

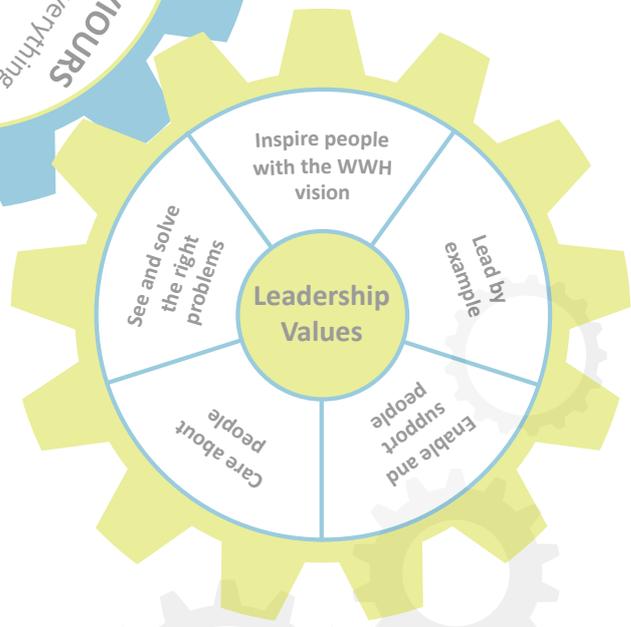
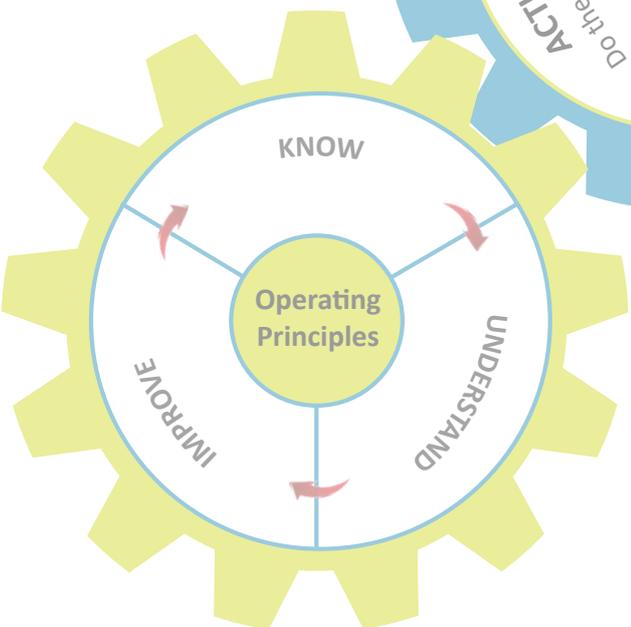
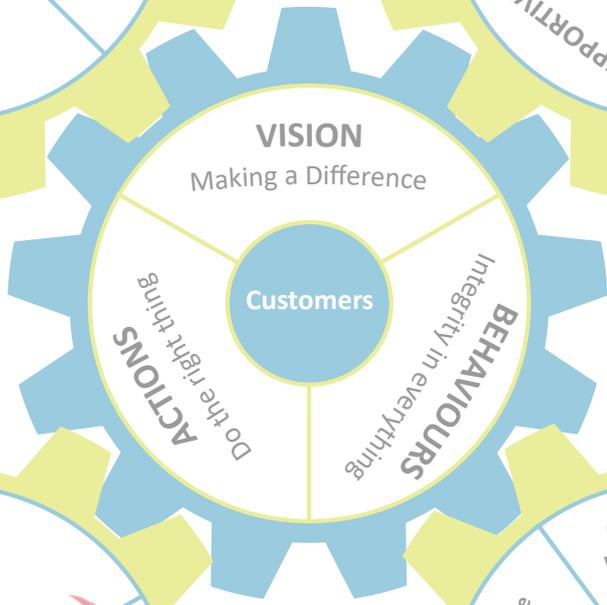
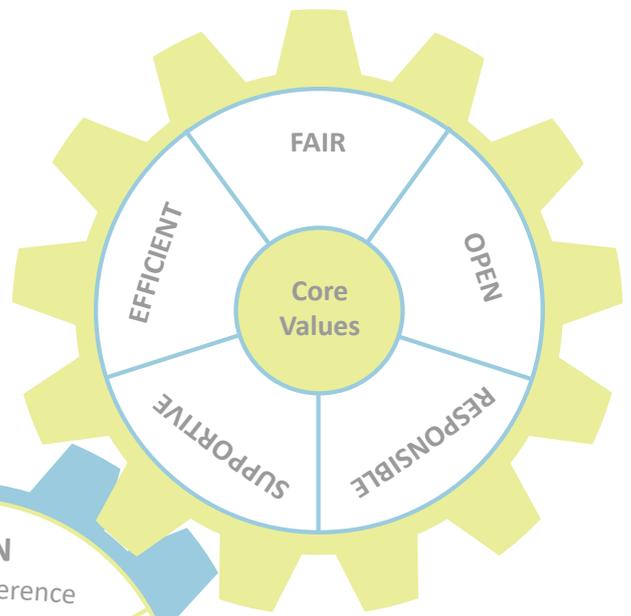
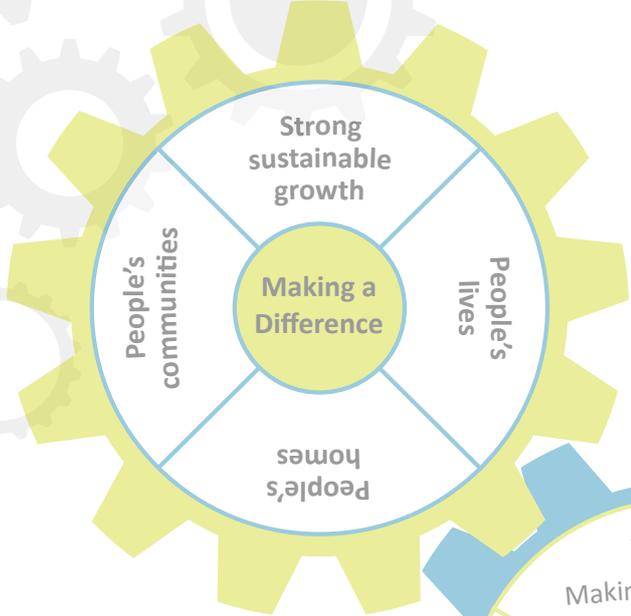


Tai
Wales & West
Housing



Business Plan

2020 – 2024



We are **Wales & West Housing**

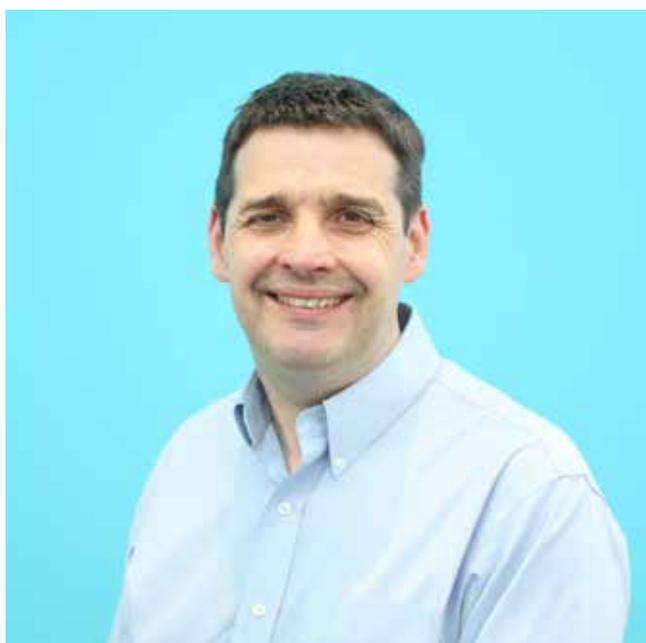
We are a large housing association with a deeply held social purpose to help people in Wales get a home that is warm, safe, secure and that they can afford. We build homes and relationships with the residents in those homes.

Our customers are the people that live in our homes, the people that have bought some or all of their home from us, the people that we provide meals for, or support to live independent and well.

We believe it is not money that makes the world go round, it is relationships. Our business is successful as we have taken the time and made the effort to build relationships with our customers and partners so we understand how we can make a difference to their lives, their homes and their communities.

Strong relationships help us all achieve our aspirations and mean we can rely on each other when times are difficult. One person can make a difference and together we can make even more of a difference, and we do. We are a large social business and our scale, our culture and values enable us to do more and be transformative in communities across Wales.

Our strength brings capability and capacity as well as the maturity to know that far more can be achieved by working in partnership with others. We will seek relationships with new partners, both big and small, where through collaboration more people can have the quality of home, and life, they deserve.



Alex Ashton
Chair of the Board



Anne Hinchey
Group Chief Executive

The Wales & West

... in essence the way we run the business which brings together our values, our vision and our operating principles.

The WWH way reflects our culture which makes customers central to how our homes and services are designed and delivered and ultimately to how the business is run.

We have learnt, as have the most successful public and private businesses, that we are more efficient and effective when we really understand what matters to our customers and make that the focus of everything we do. In seeking to have the right relationship with all the people we deal with, we learn what is

important to them and where we can have the most impact.

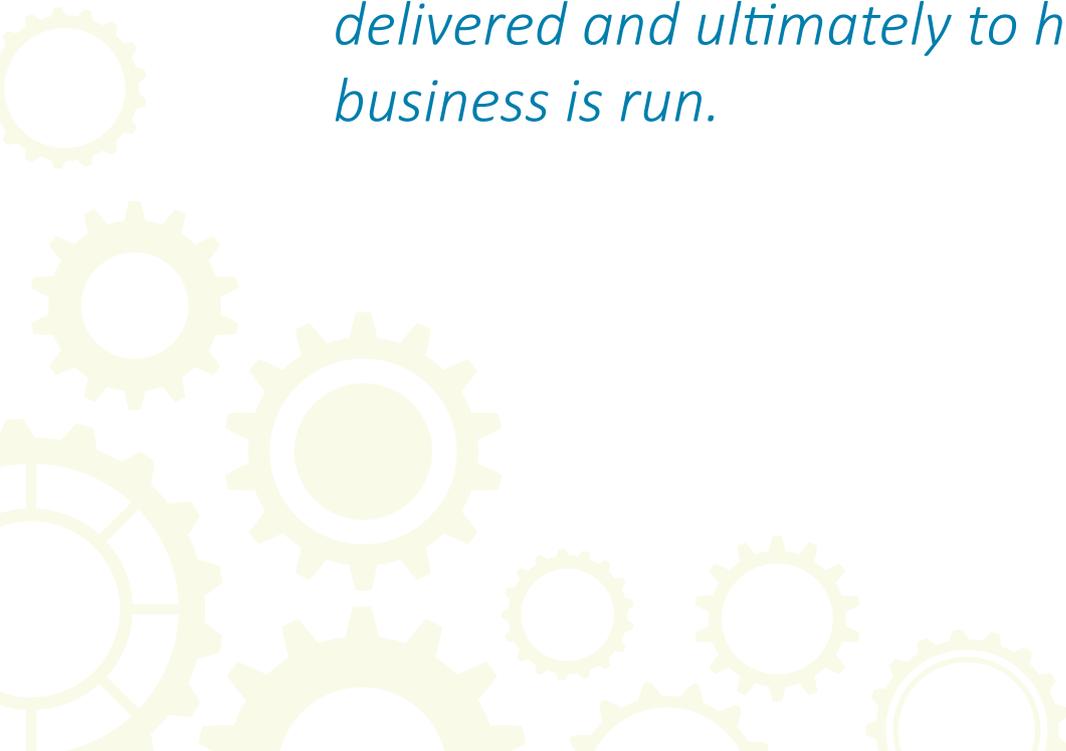
Understanding what matters takes time and is different from simply knowing what someone wants. People may want a repair completed but what matters is that it is done when they want, in one visit, and that it stays fixed.

The WWH Way creates a work environment where our staff know they have the freedom to tailor the way services are delivered to achieve what matters. It is liberating and enables us to harness the creativity and resourcefulness of all our staff.

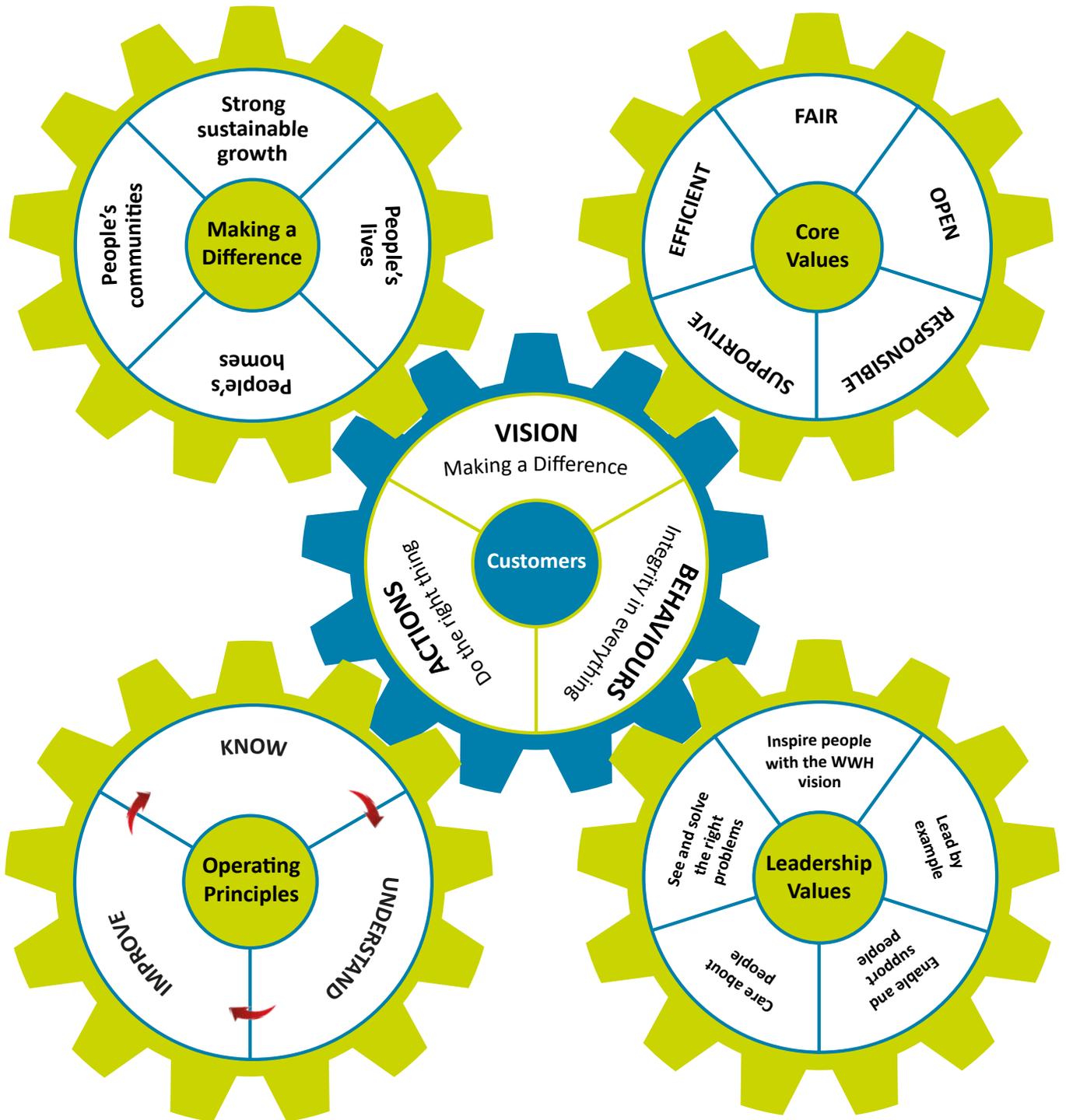
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Housing Way



Uncertain times

We are in a period of perhaps more uncertainty than any other time in our history. Since the referendum decision in 2016, it seems at times that there has been no focus on anything other than Brexit, yet the world does move on.

We have much to be pleased about; low interest rates, low unemployment, rising incomes albeit small, new and amazing technology enabling us all to do things that were not possible even a few years ago. We have grown stronger as a business providing more homes and changing more lives with new services such as care and support.

We were created over 50 years ago and will be here, in one form or another, in 50 years' time. We give certainty to the 20,000 people that make their home in one of our properties that it is theirs for as long as they wish, and we will work hard to ensure that their home remains affordable for them.

The commitment of the Welsh Government to affordable housing has been important and its decision to commission and accept the findings of the Independent Review of Affordable Housing Supply is very welcome. We need certainty now from Welsh Government in respect of rents, social housing grant and standards for new and existing homes, to name just a few, so that we can use our skills and creativity to set our plan in the context of what will be a new operating environment. We are confident of our ability

to innovate and respond positively to new rules and ways of working.

We want the UK Government to listen to the many voices speaking about the challenges and impact resulting from the implementation of Universal Credit. The aspiration of Universal Credit is sound and all new systems take time to settle, however, much can and needs to be done to mitigate the consequences for people unable to understand or take action themselves while they move onto the new welfare benefit.

Our properties are among the warmest in Wales, yet reducing the carbon impact of existing and new homes is a major challenge. We accept that there is a climate emergency and we have worked with partners to experiment with different ways to retrofit homes and build new ones. The various potential solutions all come with their own challenges and more needs to be done to share learning and help the public understand why homes will be different and how to embrace the changes.

We look forward to Governments, and policy makers, coming back to focus on some of the very real challenges we face. Too few homes are being built and the statutory processes to support development are struggling to cope. We are more than able to compete with the large developers if there is a level playing field. When we are all working to the same rules we can do much more to help tackle some pressing issues such as rough sleeping, homelessness, fuel poverty, health inequalities and climate change.



Designated smoking area

FOOTPATH CLOSED

Responsive and ambitious

Our six priorities for the future are based on the demands we hear from our customers and partners that have helped us understand what matters to them.

Our strategy remains to build more homes and deliver the services expected of us efficiently and effectively.

Our focus is now, as it has always been, on getting the basics right, every time.

We know we don't always succeed and we are open and honest when we get it wrong but we are passionate about getting better and everyone at WWH has a part to play.



Our priorities



Build **MORE** homes



CARE for and improve
WELLBEING



INVEST in the right homes



Digital
TRANSFORMATION



Tackle **HOMELESSNESS**



EFFICIENT and
AFFORDABLE for all

Build **MORE** homes

Our new homes are lovely. They are well designed, built to a high standard, warm and safe.

We listen to our customers who tell us they want a home that's well located, easy to use and perhaps most importantly affordable to live in. We've responded to the enduring housing crisis in Wales and significantly increased the scale of our development programme so that we have close to 1,600 properties at some stage through the development process.

Many people are unable to get the home they need for what they can afford. Our priority is to build homes for social rent but there is only so much financial support to

deliver these. The other homes we build will be for sale for lower income households who, without our help, are stuck in high cost and often poor quality private rented housing.

Our Help2Own discounted sale product will help hundreds of people every year into their own home. It will help families move and free up badly needed social rented housing and give others a quality of home they otherwise could only dream of.

2,500 new homes over the life of the business plan will make a real impact in communities across Wales and we are keen to do more.

OVER THE NEXT 5 YEARS
WE AIM TO BUILD

2500
NEW HOMES





CARE for and improve WELLBEING

Having a place to call home is central to a person's overall wellbeing, but many people value and need extra support to help them maintain their physical and mental health and their overall independence.

Too often people struggle to access this so we ensure that, alongside our housing services, we offer them a wide range of care and support.

Through Castell Ventures, our CIW registered care and support agency which provides daily care to hundreds of our residents, or through our housing teams who assist people to access their financial

entitlements, statutory services and ensure that people live in safe places, we already do so much. This includes providing specialist support to those who find themselves struggling the most.

Recognising the challenges that many of our residents face we will do even more to help people avoid going to hospital, prevent loneliness which can be so damaging, and ensure that people are safe at home and free from abuse. We will also continue to provide strong support to our residents to help them access and receive the care and support they have a right to from statutory services in Wales.



INVEST in the right homes

We invest 40 pence in every pound we earn in our housing stock. We are proud that we maintain our housing to a good standard and keep our estates attractive and pleasant places to live. We take asset management seriously though and that means that not all homes are the right homes for a responsible social landlord to retain and invest in.

We have a good track record of stock rationalisation mostly to other social landlords who are better placed to manage the homes. Some disposals are to private owners who have the resources to make them the homes they desire. We will continue

to consider sales to ensure all our homes meet the expectations of our customers.

The challenge to decarbonise our existing housing will put our asset management skills to the test. We anticipate additional funding from the Welsh Government to assist, at least in the early days of this task. We will, however, take extra steps ourselves to improve the efficiency of our works programmes so that we can continue to invest in major repairs and planned renewals alongside works to reduce the carbon footprint.

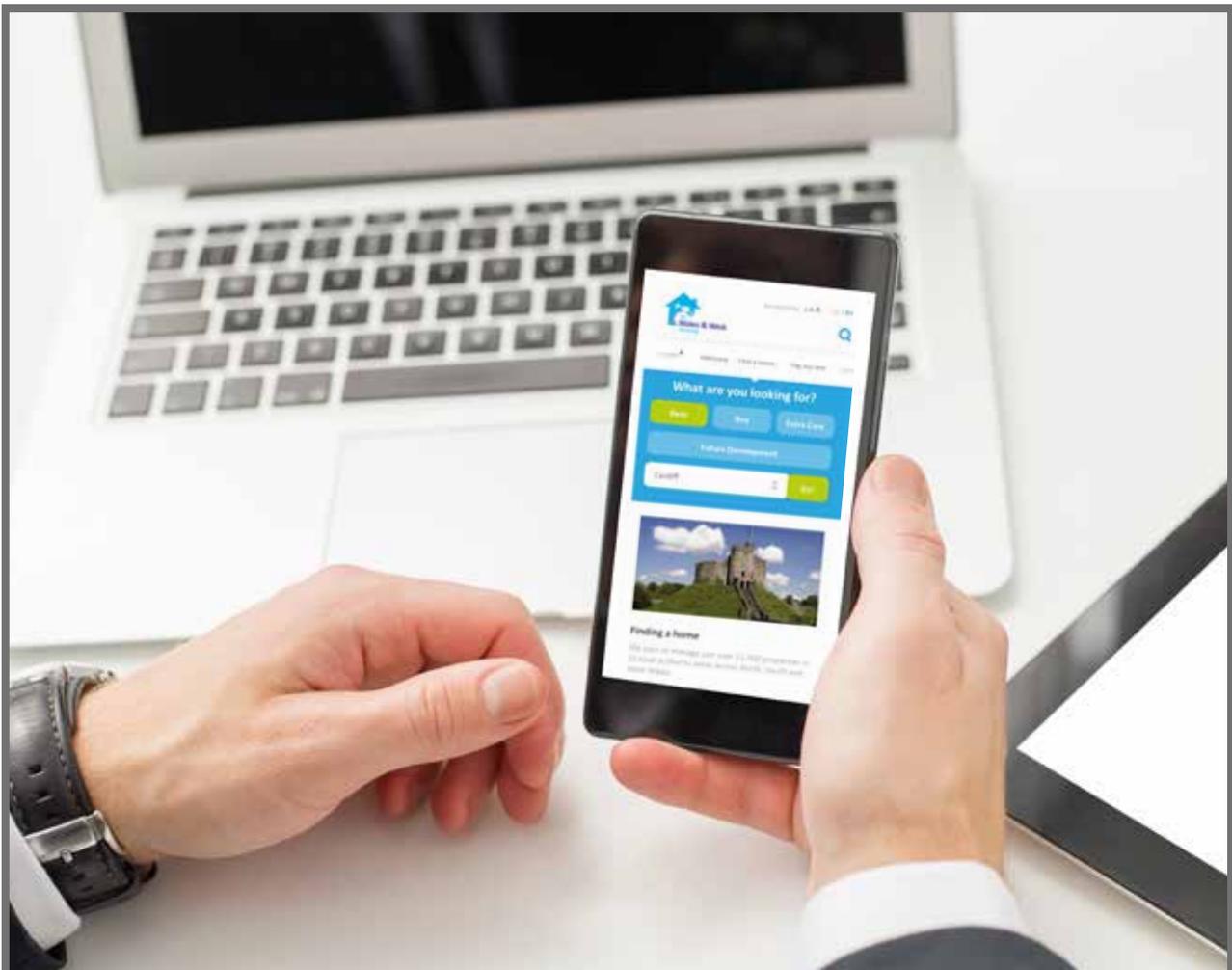
Digital TRANSFORMATION

Developing our housing management software has been both challenging and rewarding. It has given us the opportunity to truly design a product with our frontline staff that will give them the tools they need where, when and how they need them. We are nearing the completion of the main components of the system and by early 2020 will have stopped using our current provider.

The tools such as Dynamics are so powerful that we have seen the potential

and scope to transform other areas of work and how we manage information across the business. Our business analysts will explore new areas where we can digitalise current practice and integrate more elements into the main system.

We have opened new channels of access to our services and will continue to develop and expand these. We want functionality that meets our customers' needs because they want it and not because we are able to do it.



Tackle HOMELESSNESS



Levels of homelessness and rough sleeping are at their highest level this century and, at least in part, are the direct consequence of too few affordable homes being built. Other countries in Europe have significantly reduced this blight and there is the opportunity in Wales to do the same.

We believe homelessness is wrong and therefore we work hard to help our customers remain in their homes for as long as they wish. This is why we have the lowest eviction rate of social housing providers in Wales. We also actively support those who are experiencing homelessness or may be at risk of homelessness in the future through a

range of innovative services and personalised support which we will develop and expand upon over the coming year.

We are committed to doing all we can to support local councils and the Welsh Government. We will expand the number of homes we make available for Housing First and explore what more Castell Care and Support can do to assist such schemes.

We will use our development programme to provide more specialist and dedicated housing where this is needed and support other agencies such as Shelter Cymru, the Wallich, Crisis and Llamau.

EFFICIENT and AFFORDABLE for all

We want all our homes and services to be affordable for our customers. Everyone's housing costs represent such a large part of household income that ensuring they are no greater than they need to be is essential.

As a long standing Real Living Wage employer we like the concept of a living rent and will be exploring how this could be

implemented and the potential impact.

We aspire for even greater levels of efficiency and continue to target the areas of most spend such as kitchens, bathrooms, windows, doors and decoration.

Ensuring we get value for every pound we spend is a key component of the WWH way and intrinsic to our operating principles.



"My new kitchen has made such a difference. It's fantastic."



Strong, sustainable growth

Our financial strength is a key component of our ability to achieve our vision.

We focus on generating free cash and our business plan shows this increasing from £6.4m in 2020 to £9.4m in 2024. This free cash generation comes from running a business that concentrates on achieving value for money. We see value for money

as providing an efficient service that both satisfies residents and that creates social value. The free cash generated sustains our business, providing a great service for today and secures our business for tomorrow by properly investing in our homes.

We only borrow to build more new homes and we have strong but

Income and expenditure account

for years ending 31 December

	2020	2021	2022	2023	2024
	£'m	£'m	£'m	£'m	£'m
Income - gross	66.3	69.3	72.8	75.9	78.5
Service costs	(5.7)	(6.0)	(6.2)	(6.5)	(6.7)
Property costs	(11.6)	(12.2)	(13.0)	(13.6)	(14.3)
Overhead costs	(19.0)	(19.2)	(19.7)	(20.0)	(20.5)
Operating surplus	30.0	31.9	33.9	35.8	37.0
Depreciation and non cash items	(9.4)	(10.4)	(11.0)	(11.9)	(12.4)
Major repairs	(3.4)	(4.0)	(3.8)	(4.0)	(4.1)
Interest payable - net	(8.8)	(10.4)	(11.9)	(12.8)	(13.1)
FRS102 Pension Cost	-	(0.2)	(0.4)	(0.3)	(0.2)
Net surplus	8.4	6.9	6.8	6.8	7.2



to make a difference

sustainable ambitions to build more over the next five years.

We do live in uncertain times, but our plan is robust in the face of the external challenges that face us. We expect that the Welsh Government will act on the Affordable Housing Supply Review and will put in place

firstly a long-term rent policy which provides certainty and which takes account of affordability for residents and, secondly, a long term grant policy that allows us to play our part in solving the chronic shortage of good quality affordable housing in Wales.

Balance sheet

as at 31 December

	2020	2021	2022	2023	2024
	£'m	£'m	£'m	£'m	£'m
Gross property cost	831.0	892.8	947.9	1,018.3	1,067.9
Depreciation	(138.5)	(150.5)	(163.4)	(177.3)	(191.9)
Net cost of property	692.5	742.3	784.5	841.0	876.0
Other fixed assets	35.2	35.7	35.2	34.6	34.0
Current assets	41.3	40.7	40.8	39.6	39.6
Housing grant	(371.4)	(385.6)	(397.2)	(408.8)	(419.6)
Borrowings	(283.3)	(311.0)	(323.8)	(338.5)	(336.3)
Other creditors and provisions	(30.8)	(31.6)	(42.2)	(63.8)	(82.5)
Net assets & Reserves	83.5	90.5	97.3	104.0	111.2
Gearing Ratio - Gross Cost	34%	35%	34%	33%	32%



Cash Flow

for years ending 31 December	2020	2021	2022	2023	2024
	£'m	£'m	£'m	£'m	£'m
Cash operating surplus (before major repairs)	30.0	32.1	34.0	35.9	37.1
Major repairs	(3.4)	(4.0)	(3.8)	(4.0)	(4.1)
Replacement components	(8.3)	(7.4)	(7.6)	(7.6)	(7.6)
Replacement capital expenditure	(1.3)	(1.1)	(1.1)	(1.1)	(1.1)
Net interest payments	(8.9)	(10.5)	(11.9)	(12.8)	(13.0)
Pension deficit contributions	(1.7)	(1.8)	(1.8)	(1.8)	(1.9)
Free cash inflow	6.4	7.3	7.8	8.6	9.4
Development expenditure	(58.6)	(53.3)	(64.4)	(77.8)	(89.8)
Grants	9.8	7.8	9.1	10.3	10.0
Sales receipts	6.1	7.3	35.1	44.6	74.6
Net cash outflow before financing	(36.3)	(30.9)	(12.4)	(14.3)	4.2
Revolving facility drawn / (repaid)	16.5	6.1	(11.7)	(5.9)	(13.1)
Additional facility requirement	20.0	25.0	25.0	20.0	10.0
Loan principal repayments	(0.1)	(0.1)	(0.1)	(0.1)	(0.2)
Net increase / (decrease) in cash	0.1	0.1	0.8	(0.3)	0.9

Assumptions

for years ending 31 December	2020	2021	2022	2023	2024
	Plan	Plan	Plan	Plan	Plan
Inflation					
Rent	2.0%	2.0%	2.0%	2.0%	2.0%
Salaries	3.2%	2.8%	2.8%	2.0%	2.0%
Maintenance costs	3.0%	2.0%	2.0%	2.0%	2.0%
CPI	2.0%	2.0%	2.0%	2.0%	2.0%
Funding					
New borrowings rate	3.8%	4.4%	5.2%	5.6%	5.6%
Grant rate	58%	58%	58%	58%	58%
Housing completions	466	466	593	489	554

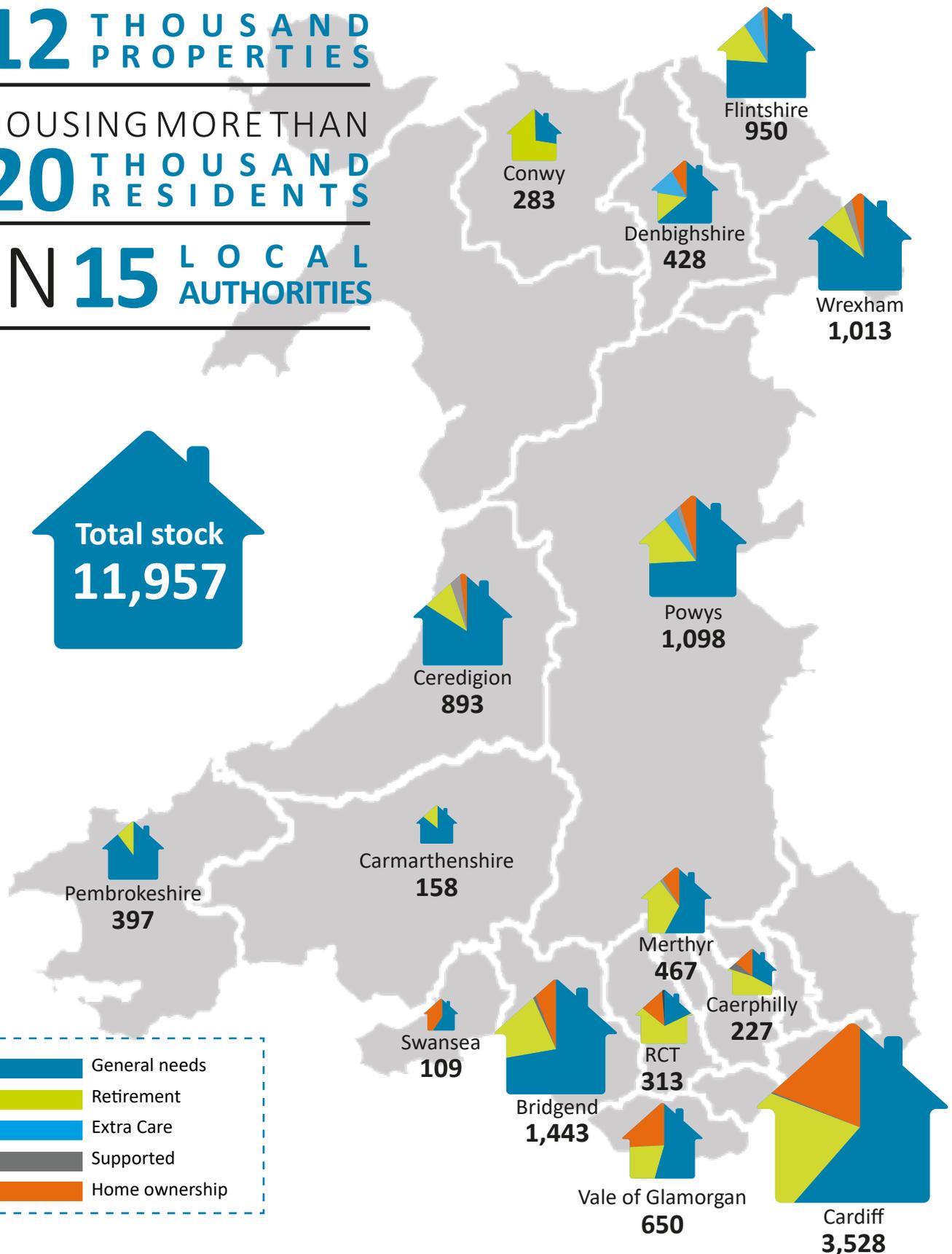
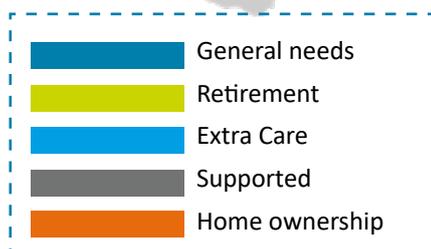
Where we operate

WE HAVE ALMOST
12 THOUSAND
PROPERTIES

HOUSING MORE THAN
20 THOUSAND
RESIDENTS

IN **15** LOCAL
AUTHORITIES

Total stock
11,957



Head Office

Archway House
77 Parc Tŷ Glas
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Cardiff
CF14 5DU

North Wales Office

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