to fewer travel visits by engineers and trade staff across our assets.

7. Digital transformation alignment

7.1 We will look to align our compliance activities work programmes with our digital transformation strategy. Giving customers more choice over appointment timeframes and offering a digital self-serve method for the customer arrange compliance works in their homes.

8. Financial and value for money implications

8.1 There are no direct value for money implications arising from this report.

8.2 Budgets for these work streams have already been agreed and improved as part of the 5-year plan already approved at Board.

9. Legal, regulatory and charitable implications

9.1 In considering the current legal implications, the organisation will respond to any changes to regulations from the Scottish Government and SHR as and when they may arise.

9.2 The amendments to the Scottish Housing Quality Standards in relation to Periodic Electrical inspections required us to increase our electrical inspection programme to work towards the recommended target date of 31 March 2022.

10. Risk appetite and assessment

10.1 The organisation's risk appetite relating to building compliance work streams is minimal" i.e. preference for ultra-safe business delivery options that have a low degree of inherent risk and only have a potential for limited reward.

10..2 Risks relating to repairs and maintenance are set out in our risk register. In addition, some compliance activities, for example gas servicing, are embedded in the Scottish Housing Regulator's reporting requirements.

11. Equalities implications

11.1 There are no equalities implications associated with this report.

12. Key issues and conclusions

12.1 We completed all essential compliance activities throughout the pandemic and lockdown, keeping our homes and customers safe.

12.2 We will continue to develop our approach to maximising access for compliance works through our new operating model.

12.3 We will continue to offer a "one and done" approach where possible for similar related compliance activities subject to asset cycles, property attributes and customer requirements.

12.4 We will ensure we remain agile and alert to any changing legislation or best practice to maintain our commitment to providing a robust level of landlord assurance across the various compliance activities.

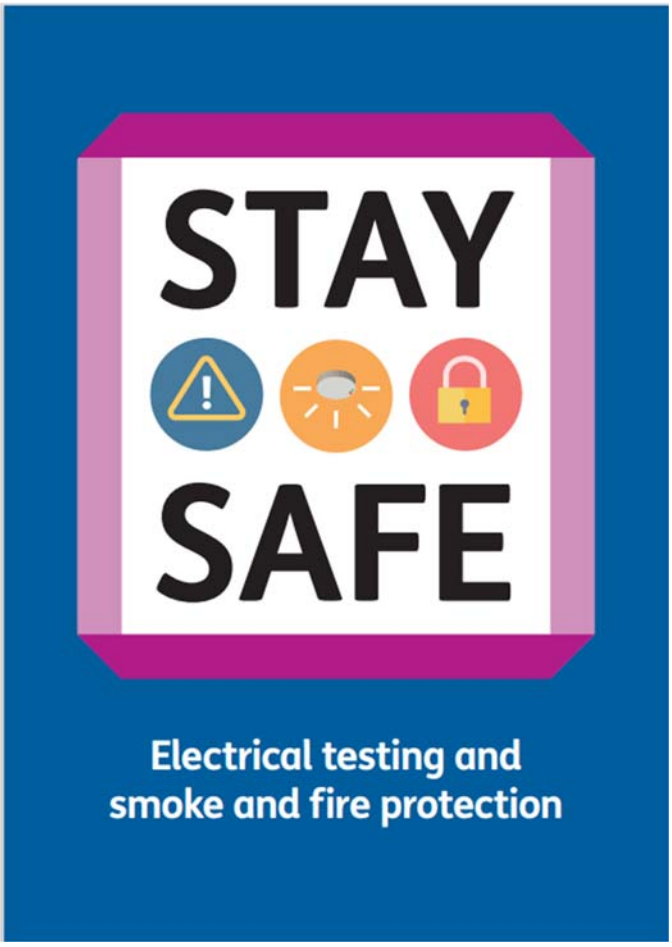
13. Recommendation

13.1 The Board is asked to note the content of this report and agree the proposed approach to compliance related works.

List of Appendices

Appendix 1 - Stay Safe Branding

Appendix 1 - Stay Safe Branding



WEST LOTHIAN

Better homes, better lives

What are we doing?
- Fitting new smoke and heat detectors ahead of Scottish Government Legislation
- Electrical testing to ensure homes continue to be safe

Why are we doing this?
- Reducing the risk to customers in the event of fire in the home
- Early warning with improved smoke and heat detectors
- Legislation is changing, and we want to be compliant in advance of the new Scottish Government legislation being introduced

What is involved?
- Installing new smoke and heat detectors takes around two hours
- Electrical testing and installing new smoke and heat detectors takes around four hours
- There will be some drilling during the work and we will clean up after the work
- Some of our staff will be wearing protective clothing as a precaution while they carry out the work

How to help?
- Be at home for your appointment
- Don't smoke in the room where our staff are working
- Keep pets under control

Part of Wheatley Group

WLHPCALLCRO/STAYSAFE/FEB19/102031

WEST LOTHIAN
Housing Partnership

My home | Ways we can help | About us | Find a home | Jobs and training | Contact us | Newsletters | Login / Register

Home > My home > My safety > Stay Safe campaign

Stay Safe campaign

We want to help you keep safe in and around your home.

Our Stay Stay campaign tells you what to do to avoid fires in your home, burns and scalds in the bathroom, accidents in the living room and more.

You should follow these five key tips to help you stay safe at home.

- get a free home safety visit – call 0800 0731 999
- make sure you have a smoke alarm and it works. If you don't, call us on 01506 416 438 or speak to your housing officer
- don't leave rubbish or bulk items lying about communal areas – it's dangerous
- always put cigarettes out properly in an ashtray
- switch off electrical appliances at the wall when you leave your home or go to bed.

Find out more Stay Safe advice and tips below.

Home fire safety visit
Get your free home fire safety visit from Scottish Fire and Rescue.

Kitchen safety
Did you know more fires start in the kitchen than in any other room?

Bathroom safety
Avoid scalds and burns by reading our bathroom safety tips.

Living room safety
Stay safe in the living room by following out expert advice.

Bedroom safety
Reduce the risk of a fire in the bedroom by following our tips.

Foyers and stairwell safety
Keep foyers and stairwells clear in the event of a fire.

Trips and falls
Avoid trips and falls in the home by following these safety tips.

Report

To:	**West Lothian Housing Partnership Board**
By:	**Lynsey Fotheringham, Head of Housing**
Approved by:	**Olga Clayton, Group Director of Housing and Care**
Subject:	**Energy costs: supporting our customers**
Date of Meeting:	**30 March 2022**

1. Purpose

1.1 This report updates the Board on the steps we are taking to support our customers with increasing energy costs.

2. Authorising and strategic context

2.1 The financial measures noted in this report are budgeted within the business plan financial projections separately on the Board agenda. Supporting our customers with the cost of running their homes is a key objective in our 2021-26 strategy.

3. Background

3.1 The UK has limits on how much suppliers are able to charge consumers for energy, known as the price cap. Energy price caps are reviewed by the government's regulator, Ofgem, every six months. Following price rises in October 2021, energy costs for customers are due to again increase from 1 April.

3.2 The increase on 1 April will see households on standard tariffs pay an average of £693 more per year – with bills rising from £1,277 to £1,971 per year, while prepayment customers will see an average increase of £708 - from £1,309 to £2,017.

3.3 Wholesale natural gas prices have been rising for a number of reasons, including low inventories as economies re-open post-Covid, and Russia tightening its gas supply to the rest of Europe. The UK has been heavily impacted due to its reliance on gas as an energy source, with 85% of UK domestic heating being gas-based.

3.4 Since the start of the pandemic, we have supported customers facing hardship through a range of initiatives, these include our emergency response fund, EatWell programme and a number of fuel top-up schemes, including our Energy Crisis Fund, for which we have claimed £1.75m in support from Ofgem to date.

4. Discussion

4.1 Given the current position regarding the cost of energy, our Fuel Advice Team will play two key roles. Firstly, we will help advise and guide customers through the array of different funds and sources of support recently announced by the UK and Scottish Governments. While these are welcome, they are likely to be confusing for customers to navigate.

4.2 Utility companies are currently not offering any new tariffs due to the ongoing situation regarding energy prices, meaning our customers are unable to move to a more affordable tariff at this time. However, the Fuel Advice team are continuing to deliver a bespoke energy advice service to our customers and we have seen a recent increase in demand for our service and in the number of customers requiring our support. The valuable service continues to deliver great outcomes for our customers, as this quote from our customer, Sandra regarding the home heating support fund shows, 'it has helped me a lot, a huge weight has been lifted off my mind. I wouldn't have known what to do as it was very complex. I'm also getting a smart meter fitted now.'

4.3 Secondly, we have accessed or are developing other support mechanisms for our customers. These are set out below.

(i) While we will continue to access funds on a local and national basis on behalf of customers, we have also considered how we can concentrate our resources to help customers given the acute nature of the situation. We have therefore brought together £1m under Wheatley Foundation through the Helping Hand Funds which will be used as a single pot to support customers in urgent need of assistance. This fund will be available for our frontline staff, including in the Customer First Centre, to access on behalf of customers, and may cover food, fuel and other forms of emergency assistance. This is on top of the £200,000 budget allocated next year for food support through our EatWell programme, also run by the Wheatley Foundation.

(ii) To augment the Wheatley Foundation's funds, the Fuel Advice team along with Housing Officers and other colleagues across Group have been supporting customers who have prepayment meters through our Energy Crisis Fund. Group have to date successfully secured £1.75m in grant funding from Ofgem, of which £410k remains. We have also just had confirmed our bid for a further £500k has been successful, taking the total to £2.25m. We can begin to allocate this money from the end of this month onwards. The Energy Crisis Fund supports customers by providing a maximum of three awards of £49 by voucher that they can credit to their pre-payment meter. We can also potentially use this funding to arrange the reconnection of gas where it has been shut off by the supplier due to overdue charges (at the same time updating the CP12).

(iii) The Fuel Advice team have also been supporting customers to apply to Scottish Power and SSE who have their own hardship funds which are only available to their customers specifically, as well as British Gas who has a fund that is opened to customers of any energy supplier. Each of these individual funds have differing eligibility criteria and some are only open for a short period of time.

(iv) Across Group we are in the early stages of a partnership agreement with The Wise Group to support customers who have credit meters with a one-off payment of £150 which would be paid directly to the energy supplier on behalf of our customers, and we are proposing a pilot of this approach in GHA South. A successful outcome would see us look to roll the service out to our customers in WLHP. We also have a number of customers who have self-disconnected because of the standing charge or have had their gas meters disconnected due to debt. Colleagues across Group are looking to develop a potential approach to support these customers to address the debt and have their meters reconnected to the energy supply. We would look to how we could replicate this process for our customers in the event of a successful pilot.

4.4 In addition to our own initiatives and sources of direct support for customers, the UK and Scottish Governments have announced a number of mitigation measures.

4.5 The UK Government has:

- Proposed a scheme whereby all residential electricity customers would receive a £200 discount on their electricity bills from October, which will later be repaid in £40 instalments over five years; and
- Stated it will expand the *Warm Home Discount Scheme* to cover three million households. It offers low income households a one-off annual discount on their electricity bill and was worth £140 in 2021/22.

4.6 The Scottish Government has been allocated £290m of extra funding under the Barnett formula following the UK measures, and has allocated it as follows:

- £280m to provide £150 to every household in receipt of Council Tax Reduction in any Band and to provide £150 to all other occupied households in Bands A to D. This means 1.85 million households across Scotland, or 73% of all households, will receive financial support through their council tax bill or a direct payment. The proportion of our customers benefitting is likely to be higher than this; and
- £10m in 2022-23 to continue the Fuel Insecurity Fund to help households from rationing their energy use.

4.7 In December 2021, the Scottish Government launched a consultation on proposals to introduce a new Scottish benefit to replace the current Cold Weather Payment scheme in Scotland from winter 2022. The proposed new benefit, *Low Income Winter Heating Assistance*, would give the 400,000 low income households currently eligible for Cold Weather Payments a £50 payment every year. This will be an investment of around £20 million each year to support people towards the costs of heating their homes in winter no matter what the weather or temperature. The current requirement is for temperatures to be recorded or forecasted at below zero degrees Celsius for seven days in a row in order to trigger a £25 payment.

4.8 Also in December, the Scottish Government launched a £4m Home Heating Support Fund, administered by Advice Direct Scotland. Our Fuel Advice team have been granted access to this fund as Trusted Referral Partners, allowing us to submit applications on behalf of our customers who are in fuel debt, experiencing financial hardship or are self-rationing their energy use. The fund seeks to provide financial relief to energy consumers who are experiencing significant financial hardship and strives to provide this support to households regardless of the fuel or payment method used. The grant will pay up to a maximum of £1,000 per household and closes on 31st March 2022. The fund is open to users of prepayment and credit meters, district heating networks and unregulated fuels. Since the fund opened in January 2022, our Fuel Advice team have been submitting applications for our customers, with 25 successful applications to date and a total of £20,180 paid into these customers' utility accounts.

5. Customer engagement

5.1 As discussed above in the report.

6. Environmental and sustainability implications

6.1 Our housing stock generally performs well from an energy efficiency perspective, and we continue to install energy efficiency measures in line with our strategy, as noted in the five-year investment plan report on the agenda. Further discussion on our energy efficiency, decarbonisation and retrofitting plans will take place at the Group Board workshop on sustainability in March.

7. Digital transformation alignment

7.1 There are no digital transformation implications associated with this report.

8. Financial and value for money implications

8.1 The proposals in this report can be funded within existing budgets as set out in our business plan projections; there are no new financial implications.

9. Legal, regulatory and charitable implications

9.1 Not applicable.

10. Risk appetite and assessment

10.1 The rising cost of energy presents a number of risks; it will see customers face increasing financial hardship, which in turn could impact on their ability to pay rent. While we maintain conservative provisions for rent arrears in our business plan, it is also important that we take direct action to support our customers where they face acute issues of fuel poverty.

11. Equalities implications

11.1 There are no further equalities implications associated with this report.

12. Key issues and conclusions

12.1 Rising energy costs will have a material impact on the cost of a home for our customers. Our strategy focusses on reducing the cost of a home in several areas, including maximising the energy efficient of their homes, providing advice to customers and supporting to access to better tariffs or financial support.

12.2 This report sets out how we are seeking to support customers within the context of the significant energy market cost increases.

13. Recommendation

13.1 The Board is asked to note the measures we are taking to support customers facing hardship due to the energy crisis.

WEST LOTHIAN Housing Partnership

Report

To: West Lothian Housing Partnership Board

By: Lynsey Fotheringham, Head of Housing

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

Subject: ***A New Deal for Tenants* – draft Rented Sector Strategy consultation**

Date of Meeting: 30 March 2022

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1. Purpose

1.1 This report

1) summarises the Scottish Government's recently published draft strategy for the rented sector in Scotland, *A New Deal for Tenants*, and outlines potential implications arising from the proposals it contains; and

2) seeks the Board's views on the draft strategy to inform the Group's overall response to the consultation exercise.

2. Authorising and strategic context

2.1 The Scottish Government's draft strategy for the rented sector has Group-wide implications including for the delivery of the Group's strategy, *Your Home, Your Community, Your Future*.

3. Background

3.1 When the Scottish Government published Housing to 2040, the country's first long term housing strategy, it signalled its intention to publish a new Rented Sector Strategy to set out how it would achieve improved accessibility, affordability and standards across the rented sector.

3.2 The draft strategy – *A New Deal for Tenants* – was subsequently published on 20 December 2021.[1] The government is now consulting on the draft with the aim of having the final strategy in place by the end of 2022 and bringing forward housing legislation to implement key aspects of it in 2023.

[1] https://www.gov.scot/binaries/content/documents/govscot/publications/consultation-paper/2021/12/new-deal-tenants-draft-strategy-consultation-paper/documents/new-deal-tenants-draft-strategy-consultation-paper/new-deal-tenants-draft-strategy-consultation-paper/govscot%3Adocument/new-deal-tenants-draft-strategy-consultation-paper.pdf?forceDownload=true

3.3 The draft strategy is one of the first outputs from the cooperation agreement between the Scottish Government and the Scottish Green Party, and reflective of the concerns of the latter, it has a strong focus on enhancing tenants' rights across all rented sectors, including the social and private rented sector (PRS). Some areas of the strategy such as supply and access to affordable housing are relatively undeveloped or, in the case of pushing up quality standards, reference other policy initiatives already underway.

3.4 The Scottish Government is seeking responses to the draft strategy by 15 April 2022.

4. Discussion

4.1 The draft strategy document aims to take a whole rented sector approach to "*ensure all tenants, whether living in private or social rented homes, can access secure, stable tenancies, with affordable choices – whilst also benefiting from good quality homes and professional levels of services and rights*."

4.2 By 2025, through the proposals in the draft strategy, the Government intends to deliver:

- Enhanced rights for tenants;
- New requirements for data collection on rents in the private sector;
- New cross-tenure housing standards;
- A new private rented sector Regulator; and
- Legislation to underpin a new effective system of rent controls.

4.3 The draft strategy is clear that the private rented sector is behind the social rented sector in many of the areas where the Government wants to see progress, and therefore the weight of policy proposals being consulted on are for that sector with implications for the Group drawn out in the discussion of each part of the draft strategy below.

4.4 The tables that follow for each chapter of the draft strategy summarise the key proposals along with considerations for the different parts of the Group's, as well as how we already deliver against the various proposals, key elements for our response to the consultation.

Key Proposals	*Considerations for Wheatley Group*
Ensuring tenant's voices are heard with an equalities led approach	
Establishing a **PRS Tenant Participation Panel** to inform the development and implementation of national policy.	We would welcome any opportunities for tenants to be involved in shaping the development and implementation of national private rented sector policy. The Group is committed to ensuring that customers voices are heard, and that they co-create services with us, and therefore we support any developments which also allow tenants to shape the policy environment for those services.
Consider the role of **tenant unions** in tenant participation and influencing decision-making processes and policies.	We welcome feedback from all relevant organisations. However, increasingly we find that this is more robust and more representative when sought in a whole range of ways. These include instant feedback, digital engagement and detailed input on specific items. Younger people and those from protected characteristic groups tend to be more inclined to become involved through these mechanisms rather than in a more traditional and long-term forum. Landlords of any tenure should be encouraged to develop strong tenant engagement, which can involve individuals from a robust cross-section of their customer base. If landlords consistently engage customers across all aspects of service development, allowing them to lead in the direction of travel, we will steadily build up the customer voice so that tenants are a powerful influence locally and nationally. This is likely to create more diverse and representative feedback to add to that from formal organisations. There is a role for regulators in assuring this engagement process.
Deliver a national **awareness raising campaign** of tenant's rights and how to exercise them in 2022.	At the point of let we talk to tenants about their rights, and information is available through our websites where we also direct customers to independent advice through Citizen's Advice Scotland and Shelter. We would welcome any campaign to increase tenants understanding of their rights, especially with regards the new Private Rental Tenancy which offers tenants more security than previously, helping to make this a more viable housing choice for many households wary of the PRS sector.
Consider how best **advocacy and advice** can be offered to PRS tenants seeking to access the First-tier Tribunal (FTT).	We understand the value of high quality, independent advice and advocacy for tenants delivered by trusted sources such as Shelter and the Citizen's Advice Bureaux and would support any development of this or similar provision should the Scottish Government make funding available.

Further develop Regional Networks to represent diversity in the sector.	Our Strategy commits us to ensuring that our services and approach are led by our customers, representing all parts of society. We have recently undertaken a range of work as part of the development of the New Scots Action Plan and will take a similar approach as we implement the homelessness policy. We know from experience that it can be difficult to ensure that all protected characteristics are represented. Regional Networks would be welcome as an additional mechanism to hear from customers but should not replace the work of each landlord.
Enhancing rights within the existing tenancy framework	
Tenancy Deposit Schemes – use **unclaimed deposits** to improve and benefit the private sector.	We remind all tenants to reclaim any unused deposits from the scheme we use. Analysis has shown unclaimed deposits is not a big issue for our PRS tenants. However, we would welcome the recycling of unclaimed deposits after an appropriate time to support PRS tenants access to advice and support.
Consider reforms to the current **grounds for repossession** under the Private Residential Tenancy (PRT).	The PRT has been in place since 2017 and is now the main form of tenancy for Lowther's tenants. There are 18 grounds for eviction which are a mix of mandatory, where the FTT would have to grant an eviction order if all the requirements were met, and discretionary, where the FTT could consider wider factors. All grounds have been discretionary under emergency Covid legislation and are due to remain so until March 2022. Scottish Government has already sought views on making this change permanent in line with the social rented sector. From our experience the current grounds work well. We are comfortable with the requirements on landlords seeking evictions under the grounds, and welcome the introduction of pre-action protocols as discussed below.
Revise pre action protocols in the social rented sector to take account of Universal Credit and the impacts of domestic abuse.	Pre-action requirements work well in Wheatley by codifying the actions we already undertake. Court and eviction action are only undertaken as a very last resort. We provide thorough support to help tenants to pay their rent or resolve their behaviour and as a result very few cases go to court. We have already modified our approach to the initial 5 week wait arrears which result in Universal Credit cases and allow these to be paid back incrementally. Additional proposals to support those experiencing domestic abuse are also welcomed. It is important that victims can stay in their existing home where

	they feel it is appropriate to do so as it can help to maintain existing support networks.
Introduce **pre-action protocols** when considering issuing notices of eviction for arrears permanently for PRS tenancies.	During the pandemic when the requirement to use pre-action protocols was put in place, Lowther drew on the established model already used by our RSLs. This has worked well in helping to structure engagement with tenants around arrears prior to issuing a Notice, so we welcome the proposal to make these permanent for the PRS sector. Pre-action requirements work well for the Group – they codify the actions that we were already taking for tenants. Court and eviction action are only undertaken as a very last resort. Our thorough approach to ensuring tenants are supported to pay their rent or resolve their behaviour means that very few cases go to court and even less are evicted. This extensive approach is easier for larger RSLs and it is recognised that it would be difficult to replicate in full for small private landlords. However, a standard pre-action protocol as implemented by Lowther would be welcomed as it should have a beneficial effect on preventing homelessness. The national aim to end homelessness can only be achieved through supporting at-risk households well before they become homeless. This will allow them to transition to a new home without the trauma of temporary accommodation. Supporting private rented sector tenants in this situation will require teams with the skills to address their particular issues – for example mediation, advocacy and legal services. These are very different from those found in traditional homelessness and housing options teams.
Review legislation to tackle **commercial sexual exploitation** and consider as part of a wider package of support housing measures to support women to exit.	We would welcome a review of the terms “immoral purposes” and “brothel keeping” within the model SST. The language currently used is outdated and should instead be focussed on criminality and disturbance to communities. The review must balance the need to avoid harm to individuals with the potential impact on the wider community. It should take account of the potential for managed moves where community relationships have broken down in order to avoid eviction but allow people to start afresh. Commercial Sexual Exploitation (CSE) is a form of Violence Against Women and it is important that all sectors within housing understand and appreciate

	this and that the appropriate level of support is given to those affected, including access to safe and suitable forms of accommodation. The Group has developed specialist training to enhance the knowledge and understanding of our staff in this area and this will shortly be rolled out across our wider frontline staffing teams to ensure anyone impacted is able to access the right support at the right time.
Ensure a **joint tenant** can end interest in a PRS tenancy. And joint tenants who experience **domestic abuse** can remain in the family homes as the sole tenant. Introduce a ground that enables private landlords to apply to the FTT to transfer a tenancy to enable a survivor of domestic abuse to remain in the family home as sole tenant.	We would welcome improvements to how PRS sector joint tenants can end tenancies to equalise practices with the social rented sector. However, we would recommend that longer notice periods may be advisable to give tenants time to save for the deposit or make plans if the rent and deposit is no longer affordable. We would welcome grounds that support domestic abuse survivors to remain in their homes as a sole tenant. Allowing private rented sector tenants to end a joint tenancy may also assist in avoiding a greater crisis. Victims of domestic abuse should have the option to remain in their existing home where they feel it is appropriate to do. The Group offers a wide range of support including risk assessment and safety planning, access to safe and secure home/personal safety referrals, attendance at multi-agency forums to take a collective approach towards targeted action planning and established partnership working with statutory and non-statutory agencies. Women are known to be most disadvantaged by domestic abuse and, as they often assume the role of primary caregiver, remaining within the community where children attend education, existing GPs surgeries etc is of real importance to their support structure.
Amend the **PRS rent adjudication** process so Rent Officers or FTT can only agree a proposed rent increase or lower it.	As required whenever we increase PRS rents for sitting tenants, we inform them of their right to apply to a Rent Officer if they disagree with the rent increase. Removing the fear that the Officer could increase the rent is likely to lead to more applications, however, as our PRS partner Lowther's annual rent setting exercise is based on market data and rents are set within the Local Housing Allowance for MMR homes, information which the Rent Officer also looks at, our rent increases can be justified and unlikely to be challenged.

Greater flexibility to personalise a rented home	
Potentially creating a right to keep **pets** in the PRS and Social Rented Sector.	Generally, across both our RSLs and Lowther we recognise the importance of pets and the impact they can have on wellbeing. However, out of consideration for neighbours the new right should allow for restrictions in numbers and in some other limited circumstances – for example in social housing, to allow decisions to be taken on a project basis in specialist and supported housing.
Amend the Private Housing (Tenancies) Scotland Act to allow people to personalise their home by internal **decoration**.	We allow our Lowther tenants to personalise their home taking into account the extent and cost of returning it to a lettable state, for example tenants can put up pictures and can change the wall colour although we would expect them to return the property to a neutral colour at the end of the tenancy or at their cost, but they would not be allowed to change the flooring because of the cost of replacing or rectifying any damage to carpets. Any reforms would need to be specific about the extent of personalisation allowed without explicit landlord consent. One consequence may be that landlords look for a higher deposit at the start of the tenancy up to the maximum of 2 months rent to cover additional costs in returning flats to a lettable state and this could create an affordability barrier for some lower income tenants.
Reform of the eviction process	
Introduce measures that **prevent evictions over the 'winter period'** to give tenants more time to access support and alternative accommodation when subject to a notice to leave or notice of proceedings One way of achieving this could be by introducing a requirement on the FTT/Sheriff Court to consider delaying enforcement of an eviction order during winter except where there is ASB or criminal behaviour	The 'winter period' is undefined and the strategy does not provide a detailed justification for preventing evictions at this time, other than saying that particularly during the festive period it can be hard to find support and alternative accommodation due to less properties being available, disruption to services due to staff holidays or increased costs such as utilities. Most notice to leave periods are 3 or 6 months, the only exceptions to this being 28 days for grounds relating to a relevant criminal conviction or ASB or an abandonment. Giving longer to leave under these circumstances could have wider implications for neighbouring tenants. For other grounds at least 3 months would be reasonable for tenants to find alternatives throughout the winter season. It also can take a month from an eviction order being granted to paperwork being processed for Sherriff Officers to carry out an eviction. As the difficulties identified for tenants in the draft strategy seem to be most acute over the 2-week Christmas period it would indicate that any 'ban' on winter evictions should be limited only to this period of winter. In our social rented tenancies, we

	already stop issuing NOPs, booking cases to court or carrying out evictions from mid-December to the beginning of January. However, this does mean rent arrears continue to accrue and extending this period for any longer means tenants have more debt to clear. Often, servicing the notice prompts engagement which has not been forthcoming despite our support at earlier stages. Any restriction on evictions means that costs to landlords from any additional unpaid rent through this period could increase. The draft strategy does not address this impact - presumably expecting landlords to absorb this cost. The unintended consequence of a winter eviction ban will be landlords timing action to avoid it, leading to notices and higher demand on courts before and after the winter period. Where this is not possible and evictions are due to unpaid rent, the financial cost of extra time in the tenancy during the ban period is unlikely to be recovered from the outgoing tenant therefore we would welcome additional financial support measures for tenants through this period that would cover unpaid rent. The draft strategy suggests local authorities could offer income maximisation advice to prevent winter evictions. As part of a range of support for tenants we already offer income maximisation advice to prevent eviction for arrears, however, it is often the case that by the time a case has reached the FTT/Courts income maximisation will not address the accumulated arrears so while useful, it is unlikely this would prevent or even delay eviction or cover the additional unpaid rent owed to the landlord. Financial support to tenants, similar to the Tenant Hardship Grant Fund could allow more effective engagement with RSLs and private landlords not having to take the whole burden of ongoing arrears and reduce the stress of the situation for tenants. However, this would require an additional financial resource not currently available to RSLs or private landlords. Ideally, there would be a national approach to how this was delivered as the approach to Tenant Hardship Grant has varied by local authority.

Rent Guarantor Schemes	
Potentially developing a **rent guarantor scheme(s)** to support key groups to access the PRS.	Lowther's letting policy sets out that we would not usually accept guarantors except where in exceptional circumstances, for example, this is the prospective tenant's first tenancy and they are not able to provide any landlord references or income history. Lowther would welcome rent guarantor schemes where it would help key groups to access housing, for example, young people or people leaving care environments to access the sector. We feel this should also be broadened to deposit guarantee schemes in response to the points from MMR tenants earlier in the draft strategy that saving up a deposit can be a barrier to accessing or moving within the sector. Unclaimed deposit monies may be a potential source of funding for this.

4.5 It is notable that the strategy is largely silent on **increasing access to affordable housing**, especially around the growing mid-market rent part of the private rented sector. Each provider will have their own approach to marketing and allocation as well as letting criteria, and there is limited understanding amongst prospective tenants about MMR and how to access these affordable homes. For example, there is no single place for customers to find these homes and Local Authority websites with links to MMR providers are often out of date, requiring prospective tenants to approach each provider and navigate different letting criteria and processes.

4.6 Considering the significant investment by the Scottish Government and RSLs in MMR as a tenure, we would welcome a discussion on how the MMR sector can deliver better outcomes for low income households by increasing the visibility of and ease of access to this high quality affordable housing product. For example:

- A clearer 'brand' for MMR that enables potential customers to understand the benefits and security of this tenure, accompanied by a national public awareness campaign;
- A common platform to market MMR homes;
- A review of the use of deposits in the MMR sector and the reach of deposit guarantee schemes;
- An understanding of the role it plays in reality in preventing homelessness; and
- Standardisation in letting processes and criteria for MMR homes.

Affordable Rents

Key Proposals	*Considerations for Wheatley Group*
Develop a **shared understanding of affordability** - views are being sought on the most important factors to be considered in developing that understanding, and also how such an understanding could be used and evaluated.	A shared understanding of affordability would usefully build on existing work in this area, including the detailed review Scottish Government published in 2019 which we and others already use to inform our guideline of social rents being within 35% of household income. Similarly, the SHFA affordability tool, extensively used in the sector, is the product of detailed research and input from a variety of bodies and works well as a broad indication of affordability. The factors that influence affordability will vary significantly across the country but it would be useful to have a tenant informed view which will give greater understanding. This should include all aspects of affordability e.g. heating and potential commuting costs as well as rent, and would be very useful in informing decisions and consultation for RSLs. However, the social sector rent consultation directly with tenants should remain the key determinant of rent increases. Tenants in each RSL need to consider the balance of services, quality of homes and cost of living. This cannot be determined by a one size fits all approach. Rents, although just one part of housing costs, in the MMR sector are pegged to Local Housing Allowance and the Scottish Government's Broad Market Rental Area data as the proxy for affordability. Lowther's letting policy, which is in line with other providers in the MMR sector, assesses affordability by looking at a prospective tenant's ability to sustain the rent and other key housing and living costs, where as a rule of thumb rent should be no more than 35% of income. MMR letting criteria includes an income banding of £21 – 40k/pa, as this income can sustain MMR rents up to 100% of the local housing allowance for the areas we operate in. A shared understanding of affordability could be used to refine and standardise letting criteria and affordability assessments by MMR providers to improve accessibility for low income households.
Mandate the need for PRS landlords to provide a range of **rental data and other property information** - to support future rent control policies – provisions to be included in the Housing	The exact data to be collected has not been determined and needs further expert input but a sample list is provided in the draft strategy Lowther already provides rent data annually for our full and MMR homes to the Scottish Government in the format they request it and would be happy to provide future data.

Bill. Scottish Government is proposing to make available rent and property information for all properties including rents paid by previous tenants.	The issue of data accuracy and keeping it up to date will be challenging for the sector as whilst sitting tenant rents can only change once a year, rents can change significantly at re-let to reflect market conditions. This can mean tenants in similar properties in the same block or street paying different rents depending on when the property is let. Publishing this data may lead to more challenges to Rent Officers, however, we would be confident that rents can be justified with reference to the local market and the quality of our product.
Views are sought on the proposed vision for **national rent controls** for the PRS sector aimed at tackling poverty and improving outcomes for low income families. Views are also sought on the principles of national rent controls: - Give local authorities mechanisms to introduce local measures - Be evidence based - Encourage PRS to improve the quality of properties - Learn from processes already in place for social sector tenants - Seek to give tenants a stronger voice. National rent controls for the PRS only.	Rent control for MMR homes is already in place through the grant regime which should be recognised in any approach to national rent controls. Further, any control system must recognise that to provide high-quality landlord services, such as repairs, we face cost inflation, and therefore controls cannot be lower than relevant indices such as CPI or building cost indexes in order that services to tenants are not negatively impacted. The underlying principles would indicate that the Scottish Government may introduce tenant consultation around rent increases in the PRS sector. Reflecting that rent setting in the private sector is market driven to ensure that rents are competitive, Lowther does not apply a single rent increase across our diverse portfolio. The practicalities of tenant consultation on rent increases specific to a single street or block would need to be worked through if this was to be proposed, so as to ensure it provides value and benefit to tenants. We agree that there is no need for a rent control approach in the social sector. It is vital that these are set at an organisational level determined by tenant engagement. The existing safeguards through the Scottish Housing Regulator ensure that this engagement is appropriate.

Supply of Rented Homes

4.7 This section has no proposals, instead it recognises a number of challenges in increasing supply and asks for views on a number of questions set out below.

Key questions	*Considerations for Wheatley Group*
Beyond the routes already available to deliver **MMR** homes how could new **additional investment** in this be supported?	The delivery of an MMR programme across the East and West has been successful in recent years, giving a route to increase numbers of affordable homes being delivered and creating balanced, mixed communities. MMR delivery is hampered in some areas such as Dumfries and Galloway as a result of the Local Housing Allowance levels. However, private sector finance appetite to invest in Scottish affordable housing sector via the existing model of senior, secured debt is significant with debt priced relatively cheaply given the strong support from Scottish Government grant funding. However, introducing different types of funding (mezzanine and/or equity) into the model is somewhat limited given the rate of return required for these investors is higher and future income streams on MMR are limited by rent increases, tied to Local Housing Allowance. Similarly, if PRS is subject to rent controls it will act as a deterrent to private sector finance as returns to investors will be constrained. The new Scottish National Investment Bank (SNIB) has a potential role to play here, meeting a gap in supply to provide either mezzanine or equity funding, or potentially a 'whole-ticket' approach (including senior debt), priced to reflect the low risk of default in the sector and the sustainable outcomes for the people of Scotland (access to affordable housing, increase of supply of new energy-efficient homes, creation and support of 20-minute neighbourhoods, regeneration of brown sites etc.).
What measures can be put in place to encourage **build to rent** (BTR) in Scotland?	Purpose built BTR has seen some growth in Scotland in recent years. Unlike south of the border, house market factors (including lower average house price purchase pricing), mean that the economic viability of PBBTR is very challenging and can often only work in housing markets areas that are very strong in Scotland. Competition for land in such markets is consequentially very high making the investment case for PBBTR on a financial rate of return basis, very challenging when set again open market sale competitors. The majority of BTR investors work UK-wide and consider investments using a rate of

	return model, with assumptions of rent increases over a 25/30-year timeframe. Scotland may be put at a competitive disadvantage in the event that rent controls are introduced here, but not in the rest of the UK. Also there is a current pipeline of 9,000 new homes in the BTR sector. Should this expand, there may be a risk to MMR demand in some market areas. Given this, demand reports will need to be carefully considered.
Is the approach to allocations achieving the right balance between supporting existing social tenants and those seeking a home within the sector	The ambition to end homelessness means that a significant proportion of social stock must be used to achieve that aim. The current shortfall in supply means that this comes at the cost of less ability to help others in need. There are particular challenges in meeting the needs of those who require larger or accessible homes. Changing the approach to allocations is unlikely to achieve a significant difference until the balance of supply is changed

Quality-Raising Standards

Key Proposals	*Considerations for Wheatley Group*
A review of existing **registration regimes in the PRS sector** to identify lessons and ways to strengthen them to drive up standards. Also a suggestion there could be new fines for landlords and letting agents who fail to comply with requirements in relation to property adverts, and expanding the scope of penalties that local authorities can issue to landlords.	Our commercial entity, Lowther, is both a registered landlord and letting agent. Both sets of registrations require to be renewed every 3 years but whilst the key fit person tests are consistent, the systems are different with local authorities administering the former and the Scottish Government the latter. Lowther will be introducing an annual self-assurance statement for review by its Board, following the model currently required of social landlords, that will set out requirements including those in the Letting Agent Code of Practice, and compliance with those as well as continuous improvement actions.
Intention to consult on **a new housing standard**, to be published in 2023 and legislated for in 2024/25 with phased implementation from 2025 to 2030. This will incorporate the energy efficiency standards set out in the Heat in Buildings Strategy.	There are already extensive cost implications from the EESSH2 requirement in the social sector, estimated to cost tenants across the sector £2 billion through their rents. Any new standard needs to be accompanied by sufficient funding and to consider the impact on affordability for tenants if rents have to increase to fund the necessary investment.

	The current grant fund for Net Zero Social Housing is a welcome start but we would strongly welcome removal or reduction of the need for 50% match funding which acts as a barrier to bidding. The ongoing investment in our RSL stock, the age of Lowther's PRS properties and planned investment in our portfolio should position us well to meet any new housing standard. However, there could be financial implications for the Group from the housing standard depending on the precise requirements, particularly around minimum space and digital connectivity and particularly if these are implemented for existing stock. For example, if studio flats are not regarded as meeting the space standard funding would be required to adapt or demolish these. This would also reduce supply. The requirement around energy efficiency in Heat in Building Strategy is welcome, as is the commitment to put legislation in place given our commitment to the energy efficiency of our properties
Introduce regulations in 2025 requiring all **PRS to reach EPC C** as a minimum where technically feasible and cost-effective at change of tenancy, and for all properties by 2028.	Lowther's investment approach is already focused around achieving EPC C for the small number of properties not currently achieving it and we project this target should be achievable by the proposed deadline.
Legislate to require the installation of **zero or new zero emission heating** in existing buildings, and all buildings to meet this standard by 2045.	The Group is committed to playing our part in achieving net-zero and recognise the importance of zero emission heating in achieving this. Detailed consideration will be need on the cost implication of changing existing systems and the best way for Government to support required change. Wider consideration such as the rate of adoption of new technologies, such as hydrogen based fuel, will also have an impact on implementation.
Fundamental review of the **adaptations system**	A full review of adaptations is required. The current system is deeply unfair to tenants who have to self-fund adaptations now that limited allowances made in the transfer business plan settlements from 20 years ago have been exhausted, whilst other social rent tenants do not. There should be an equal national system that is fair to all tenants and provides the higher funding levels that the SFHA has

	consistently argued for. The system at present is fragmented and difficult for customers. It can often delay discharge from hospital and/or exacerbate health issues. The direct funding of adaptations to RSLs continues to work well allowing a streamlined approach for our tenants to receive what they need. However, across the country adaptations are considered through a different route from aids and equipment even though the same people will often require both. The pressure on our health and care services, together with the ageing population mean it is vital to get this process right going forward. Adaptations (either for individuals or on a more widely planned basis) will be the main mechanism to make our existing stock more accessible. The resource allocation to adaptations needs to be significantly altered given the ageing profile of our population, the existing demand for adapted homes and the need to be able to move people out of hospital more rapidly. If we are to meet these needs much of the work needs to be done in existing stock. All our landlords have a strong approach to working with tenants and other stakeholders to facilitate adaptations and welcome any review however that review needs to look at funding as a key enabler of a more effective adaptations system.
Cross-sector regulation through setting out clear outcomes and standards that landlords in both the private and social sectors would be assessed against, for example implementing a Charter for the PRS sector. Views are sought on a vision of a tenure-neutral outcomes for tenants in both sectors, and underlying principles that focus on: - **Setting up a PRS regulator** building on experience of SHR - **PRS regulation based on defined standards** for quality, affordability and fairness	The Group has a well-established approach to meeting and exceeding regulatory requirements as set out in the Charter for our RSLs. However, any increase in regulation on the PRS sector will mean higher management costs and this will need to be factored into Lowther's business plan and our appraisal of future MMR growth opportunities.

- Being evidence based but taking account of stakeholders views and value for money - Be reflection of the draft strategy's ambitions	

Implications

4.8 Looking across the range of proposals in the draft strategy many of the proposals will have no or relatively low impact, especially for our RSLs. The draft strategy presents some opportunities to support more vulnerable groups such as tenants who are survivors of domestic abuse, and ensure tenants are aware of their rights which we would welcome. However, there are a number of areas where the implications for the Group could be more significant:

- A new housing standard is likely to have significant cost implications as we have already seen with EESSH2, and with inadequate Government funding it will put pressure on rents across the social and private rental sectors impacting services and affordability for households on low incomes counter to the aims of the draft strategy.
- A ban on winter evictions looks to be likely, and depending on the definition of 'winter' that is adopted, the additional rent arrears accrued could be significant. Our mitigation will be to re-profile our arrears and legal actions to reduce this impact.
- The cumulative impact of the proposals in the PRS sector – increased regulation, new requirements to provide data, national rent controls, a new housing standard, changes to how evictions are handled by the courts – will increase management costs for Lowther's PRS portfolio whilst limiting ability to recover that through rents. We will need to take this into account in the rate of return we use when we appraise future MMR growth opportunities. We will also need to review our existing FMR portfolio which is older stock on which the majority of Lowther's investment programme is focused, some of which has not performed well in recent years.
- Increased pre action protocols in the private sector should help to prevent homelessness. However, this will only be the case if a targeted approach is adopted to help households find alternative accommodation – largely remaining in the private rented sector. If this is not well planned there is potential for an increase in the number of households coming through the homelessness route and being referred to our RSLs for accommodation.

4.9 The Scottish Government draft rented sector strategy contains a range of proposals to deliver on its ambition to improve access, affordability and quality across the rented sector. There is a strong focus on levelling up the PRS which has a bigger distance to travel as a sector as a whole, although there is considerable variation across it which is not well acknowledged in the proposals and discussion.

5. Customer engagement

5.1 As part of the development of the Group's response to the consultation document we have discussed the proposals with our Tenant Scrutiny Panel. They agreed with our draft response and also asked that some further points be made to the Scottish Government. These were:

- Emphasizing that existing RSL rent consultation processes work well and that there cannot be a one size fits all approach;
- That rent control in the private rented sector should balance the risks of affordability for customers and viability to private landlords, bearing in mind that if this balance is not right the pressure is likely to fall on social housing;
- Placing an increased focus on bringing empty homes back into use as quickly as possible in all sectors;
- Supporting the desire for high quality housing but emphasizing that this must not come at the expense of affordability;
- Support increased engagement amongst customers but be aware that not everyone can use or wishes to use digital engagement approaches – ensure there are routes of engagement which suit all customers; and
- To express concern at the prospect of Tenant Unions – the panel expressed concern that the phrase “union” had a particular and political meaning in Scotland which might discourage participation. They also noted that there are in fact a few tenant unions in existence, some of which have links to existing trades unions and they felt that this link might not be helpful.

6. Environmental and sustainability implications

6.1 There are no new implications identified at this time.

7. Digital transformation alignment

7.1 There are no implications identified for our digital transformation alignment arising from the draft strategy consultation document and its proposals.

8. Financial and value for money implications

8.1 There are no implications identified at this time, however, there a number of areas which may have future implications, such as meeting increased regulatory requirements, which will be assessed when more detail is available.

9. Legal, regulatory and charitable implications

9.1 The draft strategy sets out a number of areas where further legislation will be developed, the implications of which are discussed above.

10. Risk appetite and assessment

10.1 Our agreed risk appetite in relation to changes in policy is cautious. This level of risk tolerance is defined as “p*reference for safe delivery options that have a low degree of inherent risk and may only have limited potential for reward*”.

10.2 Through discussion of the draft strategy and a comprehensive response to the consultation, as well as our networks with key stakeholders and relationship with the Scottish Government we would aim to inform policy arising from the strategy and its implementation, and effectively plan to mitigate negative impacts as far as possible, whilst maximising the opportunities it creates to deliver better outcomes for our customers.

11. Equalities implications

11.1 There are no implications for identified at this time.

12. Key issues and conclusions

12.1 The draft strategy – *A New Deal for Tenants* has a strong focus on enhancing tenants' rights across all rented sectors, including the social and private rented sector (PRS).

12.2 We have a strong organisational ethos which already fits with the key elements of the strategy. We have also identified a number of areas where the strategy would benefit from being more clearly codified, such as supply and housing access. Our response will seek to highlight those areas for further consideration.

13. Recommendation

13.1 The Board is asked to consider and comment on the draft proposals set out in a *New Deal for Tenants,* to inform the Group's response to the Scottish Government's consultation exercise.