



Business Plan

2024 – 2028



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Three Brewers Court, Cardiff

Making a difference

to people's lives, homes and communities

Wales & West Housing will have been making a difference for 60 years in 2025 and what has characterised those sixty years is stability. Stability means that as an organisation we have strong foundations and from these strong foundations we have been able to provide homes that help people to make a life. For so many people having a home that they can call their own is the start of making a life. Our role is to provide those homes, to look after those homes, to keep people safe in those homes, to make sure those homes are affordable and to be supportive to our residents.

One of the things that characterises the stable organisation is that we have a clear sense of social purpose, and this underpins our business planning. It means understanding that we are here to serve both our current residents and the residents of the future. This means that we have a relentless focus on our core services. We stick to our core purpose. We are not here to chase rainbows but to run a stable organisation that always seeks to do the best for both our residents and our staff. This does not mean that we stand still, in fact quite the opposite. Our business plan recognises the desire we have to

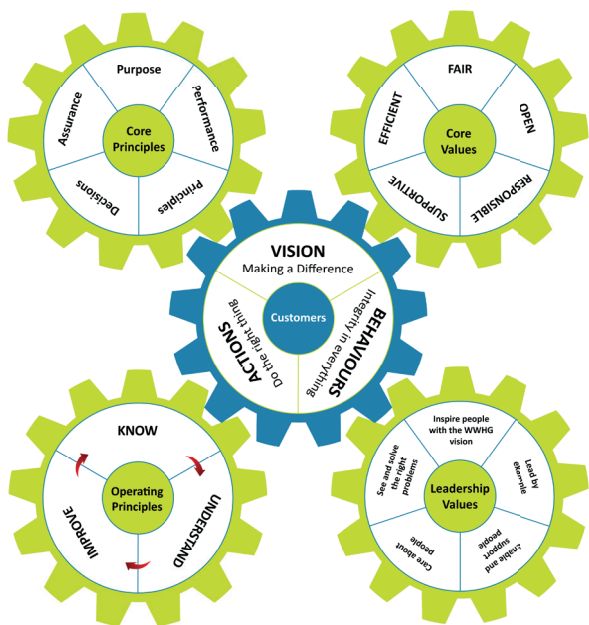
always be better, recognising that as good as we are we can always do more.

We do things our way, the Wales & West Housing Group Way. Our way of doing things comes unashamedly from a systems thinking approach to running an organisation, putting residents at the heart of everything we do and particularly in the way that we design service. We reflect this in our values, our operating principles and our corporate principles. There is a feeling about working at Wales & West Housing of having shared beliefs and our corporate principles sum up those shared beliefs. Our staff are a diverse group of people, but all of them are empowered to do the right thing. This creates a unique culture which allows everyone to be themselves but also to know what doing the right thing means, tailoring our services to residents and designing service by listening to demand from our residents.

Operating in this way allows us to be a stable organisation and to really live our vision of making a difference to lives homes and communities. We do, and will continue to, **make a difference to solving the housing crisis**



Board Member Ian Anderson, Chair Alex Ashton and Extra Care Manager Robin Jones at Plas Yr Ywen, Holywell



Strong sustainable growth to make a difference to people's lives, homes and communities

in Wales. We will do this by continuing to build hundreds of new homes each year. We will do this by looking after the housing we already have to a high standard to ensure our residents can stay for as long as they wish. We will do this by working with our residents to make sure that they can pay their rent and sustain their tenancy, reducing evictions for rent arrears to as close to zero as we can. Finally, we will do this by letting our properties to those most in need, working with our local authority partners to house people who are homeless, in temporary accommodation or who have arrived in Wales as refugees.

We do, and will continue to, **make a difference by keeping people safe in their homes.** We will continue to invest in our homes to make sure that they are safe both for now and for the long term. We will strive to improve our knowledge about the properties we own and how we manage that information, so we are best placed to decide the most appropriate course of action to keep that property safe.

We do, and will continue to, **make a difference by providing homes that are affordable.** Our plans will make homes more energy efficient and we will support a national rent policy for Wales, based on the living rent model we adopted some years ago.

To make all of this difference we will remain a stable organisation, always focusing on being better, firmly focused on our core business activities. We understand what is needed to be done 'now', what is 'next' on the list and what can wait until 'later'. Many of the changes and improvements we want will run over several years, so effective planning, staying focused and learning from what works will mean that we are using our resources to best effect. Our aims and objectives are described in the following seven sections. We are a stable organisation and we will use our resources to make the lives, homes and communities in which we operate better.



Group Chief Executive Anne Hinchey, Chair Alex Ashton and guests at the opening of Plas Yr Ywen, Holywell

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

Making a difference by helping to solve the housing crisis in Wales

Making a difference by keeping residents safe in their homes

Making a difference by providing homes that are affordable

Running an efficient business (sticking to our core purpose)

01

OPERATIONS

Housing, estates and site services

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ASSETS

Major works, compliance and Cambria Maintenance Services

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FINANCE

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TECHNOLOGY & DATA

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CORPORATE SERVICES





Community Development Officer Judi Sellwood at Hightown Resource Centre's 10th Birthday celebrations

Operations

Housing, estates and site services

In our Operations service area, we bring together our resident-facing services, with housing services teams working alongside our property and estates teams, to focus on providing tailored services that deliver what matters to our residents and make a difference.

Understanding our residents and what matters to them is critical to enable us to deliver the right services in the right way, and at the right time. We will continue to focus on engaging with, and listening to, our residents to understand their lived experience and what matters to them, in line with our resident involvement strategy. We will use this learning to help us plan for, procure, and deliver site services, and make sure that costs are affordable and can be recovered through service charges.

We understand that our residents' needs will vary over time so we will improve visibility of indicators across any of our systems that could help to identify when a resident or community might need help or support.

Our staff really care about our residents, and we recognise that providing the support our residents need, especially when they are at points of crisis, can be emotionally demanding. Over the coming months we will work with our frontline staff to understand what matters to them in the context

of an increasingly complex environment and ensure they have what is needed to support their wellbeing so that they can continue to deliver what matters to residents.

We will continue to focus on the performance of our main systems, including lettings, tenancy management, rents and other income, to make sure they are efficient and person centred. In each of our systems, we will develop practices to support the management of complex cases.

We want all our homes to be safe, comfortable and well-maintained. Our property and estate teams have a really good understanding of our homes and estates, but we will do more to improve our organisational understanding of our stock, to keep a focus on building safety, and to make sure that information is captured in our systems and used to inform investment planning.

Our supported housing and Extra Care schemes support residents with additional care or support needs to live independently. As we have moved to a model where care and non-housing related support is provided by others, we recognise that we need to review our supported and Extra Care services and schemes to make sure they continue to deliver what matters and are properly embedded in our systems.



Team members from Wales & West Housing and Cambria Maintenance Services working on the Assets intervention project

Assets

Major works, compliance and Cambria Maintenance Services

We are focused on making sure that our homes are safe, well maintained, and comfortable and affordable to live in. We invest around £30m each and every year to look after our stock, through the cost of ongoing maintenance and repairs, and planned investment programmes. We have all been shocked by the failings of some social housing providers in keeping their homes safe over recent years, and building safety remains our highest priority. We pride ourselves on the quality of our homes and our performance in maintaining them, but we know there is always room for improvement and will remain focused on doing all we can.

In 2023, Welsh Government published an updated Welsh Housing Quality Standard which sets out several new requirements, including ambitious targets for decarbonisation and energy efficiency improvements. We will develop and implement asset investment planning systems and programmes to help inform our approach to meeting WHQS 2023, and to effectively implement our response. Over the coming months we will implement and embed improved asset management software to support our maintenance and compliance programmes, and review and redesign our working practices across service areas and with Cambria.

We have seen increasing demands for our maintenance services over recent years and so are reviewing the way we work to make sure our core maintenance services continue to deliver efficiently on what matters to residents.

Our in-house maintenance provider, Cambria, delivers most of our maintenance work, giving us more control over the quality of service our residents receive, the timeliness of delivery and subsequent cost. We also work with some excellent contractors and partner organisations to help us deliver more specialist work. We are aiming to work more closely with these partners to be sure we are consistently getting the best value for money, so will review and revise our procurement and supply chain management.



Retrofit works at Thomas Court, Wrexham



Finance

For us to be sure we have the greatest impact in the communities we work with, it is important that we understand value and do not simply focus on cost. The aim for our finance services is to provide financial control and comprehensive, joined up reporting of financial and operational information to support the business to make well rounded decisions. To help us improve our understanding of the value we deliver, we will continue to develop our approach to ESG (Environmental, Social and Governance) reporting and over the next couple of years, we will adopt the Sustainability Reporting Standard (SRS) for social housing.

We understand that affordability is key to our residents and we will focus on making sure that our homes are affordable to live in and that the money residents do pay to us delivers great value for money. We will continue to develop our rent policy in line with the Joseph Rowntree Foundation's living rent model and will work with others across the sector to influence the Welsh Government's legislative rent setting framework to bring it in line with the living rent model, providing a clear definition of affordability for all social housing residents in Wales. Where the cost of delivering services is passed on to residents as part of their service charges, we will make sure those services are procured at a reasonable rate and

the costs are allocated fairly, whilst also making sure that costs incurred by the organisation can be recovered.

We work with many excellent contractors, from large construction companies to self-employed skilled tradespeople, to help us deliver our services. To be sure that we are getting the best value and having the greatest impact, we will review the way we select contractors and how we procure contracts.

We continue to invest in software systems and will focus on implementing and embedding a new accounting system so that the finance team can provide more sophisticated and responsive support to the business. The new system will bring efficiencies for finance staff and support the team to evolve from a focus on managing data, to delivering more comprehensive and timely financial analysis and organisational support.



Development

Our development plan is ambitious not just in terms of the number of new homes we want to deliver, over 1,500 new homes over the life of the plan, but also in the quality of those homes and the impact they have on the environment, the economy, and the people who live in them. Over the coming months, we will review our development strategy to reflect the current economic and planning environment and review our approach to delivering older person's housing to make sure it delivers what matters to our residents. We will increase the attention we pay to biodiversity and sustainability in new developments so that we are delivering places that have a positive impact on the environment, community cohesion and wellbeing, and are affordable to maintain.

Building technologies and expectations of what people need from their homes are evolving at pace, although the construction sector is traditionally, and sometimes understandably, cautious about embracing change. Over the coming years we will continue to develop the design and specification of our new homes so that they are fit for the future, near zero carbon, good to live in, digitally enabled and easy to maintain. We will engage with residents and stakeholders to understand what matters and embed a new

approach to continuous improvement to help us be more responsive to what we learn.

The construction and housing development sectors have become increasingly difficult commercial environments over recent years and the number of contractors working in Wales to deliver social housing has sadly diminished significantly. We will review opportunities to create alternative procurement routes that will encourage a wider range of contractors to enter the sector and will support those who share our values and ambitions to build their businesses sustainably.

Mindful of the challenges to building new homes and the acute need for more affordable homes, we will continue to deliver on our programme of buy-backs, returning homes built as social housing to our stock and making them available to let at social rents.

Our focus is on providing social rented housing, but we recognise that we can do more to play our part in solving the wider housing crisis in Wales. We want to help increase mobility in the housing market, enabling affordable home ownership for the many people ineligible for social housing and for whom market housing is out of reach.



People & Culture

We are a people focused business, determined to support and invest in our staff so that they feel valued and fulfilled, and can provide the best possible service for our residents. We really care about our staff and are proud to be recognised as an IIP Platinum employer, rated as a 3-star world class not for profit organisation to work for by Best Companies. Our values guide the way we support our staff, as well as our residents, and we know we can go further to be more supportive, inclusive and diverse, and to increase representation.

Our focus will be on making sure we have the right systems, resources and support for all our staff at every stage of their career journey with us. Our first priority will be to continue to understand the experience for our staff across the Group, identifying appropriate actions to improve the staff experience at key points. We want our leaders and managers to live and breathe our culture and values, and to feel supported and enabled to lead and support their teams effectively. We will review and enhance the existing leadership development model and the management development programme so that we can continuously grow leadership and management capabilities across the organisation. We will develop measures that will help us to understand the organisational culture, and the cultural impact of new training or initiatives.

Over the coming months we will focus on implementing and embedding new software and reviewing our working practices to improve efficiency, assurance and staff experience. With improved systems and processes in place the people and culture team will be able to partner better with teams across the business and provide more timely and comprehensive support.





Using the latest technology, residents in Bridgend can monitor their energy usage

Technology & Data

As is the case for most businesses, our focus has increasingly been on keeping our systems resilient and safe from attack. We will continue to focus on cyber security and doing our best to keep pace with existing and emerging technologies so that we understand how to deploy the right capabilities to minimise cyber threats as they evolve over time.

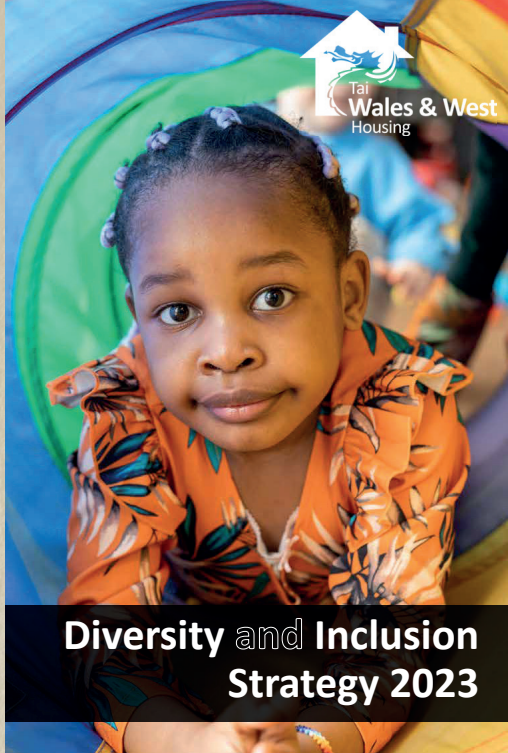
Having the right technology and data infrastructure is key to the effective and efficient delivery of all systems across the organisation. Our focus will be on making sure that our infrastructure, products and end user devices are secure and appropriately delivered and supported to meet the needs of the business. We will improve our document management and communications platforms to support our teams to collaborate and share information. As we capture and use increasing amounts of data across the organisation, we will work hard to improve our use of data and analytics, and to make sure we have effective data governance so that the business can make data-driven decisions with confidence.

Our residents want to be able to access our services in a way that suits them best. Our aim is to provide more choice for residents about how

they access our services, and our focus will be to make sure that residents and customers have a seamless and unified experience, regardless of how they choose to communicate with us. We have made good progress in developing the required infrastructure, with the rents and tenancy management systems in place and the asset management system in development. This will enable us to provide access to our systems in the most appropriate and efficient way for our residents.

Artificial intelligence has rapidly been adopted as a mainstream technology and represents huge potential opportunities for us, but we will work quickly to understand the risks and challenges and make sure we put it to use in a way that is safe and effective.

Property technologies have evolved significantly over recent years and the technology and data team will support our property and assets teams to understand how existing and emerging property technologies could be used to improve efficiency, assurance and value for money.



**Diversity and Inclusion
Strategy 2023**



**Building a Sustainable Future
Environment Strategy
2023- 2030**

Corporate Services

We are a large, well-run organisation and we will continue to focus on improving the way we work so that the organisation remains well governed and compliant with legislation, regulatory requirements and statutory guidance. We will continue to embed our rolling self-evaluation framework to support us to review and understand our corporate focus, organisational performance and organisation wide assurance.

We will focus on delivery of our three core strategies for diversity and inclusion, resident involvement and the environment. All three of these strategies are derived from our vision to make a difference to people's lives, homes and communities and our operating model and belief that one size does not fit all.

We recognise that we need to work hard to ensure that diversity and inclusion is consciously embedded in all our systems in an informed way. Over the coming months we will improve our understanding and visibility of fairness across all our systems, looking in depth at any areas that require further attention.

Our approach to resident involvement is constantly looking at the right way to engage with residents on the issues that matter to them. We recognise that our diverse population of residents want to be involved with us in different

ways, about different things. We will work hard to improve our approach to hearing our resident's voices and ensure that their ideas and concerns are listened to and acted on.

We have a responsibility and opportunity to improve our environmental impact. In line with our environment strategy, we will develop ways to better understand our environmental impact and promote awareness with residents, staff and partners, seeking out opportunities to improve the impact we have as an organisation and across our estates.

We do some great things, day in and day out, that make a real difference to people's lives, homes and communities. As we keep focused on continuing to improve and to make a difference, we sometimes forget to capture and celebrate the impact of our work. We will review and redesign our approach to highlighting the impact we have so that we can continue to build on our successes.

Our stability, borne out of our financial strength, is a key component of our ability to **make a difference**

We are a strong business with a strong balance sheet. We will use the stability that this allows to borrow for the long term, fixing our interest costs and freeing up the capital needed to build badly needed new social rented homes. It is our free cash* generation that allows us to borrow for the future and to generate free cash, we focus on achieving value for the money we spend. This allows us to run an efficient business that creates social value and keeps our residents happy.

Our financial plan allows us to build hundreds of new homes each year, the vast majority of which will be socially rented homes that are affordable to live in, easy to maintain and cost effective to build. We will look after the homes we already own, maintaining them to a high standard to ensure our residents can stay for as long as they wish. Our plan includes all of the expenditure necessary to keep our existing homes in good condition. These investments help us to continue to be a stable business and will allow us to keep making a difference for many decades to come.

Looking forward, like all in the sector, we are planning how we decarbonise our homes to play our part in limiting the impact of climate change. We will work with others in the sector, the funding community and the Welsh Government to understand how we fund the changes needed to our homes to make them really energy efficient and really low carbon.

Like many businesses, we have faced significant economic challenges in this decade. We have coped well with the challenges of higher inflation and capped rent increases and emerge into a better-looking economic environment, with our future plans continuing to focus on generating free cash. By doing this we will continue to make a difference to solving the housing crisis in Wales, continue to make a difference by keeping people safe in their homes and continue to make a difference by providing homes that are affordable.

*Free Cash- Free cash is our primary financial metric, giving a clearer understanding of our financial performance than our Net surplus. Free cash is calculated by taking the cash operating surplus and deducting property reinvestment, replacement capital expenditure and net interest payments.

Income and expenditure account

for years ending 31 December	2024	2025	2026	2027	2028
	£m	£m	£m	£m	£m
Income - gross	79.5	83.2	87.8	91.8	96.2
Service costs	(6.1)	(6.3)	(6.5)	(6.8)	(7.0)
Property costs	(16.1)	(16.2)	(16.6)	(17.5)	(18.2)
Overhead costs	(24.1)	(25.4)	(25.9)	(26.5)	(27.1)
Operating surplus	33.2	35.3	38.8	41.0	43.9
Depreciation and non cash items	(11.4)	(11.5)	(13.5)	(14.3)	(14.7)
Major repairs	(3.6)	(5.6)	(6.0)	(5.6)	(5.4)
Other income	0.3	0.8	0.3	0.3	-
Interest payable - net	(6.2)	(8.1)	(8.6)	(9.9)	(11.6)
Net surplus	12.3	10.9	11.0	11.5	12.2

Balance sheet

as at 31 December	2024	2025	2026	2027	2028
	£m	£m	£m	£m	£m
Gross property cost	1,015.5	1,108.2	1,197.2	1,303.8	1,371.0
Depreciation	(167.3)	(184.0)	(202.1)	(221.4)	(241.6)
Net cost of property	848.2	924.2	995.1	1,082.4	1,129.4
Other fixed assets	28.5	31.1	32.9	32.9	32.6
Cash	80.5	44.8	13.0	24.2	15.2
Current assets	47.2	46.1	45.2	43.8	42.2
Housing grant	(484.6)	(515.1)	(545.3)	(596.8)	(622.5)
Borrowings	(329.4)	(328.6)	(327.8)	(362.0)	(361.1)
Other creditors and provisions	(34.5)	(34.3)	(34.0)	(34.4)	(34.2)
Net assets & Reserves	155.9	168.2	179.1	190.1	201.6
Gearing Ratio - Gross Cost	35%	32%	29%	29%	28%

Cash Flow

for years ending 31 December	2024	2025	2026	2027	2028
	£m	£m	£m	£m	£m
Cash operating surplus (before major repairs)	33.2	35.3	38.8	41.0	43.9
Property reinvestment	(15.7)	(15.9)	(16.3)	(16.2)	(16.2)
Replacement capital expenditure	(2.8)	(2.0)	(2.6)	(2.2)	(2.0)
Net interest payments	(7.2)	(9.5)	(10.0)	(10.8)	(12.7)
Free cash inflow	7.5	7.9	9.9	11.8	13.0
Development expenditure	(68.9)	(80.7)	(76.8)	(92.3)	(52.4)
Grants	58.3	35.3	38.4	57.0	31.3
Land for Housing loans	(2.2)	(0.2)	(3.1)	-	-
LCHO and property sales	3.5	2.8	0.6	0.6	-
Net cash outflow before financing	(1.8)	(34.9)	(31.0)	(22.9)	(8.1)
Additional facility requirement	5.0	-	-	55.0	-
Loan principal repayments	(0.2)	(0.8)	(0.8)	(20.9)	(0.9)
Investments	2.0	-	-	-	-
Net increase / (decrease) in cash	5.0	(35.7)	(31.8)	11.2	(9.0)
Net increase / (decrease) in cash	(3.3)	(24.5)	(34.7)	(1.5)	7.2

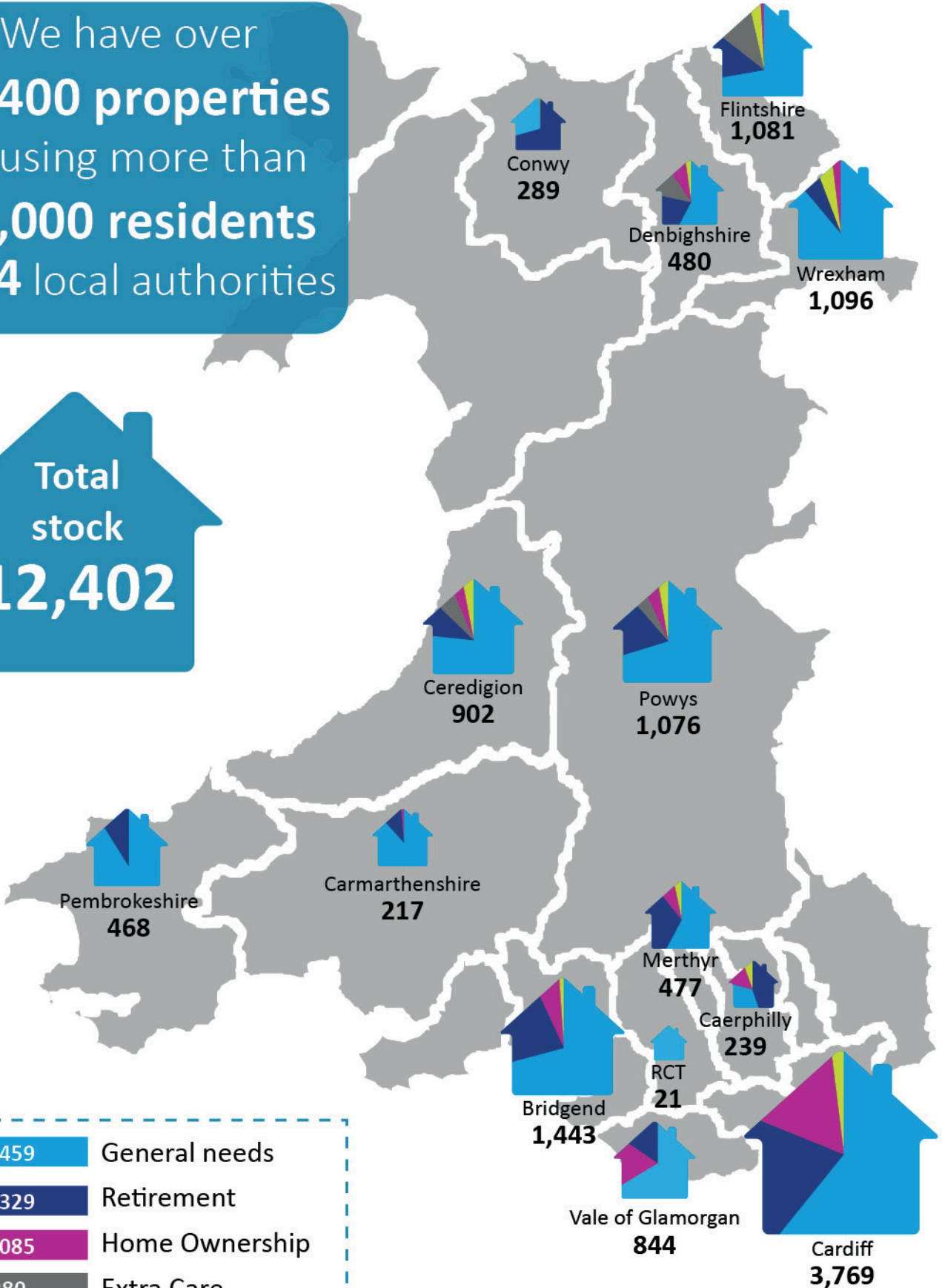
Assumptions

for years ending 31 December	2024	2025	2026	2027	2028
	Plan	Plan	Plan	Plan	Plan
Inflation					
Rent	6.4%	3.0%	2.0%	2.0%	2.0%
Salaries	4.6%	2.5%	2.0%	2.0%	2.0%
Maintenance costs	2.7%	2.0%	2.0%	2.0%	2.0%
Property reinvestment costs	2.7%	2.0%	2.0%	2.0%	2.0%
CPI	2.7%	2.0%	2.0%	2.0%	2.0%
Funding					
New borrowings rate	6.0%	5.0%	5.0%	5.0%	5.0%
Grant rate	64%	64%	64%	64%	64%
Housing completions	230	275	279	358	362

Communities across Wales

We have over
12,400 properties
 housing more than
20,000 residents
 in **14** local authorities

Total
 stock
12,402



8,459	General needs
2,329	Retirement
1,085	Home Ownership
280	Extra Care
249	Supported

As at 31 December 2023

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wwha



wwhousing



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wwhgroup