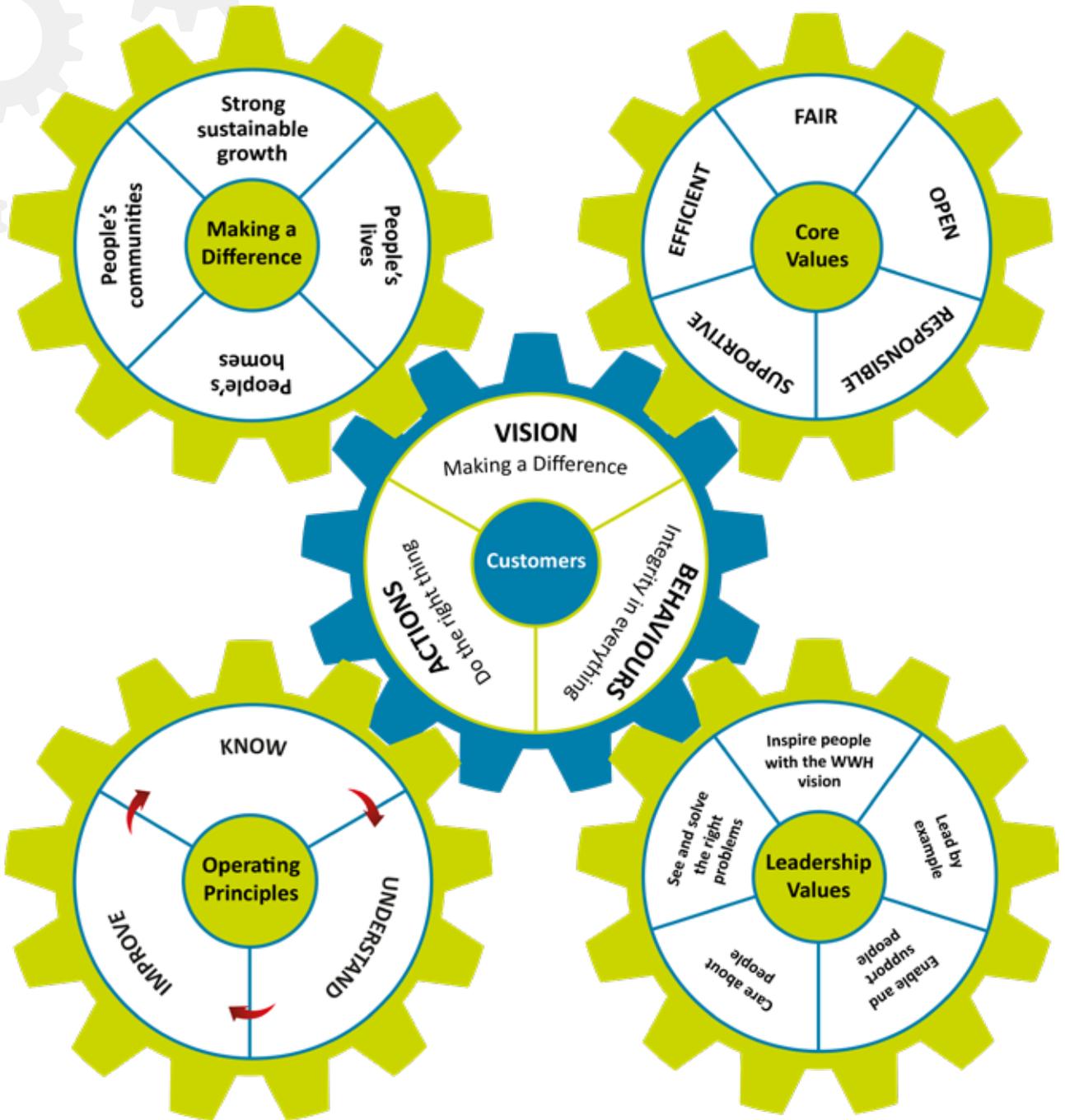




Business Plan

2021 – 2025

The Wales & West



Housing Group Way

The mark of any organisation or person is how they respond in a crisis and the recent months have shown the strength of the culture that prevails throughout the Wales & West Housing Group. Our culture drives our behaviour - the way we treat our customers and each other and the way we work and provide services for our customers.

The Wales & West Housing Group Way encapsulates our core values, our approach to leadership of staff and in communities, our mission to make a difference in all we do and

the principles by which we design and deliver services.

Doing the right thing to deliver what matters to our customers is fundamental to our approach, our ethos and our way of thinking and we are proud of the strong relationships we have with the people who live in our homes and the many partner organisations we work with.

Focusing on the things that really matter makes for a great workplace and satisfied customers.



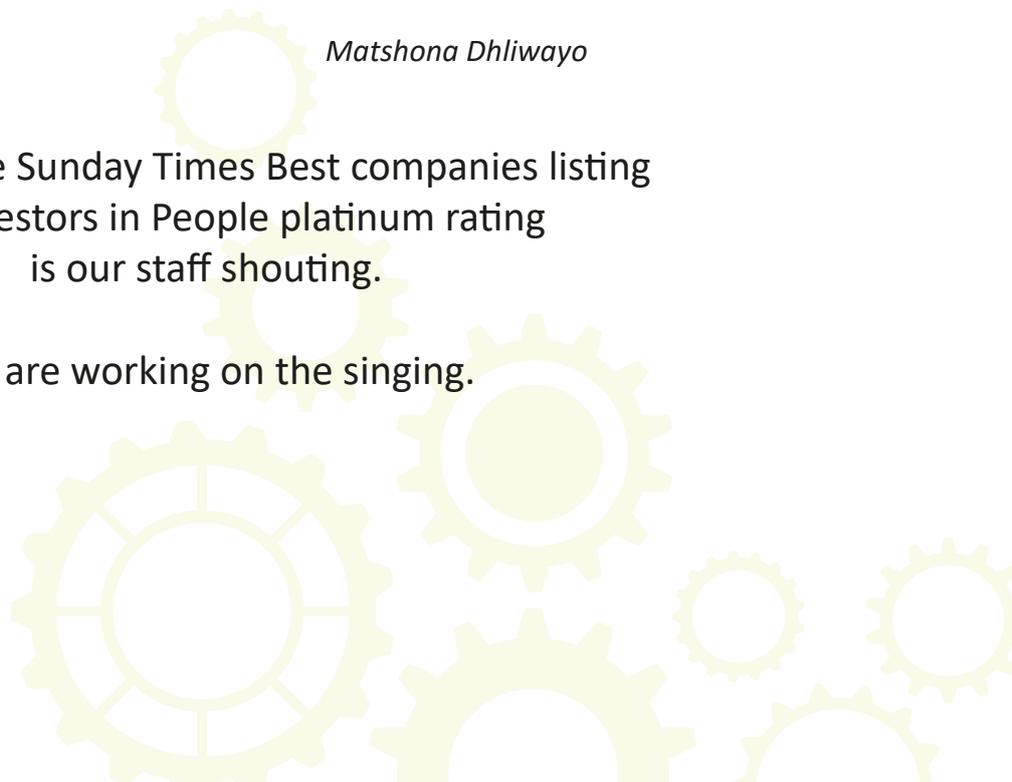
*Let your work speak for itself
If poor, it will remain silent.
If average, it will whisper.
If good, it will talk.
If great, it will shout.
If genius, it will sing.*



Matshona Dhliwayo

Top five in the Sunday Times Best companies listing
and Investors in People platinum rating
is our staff shouting.

We are working on the singing.



Moving on

Unprecedented times is a phrase often used in recent months and it is true that the global pandemic has changed our daily lives beyond measure. Another quote – necessity is the mother of invention – is also true of the last six months as we, and many other businesses, have transformed our way of operating so that we could continue to operate safely and effectively. The changes were already on the cards, however the speed and scale has heralded a revolution and resulted in more home working, greater agility and use of technology and, perhaps surprisingly, brought people together – colleagues talking more via online platforms and families at home.

As companies across the world are re-evaluating their operating models in response to the pandemic, we are reflecting on what we have learnt and what positives we can take from our experience, there are many to choose from. Our staff have been amazing - flexible, resilient and committed despite the challenges. Our customers have been equally great – patient, understanding and supportive of each other. There have been so many examples of how communities and individuals - our staff and the people that live in our homes – have united to support each other.

The central importance of the home has come into sharper focus. Quality, warm and safe housing is a fundamental right and we are proud of our role in providing homes that people can afford to live in. People can only prosper however, if the amount they earn and the amount they pay in rent reflect the cost of living, which is why

we pay at least the real Living Wage and our policy is to charge no more than the Living Rent.

Eliminating homelessness should be a goal of all nations and the actions taken to give everyone a home, albeit temporarily, through the last six months is a major step in the right direction. We hope that the commitment continues and as we approach an election in 2021, all politicians recognise that Wales needs more homes that are genuinely affordable and puts the resources and measures in place to achieve this.

Whether it is solving the housing crisis, decarbonising homes in response to the climate emergency, or building the skills of our younger people, the Government alone cannot bear the sole responsibility. We want a role and to be closely involved as a respected partner. We hope for more dialogue so that the ingenuity, innovation and creativity of everyone is used to best effect. The phrase ‘together stronger’ has been immortalised for Wales and never has this been so true, that in moving on from the crisis created by COVID-19 we all need to focus on what is truly important – looking after our people and ensuring everyone has a decent home.

We have developed a taste for the changes we have made. We want to go much further and embrace the technological opportunities that exist for the benefit of staff and customers. Building our own solutions has proved its worth, with better systems for care workers through to housing officers. There is so much more to be done, as good as our services and systems are, they can always be better.



Alex Ashton, Chair of the Board, and
Anne Hinchey, Group Chief Executive



Tai
Wales & West
Housing

Making a difference to
people's lives, homes
and **communities**

Gwneud gwahaniaeth
i fywydau pobl, i'w
cartrefi a'u cymunedau





Our



priorities

At times of crisis we all need the basics to just work, the car to start, the lights to turn on or the bills to be what we were expecting – no surprises. It is often only when we know our own house is in order that we can turn to the needs of others.

The focus on our business plan for the next five years is on making us more resilient, strengthening our core, so that we are even

better placed to withstand whatever may come our way and will always be there getting the basics right, every time.

Our priorities reflect the demands we hear from our customers, our experience over recent months and our desire to achieve value from the money we receive. Our size and capacity is a strength and means we can respond positively in the ever-changing world in which we all live.

- ★ Build **MORE** homes
- ★ **INVEST** in the right homes
- ★ **CARE** for and improve **WELLBEING**
- ★ Tackle **HOMELESSNESS**
- ★ **AGILE** and **FLEXIBLE**
- ★ Embedding the **WALES & WEST HOUSING GROUP WAY**
- ★ **EFFICIENT, AFFORDABLE** and **ACCESSIBLE** services



Build **MORE** homes

We are building more homes than we have ever done in this century. We are building properties that will be someone's first home, the home in which they raise their family and the home to which they retire. With close to 2,000 homes under construction or at the design stage, Wales & West Housing Group is well on track to literally change the lives of thousands of people.

As a business with a strong social purpose, most of our new homes will be for social rent. In communities across Wales we meet with people in housing need for whom market rents are too expensive and a home that is genuinely affordable will make the

difference between subsistence and success. We look forward to continued support for social housing from Welsh Government to make the most of our capacity to build more homes.

Many people aspire to own their home and our discounted home ownership initiative will help those people on lower incomes who are unable to access social housing and unable to afford to buy at market prices. We want to give these people a way out of expensive and often poor quality private rented homes.

Our plan is for 2,500 new homes across Wales over the next five years.

2,500 new homes across
Wales over 5 years





INVEST in the right homes

At WWH our homes are as important to us as they are to our residents. Having a safe, spacious and well maintained home is a foundation for so many other things in life, providing the environment in which stability, security and success can grow. Investing in our homes; indeed investing in the right homes is therefore of the utmost importance over the next five years and into the future.

Our rolling review of all homes across Wales helps us understand their performance from a variety of perspectives, ranging from their cost to maintain and improve through to their popularity with prospective residents, their thermal comfort and their cost to run day to day. This not only allows us to spend wisely on improvements where they are most needed, it also allows us to identify those homes which cannot be improved to the standard we would

want for residents, no matter how much investment is made. At the right time we will sell homes, either to other landlords better placed to manage them or to private owners who have the resources to create the home they desire.

We share the Government's concern about the climate emergency and recognise the need for everyone to work towards decarbonisation. There are not enough resources to do this alone. We are taking bold, positive steps, working in collaboration with others across our sector and beyond to understand the right measures to undertake to deliver the most impact - reduced carbon and reduced cost to run for heating and lighting. We will play our part in creating a roadmap to decarbonisation for social housing in Wales.



CARE for and improve **WELLBEING**

It is easy to take the ability to live independently for granted, most people have either money, relationships with others or the physical and mental wellbeing to do all the things they choose to whenever they want. It is often only in a crisis, when one of those factors is temporarily removed, do most get a glimpse of what being dependant on someone else feels like.

We provide an extensive network of care and support for people across Wales. More and more of this we provide directly through Castell Ventures, our CIW registered Group company, as well as working with partner support agencies to help people live the lives they choose. Central to our services

is the preservation of independence for as long as possible. We focus on what people can do and support them to learn and regain new skills – it is never too late.

Challenges to our independence come in many forms and the pandemic has highlighted the extent of isolation and anxiety felt among our customers and the lack of support available from mainline agencies. We have stepped up and reached out to people in this situation and now want to do more.

Over the life of this plan we will develop a new service offer to fill the gaps that have been so apparent in recent months.



Tackle HOMELESSNESS



Wales has made such progress in recent years. Political commitment, progressive legislation and a willingness to try different approaches such as Housing First. We stand shoulder to shoulder with Welsh Government and our local authority partners in wanting to end homelessness forever.

We are strong supporters of the aspiration of no evictions into homelessness and have worked hard over the last decade to reduce the number of times we need to seek possession of someone's home. We only

resort to such action on rare occasions and our performance demonstrates this with one of the lowest rates of evictions in the country.

We will collaborate with Shelter Cymru and Clwyd Alyn Housing Association to learn how we could improve performance further and devise a process for managed moves to ensure that when someone has to leave, the result is not homelessness. In addition, we will build on the success of the Housing First schemes we have in place and extend this provision.



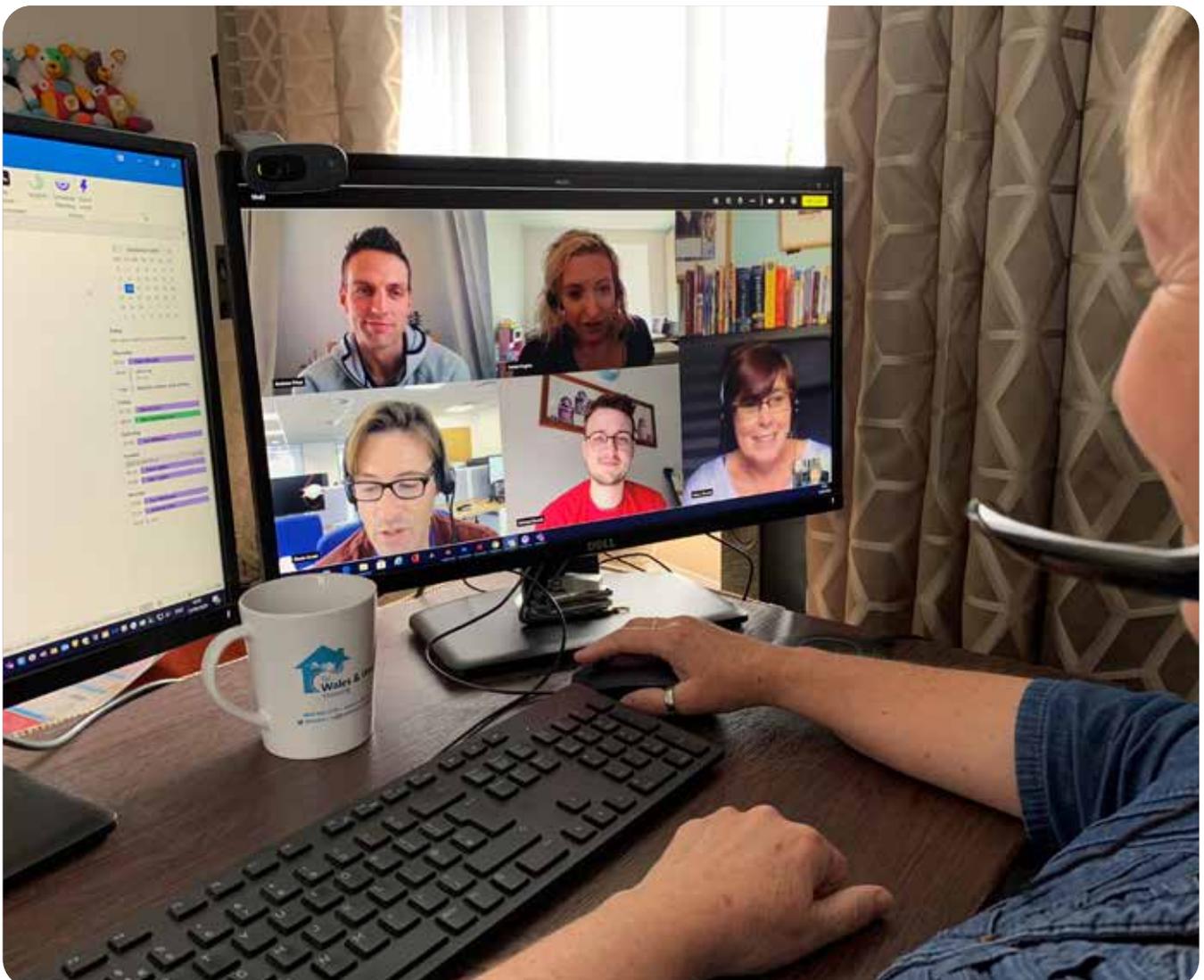
AGILE and FLEXIBLE

During three weeks at the end of March we enabled hundreds of our staff to leave their desks in our offices and work from their homes. We achieved more than we thought was possible, from providing new equipment to creating innovative ways to sustain access to systems safely and securely. We want to build on what we have achieved and go even further, so that our staff can work remotely as effectively as they did in the office.

The technology is there and our challenge is to harness the functionality available in the most effective way possible, which will

mean new solutions to telephony and data and document management. We are getting used to a virtual world and will explore when this can add value as part of service delivery and when not.

We have seen that we get more from our staff when we enable them to work more flexibly. Our customers have busy lives and want to receive services at times that suit them and we have to respond. Becoming more agile creates the flexibility we and our staff need to work when required and when the demands are greatest.





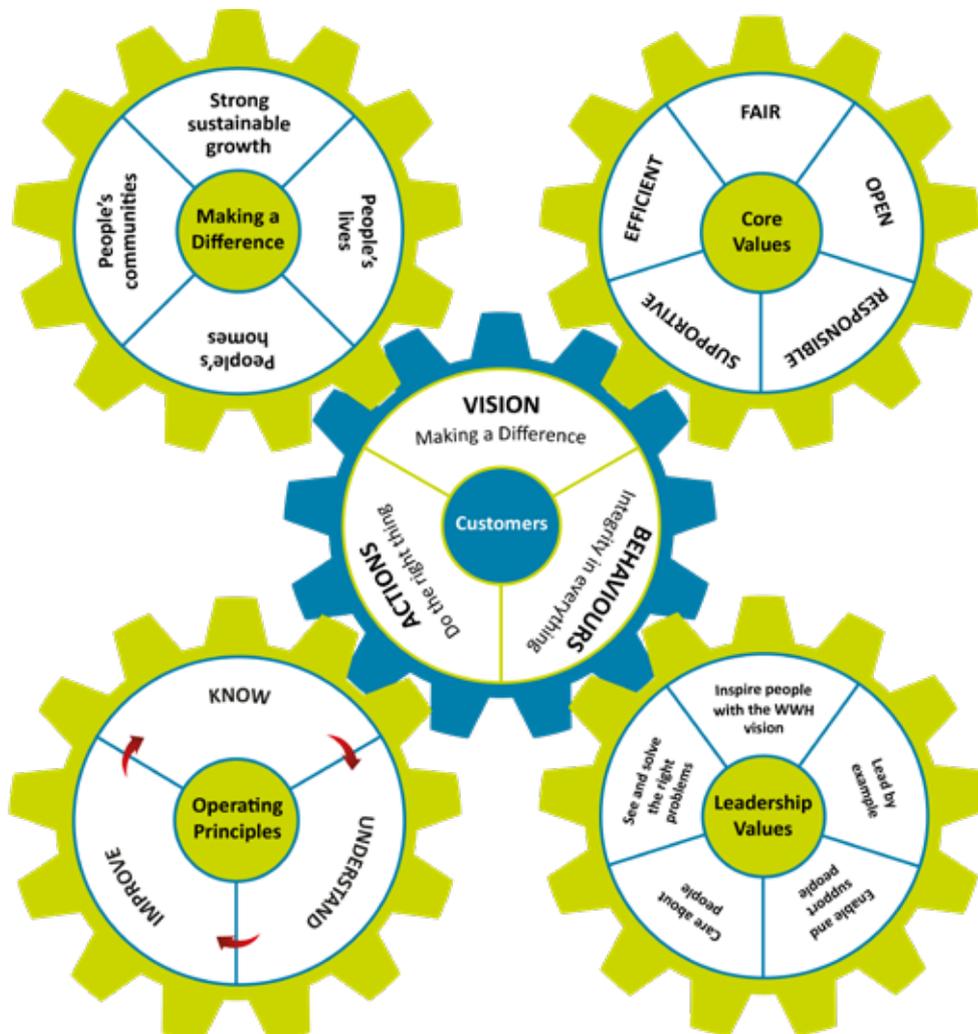
Embedding the WALES & WEST HOUSING GROUP WAY

The Wales & West Housing Group Way is our operating model. We have chosen to write down the factors that underpin who we are and how we operate. We are proud to be a values-led company that operates with integrity and honesty. We want our customers to trust us – to trust that we will deliver the services they expect, trust we will admit and be honest when we get it wrong and trust we will always do our best to put matters right.

We know we are on the right track, the 2020 Resident Satisfaction survey told us that 9 out of 10 residents trust us now, believe we are delivering the services they expect, it's easy to get hold of the right person and that the rent they pay represents value for money. The results, as pleasing as they are, also show there

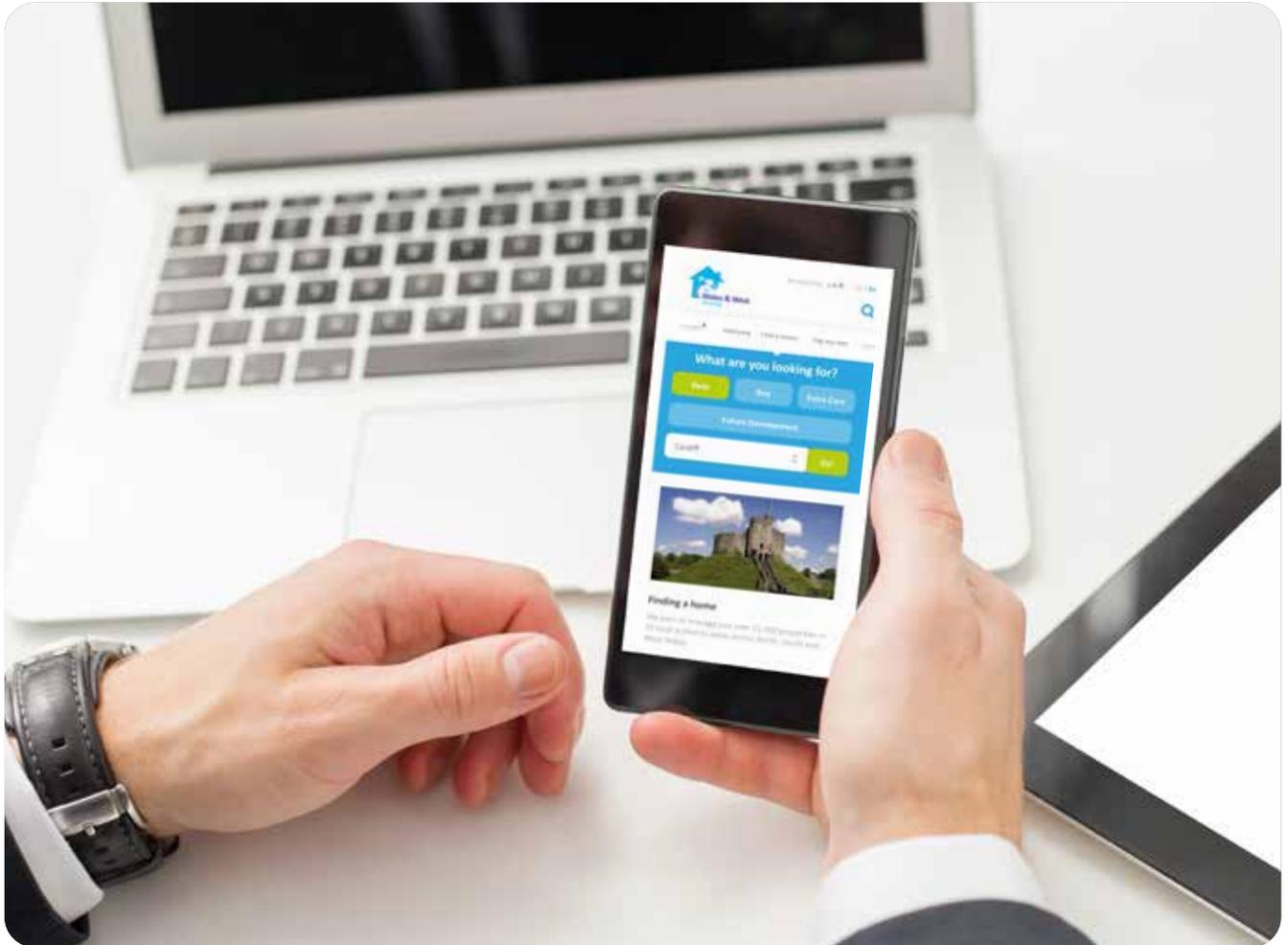
is more to be done.

People trust as a result of actions and not words. The Wales & West Housing Group Way empowers and enables our staff to follow our principles and do the right thing in the day to day delivery of their jobs. It gives people the confidence to act without fear or favour and makes us the three star Sunday Times Best Company and IIP platinum rated company we are. It's a journey though and one training course does not make us who we are, we will take further steps to embed our culture and for people to really believe we want them to think and act according to the principles of the company and not blindly follow a set of rules and procedures.





EFFICIENT, AFFORDABLE and ACCESSIBLE services



Our focus is on securing the most value from how we spend our money. For some time we have operated a 'buy right' set of principles to examine each product we buy to make sure we get the most value for us and our communities. It means we spend our money with local companies wherever we can, supporting Welsh businesses. The more we can help grow and develop small and medium sized enterprises, the more employment opportunities there are for residents and life becomes a little more

affordable. Our new rent policy, the JRF Living Rent model, ensures our homes are affordable and the site services review has reduced service charges. We will continue with projects such as these to improve value for money for our customers. Our digital offer to customers has expanded slowly in response to their demands and requests. We will now accelerate the pace of change to achieve the transformation in access that we and our customers want.



Diolch
Thank you



0800 052 2526

wwha.co.uk

The financial strength to **make**

Our financial strength is a key component of our ability to achieve our business plan aspirations. We focus on generating free cash and our business plan shows this increasing over the five years. This free cash generation comes from running a business that concentrates on achieving value for money. We see value for money as being genuinely about value, rather than lowest cost. This means that we provide an efficient service that both satisfies

residents and that creates social value. We also believe that we must secure our business not just for today's residents, but also for the residents of tomorrow and this means that we properly invest in our homes, ensuring that they remain of a high quality for many years to come.

The strong free cash generation allows us to borrow for the future. We only borrow to build more new homes and we have strong, but

Income and expenditure account

for years ending 31 December	2021	2022	2023	2024	2025
	£m	£m	£m	£m	£m
Income - gross	69.4	74.1	78.5	83.1	86.8
Service costs	(6.0)	(6.4)	(6.6)	(6.8)	(7.1)
Property costs	(11.9)	(13.0)	(13.6)	(14.3)	(14.8)
Overhead costs	(19.2)	(19.6)	(20.2)	(20.7)	(21.2)
Operating surplus	32.3	35.1	38.1	41.3	43.7
Depreciation and non cash items	(10.1)	(10.8)	(11.6)	(12.4)	(13.1)
Major repairs	(3.3)	(3.3)	(3.4)	(4.0)	(4.1)
Interest payable - net	(9.7)	(11.1)	(12.1)	(13.2)	(14.2)
Net surplus	9.2	9.9	11.0	11.7	12.3



a difference

sustainable, ambitions to build more over the next five years.

We are living in strange times, with a pandemic and Brexit just two of the external challenges that we face, but our plan is robust and can withstand these and other challenges.

We welcome the five year rent policy announced by Welsh Government, but would like this to go further to incorporate the living rents

model that we have adopted, which properly takes account of affordability for residents. We hope that the new Welsh Government elected in 2021 will reaffirm the commitment to social housing and further increase the funding available to allow us to play our part in providing good quality, affordable homes to the many citizens of Wales that are currently unable to access them.

Balance sheet

as at 31 December	2021	2022	2023	2024	2025
	£m	£m	£m	£m	£m
Gross property cost	887.0	946.4	1,004.9	1,076.8	1,151.6
Depreciation	(146.6)	(159.4)	(173.1)	(187.8)	(203.4)
Net cost of property	740.4	787.0	831.8	889.0	948.2
Other fixed assets	34.2	34.5	34.0	33.4	32.9
Cash	3.5	5.4	14.2	13.3	6.0
Housing grant	(397.5)	(419.1)	(442.6)	(467.9)	(494.1)
Borrowings	(288.1)	(307.1)	(327.1)	(347.1)	(361.5)
Other assets / (liabilities)	(4.8)	(3.1)	(1.7)	(0.4)	1.1
Net assets & Reserves	87.7	97.6	108.6	120.3	132.6
Gearing Ratio - Gross Cost	35%	35%	35%	35%	34%



Cash Flow

for years ending 31 December	2021	2022	2023	2024	2025
	£m	£m	£m	£m	£m
Cash operating surplus (before major repairs)	32.3	35.1	38.1	41.3	43.7
Major repairs	(3.3)	(3.3)	(3.4)	(4.0)	(4.0)
Replacement components	(7.6)	(7.6)	(8.1)	(8.6)	(9.0)
Replacement capital expenditure	(1.0)	(1.0)	(1.1)	(1.1)	(1.1)
Net interest payments	(10.0)	(11.3)	(12.4)	(13.4)	(14.6)
Pension deficit contributions	(1.8)	(1.8)	(1.8)	(1.9)	(1.9)
Free cash inflow	8.6	10.1	11.3	12.3	13.1
Development expenditure	(70.9)	(55.4)	(66.9)	(85.4)	(88.4)
Grants	18.7	18.6	24.2	23.8	24.6
Sales receipts	3.6	9.9	20.3	28.5	29.2
Net cash outflow before financing	(40.0)	(16.8)	(11.1)	(20.8)	(21.5)
Revolving facility drawn / (repaid)	1.1	(1.1)	-	-	-
Additional facility requirement	20.0	20.0	20.0	20.0	15.0
Loan principal repayments	(0.1)	(0.2)	(0.1)	(0.1)	(0.8)
Net increase / (decrease) in cash	(19.0)	1.9	8.8	(0.9)	(7.3)

Assumptions

for years ending 31 December	2021	2022	2023	2024	2025
	Plan	Plan	Plan	Plan	Plan
Inflation					
Rent	2.0%	3.0%	3.0%	3.0%	3.0%
Salaries	2.0%	2.0%	2.0%	2.0%	2.0%
Maintenance costs	2.5%	3.5%	3.5%	3.0%	3.0%
CPI	1.0%	2.0%	2.0%	2.0%	2.0%
Funding					
New borrowings rate	4.2%	5.1%	5.3%	5.4%	5.4%
Grant rate	58%	50%	50%	50%	50%
Housing completions	387	538	500	500	500

Where we operate

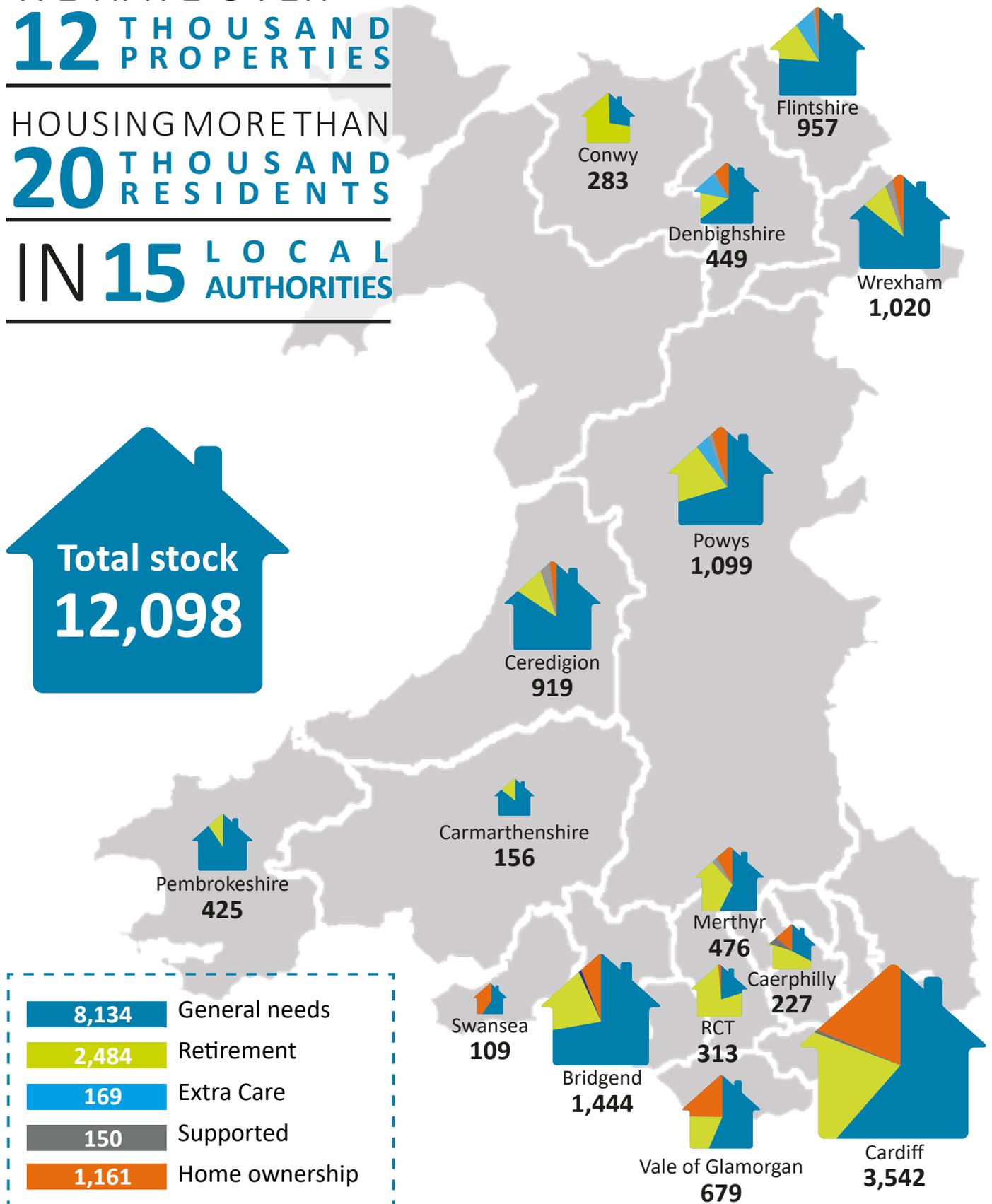
WE HAVE OVER

12 THOUSAND PROPERTIES

HOUSING MORE THAN

20 THOUSAND RESIDENTS

IN **15** LOCAL AUTHORITIES



As at 31 August 2020

Head Office

Archway House
77 Parc Tŷ Glas
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Cardiff
CF14 5DU

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St. David's Park
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wwhousing



wwha



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wwhahomesforwales