



# **Adra Self-Evaluation Report 2022-23**

**Assessment against the 9 Welsh Government  
Regulatory Standards**

**Final Report**

**September 2023**

## LEADERSHIP & GOVERNANCE

### RS 1: The organisation has effective strategic leadership and governance arrangements which enable it to achieve its purpose and objectives

Adra has effective strategic leadership and governance arrangements in place to ensure that it achieves its purpose and objectives. The [Corporate Plan 2022-25](#) is the key strategy that provides overall direction to the company, setting out the vision, values and objectives; as well as the culture of the organisation. Having recently completed the first year of the 2022-25 Corporate Plan, significant strides have been made on delivery of all its key priority areas despite the challenges presented by the raising inflation and cost of living crisis.

#### Evidence of Assurance

- ❖ Adra has a highly skilled Board of Non-Executive Directors which provide strategic leadership to the organisation. Adra prioritises having a skills-based Board and ensures that recruitment strategies aligns closely with the needs of the Corporate Plan. The Board is currently made up of 8 Independent Members; 2 Tenant members; 2 Local Authority members; plus 1 Co-optee.
- ❖ Adra has a strong Executive Leadership Team in place and this year saw the appointment of a new Chief Executive, with Iwan Trefor Jones taking over from Ffrancon Williams who served since the formation of the organisation back in 2010. Iwan Trefor Jones had served as Deputy Chief Executive for 3 years which will help provide stability and strength moving forward.
- ❖ Adra places significant importance on compliance with its own governance documents and seeks to ensure it reflects the best practice of the Sector Code of Governance. The Governance Team undertake regular reviews of all of its key governance documentation.
- ❖ Adra sets and delivers measurable commitments in relation to equality, diversity and inclusion considerations. The Strategic Equality Plan is branded under the banner of Prosiect PERTHYN (which translates to “Belonging”). The project aim is to ensure that everyone in Adra feels that they belong in Adra without being prejudiced or discriminated against because of characteristics such as their religion, race, gender, sexuality, economic situation, background, and identity.
- ❖ We have some gaps on data concerning our residents which stop us from having a complete picture of our resident base so as to enable us to have full confidence that we offer fully inclusive services. We will continue to work on this data collation and analysis during the year to further improve service delivery for all. Adra will always strive to respond to our customer and staff needs and make adjustments as necessary.
- ❖ Our newly launched “Your Voice” Customer Participation Strategy sets out our commitment to ensure our residents remain firmly at the heart of our work and can shape and influence our services. The framework offers a wide variety of participation opportunities which will suit the interests and the level of commitment that our customers are able, and willing to offer.
- ❖ Adra exercises appropriate day to day control and direction of the business to ensure that we comply with all relevant regulatory requirements and legislation. We have an open and honest relationship with the Welsh Government Regulation Team and are proactive in communicating any potential matters of regulatory interest. Adra has its own in-house legal team that has developed specialist knowledge of sector legislation and keep abreast of developments and advise accordingly.

## RISK MANAGEMENT

### RS 2: Robust risk management and assurance arrangements are in place

**Adra has an effective framework for risk management, internal controls and assurance that enables it to successfully identify and manage existing and emerging risks which threaten delivery of its strategy or compliance with legislative or regulatory requirements**

Adra has a comprehensive framework for risk management in place which is supported by a raft of internal controls which serve to provide assurance to the Board. The overall accountability for risk management rests with the Board, with day-to-day operational responsibility managed by the Executive. We also have a UKAS accredited ISO Integrated Management System comprising of ISO 9001:2015 (Quality), ISO 14001:2015 (Environmental) and ISO 45001:2018 (Occupational Health and Safety). This framework supports our commitment to maintaining certification and we are committed to establishing and embedding in normal business practices, a framework of risk management that protects its customers, staff, contractors and the general public.

#### Evidence and Assurance

- ❖ Comprehensive Risk Management Framework in place that is reviewed annually in line with sector best practice. Sector Risks are considered as part of the annual review and presented to Board. The Executive Team review all Strategic Risks on a monthly basis with a report presented to Board on a 6 monthly basis.
- ❖ The Audit and Assurance Committee reviews its audit plan on an annual basis to ensure the audit programme focuses on the key areas of risk to the organisation.
- ❖ The risk appetite statement set by the Board for matters relating to Health and safety was as follows: *“All work activities where there is any risk to the health and safety of staff or customers, will be risk assessed with control measures implemented to reduce risks to levels as low as reasonably practical. Maintenance of accreditation to ISO 45001 is a critical organisational objective.”*
- ❖ The strategic risk map supports the development of scenarios to be used as part of the stress testing within the business plan and the financial recovery plans.
- ❖ Our Programme and Projects Portfolio approach ensures all key initiatives have a detailed risk management plan in place that’s subject to regular review.
- ❖ The Adra Business Plan is the subject of a comprehensive stress testing exercise and financial performance is reviewed regularly.
- ❖ A centralised Performance and Risk Team that work with accountable officers on a regular basis to monitor operational risks. These are reported to the Senior Leadership Team on a quarterly basis.
- ❖ Adra has a robust Business Continuity and Resilience team which includes members from all service areas within the business. The team are responsible for ensuring appropriate and up to date business continuity plans are in place, which includes testing those plans as appropriate.

## DELIVERING HIGH QUALITY SERVICES

### RS 3: High quality services are delivered to tenants

#### Part 1 - Keeps tenants safe in their homes

As a provider of quality homes, the safety of our customers is our main priority and we ensure that we meet our regulatory and compliance obligations and manage all associated risks. We devote significant time and resources to help ensure that our homes are safe for our residents, and have an in-house Compliance Team that oversees compliance with the key Landlord Compliance health and safety areas.

In addition, Adra has an in-house *Health, Safety and Environmental (HSE) Team* to oversee and co-ordinate auditing of activity in this key area. We have several layers of auditing activity in place, from key control health checks to specialist deep dive audits in areas of higher risk (The Big 6 Areas). Adra has also achieved accreditation in ISO 45001:2018 (Occupational Health and Safety) and works hard year on year to keep systems up to date thus retaining the accreditation.

#### **Evidence and Assurance**

- ❖ To ensure that our tenants are kept aware of the safety arrangements we have in place, we communicate on a regular basis through our website, social media channels or newsletters on safety information and their responsibilities.
- ❖ To ensure our homes are kept safe, we undertake regular safety checks which complies to current legislation, standards and best practice. Over a typical year we undertake over 20,000 safety checks and servicing which includes the following:
  - Over 6000 heating services and safety checks to ensure our heating systems are safe for our tenants.
  - Over 1200 Electrical Condition Reports which ensure the safety of our electrical installations.
  - Over 11,000 Fire safety checks and services.
  - Over 600 lift servicing and thorough examinations.
  - Over 1500 Asbestos surveys, samples, re-assurance air testing and communal re-inspections.
  - Over 250 Legionella safety and temperature checks.
- ❖ A quarterly Health and Safety report is presented to the Audit and Assurance Committee providing an overview of performance (including information concerning incidents, near-misses etc)
- ❖ Adra has a *Health and Safety Group* made up from staff from various departments. The Group meets at quarterly intervals and facilitates a structured approach to consultation where management and employees can work together to review health and safety performance and resolve any health and safety issues.
- ❖ The roll-out of the Active-H customer management system has proved challenging in interfacing with Health and Safety compliance data management - this has resulted in labour intensive workarounds to provide assurance in this important area. Adra is progressing work in this area, and places priority on addressing these technical issues, to enhance data assurance.
- ❖ Overall customer satisfaction rates with safety and security of Adra homes came in at 93%.

## Part 2 - Delivers services which meet the diverse needs of residents

Providing an excellent customer experience is one of the 5 main themes within Adra's Corporate Plan. Our customers have always been at the heart of what we do – it's why we are here and why we will always look at ways to improve the experience that we provide to our customers. Adra customers rightly expect the organisation to deliver a broad range of services to meet their needs. This is reflected in our service delivery plans in terms of the broad range of work Adra undertakes to improve current homes; build new homes and provide a broad range of services and support to our customers to establish and sustain their tenancies.

Further to this, another cornerstone of our Corporate Plan priorities is "*Supporting People & Communities to Thrive*". Beyond providing our customers with a quality home, we always seek to go the extra mile to support our customers to improve their lives. Our Corporate Plan sets ambitious targets over the next 3 years, including supporting 5,000 of our customers to thrive, and supporting 500 customers into employment and training. Adra want to continue to be trusted by our customers and seen as a business that actively listens to their needs. Adra are committed to tailoring our services to meet the diverse needs of our customers, who will be at the heart of all that we do. We always strive to make sure our services are inclusive and accessible, meeting the standards they have come to expect from us.

### Evidence and Assurance

- ❖ Adra collects and continually updates data about our tenants. We seek to ensure this data is updated via a wide range of channels. Holding up to date data in fields including sex; age; ethnicity; disability; locations; property type and housing needs helps Adra shape and deliver its services.
- ❖ Adra has an ambitious Community Strategy that seeks to consider the holistic needs of our customers and the communities in which they live in; with thematic areas detailing what interventions will be made to improve quality of life.
- ❖ Adra has an Adaptations Policy in place for meeting the needs of any of our residents with a disability or special needs. An Occupational Therapist will visit to assess their needs prior to making recommendations on what adaptations need to be made.
- ❖ Within our Supported Living Schemes all residents have an initial person-centred needs and risk Assessment completed to identify how the service can support their safety and wellbeing. Adra is committed to building lifetime homes that can adapt to the needs of the customers.
- ❖ Adra is committed to minimising evictions by adopting a better problem-solving approach working with partners and agencies to help customers sustain their tenancies. This is demonstrated in our outcomes, which shows evictions have decreased by 90% in comparison to pre-pandemic trends.
- ❖ Academi Adra supports our tenants and people living in our communities into work and provides a range of employment support; training and skills; work experience; apprenticeships; traineeships; Board training.
- ❖ Since launching Academi Adra in February 2021, 91 individuals have been supported to gain training and/or work experience, , 12 supported into jobs with Adra, 8 have gained paid work experience. 3 individuals, two of which are Adra tenants, have been offered full time jobs with Adra following taking part in Academi Adra's Customer Service course.

- ❖ A £160,000 hardship fund has been established, and a Financial Wellbeing Co-Ordinator post has been created. This ensures Adra provide direct support to those who are affected by the cost-of-living crisis and provides additional support to customers to maximise benefits and grants they're entitled to.

We devote a significant amount of time and effort in working in partnership with a significant range of organisations within the public, private and third sectors on various initiatives to help meet the wider needs of tenants. Some examples of this includes:

- ❖ **Gwynedd Cost of Living Group** - partners include Gwynedd Council, CAB Gwynedd; Money and Pensions Advice Services; Department for Work and Pensions; Grŵp Cynefin; North Wales Housing. The partnership is working to a joint delivery-plan which has delivered successful outcomes for Gwynedd residents.
- ❖ **Energy Wardens Scheme** - this is delivered in partnership with Grŵp Cynefin and North Wales Housing. This ensures customers are on the best energy tariffs and ensure they run heating systems installed in their homes efficiently. During 2022/23, 163 customer received energy advice and support through this service
- ❖ **Young People Mental Health Resilience Pilot** - developed following Communities Housing Cymru's innovation pilot. This project in Nefyn was delivered in partnership with the local school and local football club by providing sporting activities to children in this area.
- ❖ **Homeless support** - funding secured for a new build supported accommodation at 137 High Street, Bangor; with build in progress. Additional funding secured for Adra to support Gwynedd Council's homeless clients.
- ❖ **Mental Health Support** - formed closer working relationships with local support agencies to provide in-depth support to customers suffering from low-level mental health support issues. Numbers of referrals are increasing year-on-year.
- ❖ Partnership working with **Citizens Advice Bureau** Gwynedd to provide in-depth support to customers to minimise debts and maximise any entitlements.
- ❖ Adra works closely with a range of agencies including BCUHB, North Wales Police, Local Authorities, Probation Services in terms of managing its safeguarding and anti-social behaviour caseload. This includes supporting customers who are experiencing severe anti-social behaviour; hate crime; domestic violence to try and improve their quality of life.
- ❖ Adra has been part of the multi-agency project "**Bwyd Da Bangor**" to tackle food poverty in Bangor. A café has recently opened formed on links between food poverty, food waste and local food production.

### Part 3 - Achieves and maintains high levels of tenant satisfaction with services

Providing an excellent customer experience is one of the 5 main themes within Adra's corporate plan. Adra places customer satisfaction at the forefront of its considerations and continually monitors customer feedback to respond to any changes in satisfaction levels. All customer surveys are co-ordinated through a single process of telephoning customers within 1 month of a service being provided. In-depth surveys are undertaken with circa 20% of Adra tenants per annum. The drivers of satisfaction and dissatisfaction are discussed in team workshops facilitated by Mustard, an independent market research company on a 6-monthly basis. The findings from these workshops are built into service delivery plans.

#### Evidence and Assurance

Welsh Government have recently published benchmarking data on the Welsh Government social landlord tenant satisfaction questions. Overall, Adra perform very strongly overall in comparison with other Welsh landlords in terms of customer satisfaction levels, and customer dissatisfaction levels. The following table provides a summary as at a report published July 2023 by Welsh Government of:

- ❖ Adra's performance
- ❖ Average performance of the 46 social landlords in Wales
- ❖ % difference between Adra's performance and the average landlord performance
- ❖ Adra's ranking for the individual question

#### Summary - % of tenants that are satisfied or very satisfied

Question	Adra's Performance	Average social landlord performance	Difference +/-	Ranking (out of 46)
Overall service provided by social landlord	79%	81%	-2%	25 <sup>th</sup>
Overall quality of home	78%	80%	-2%	29 <sup>th</sup>
Dealing with repairs and maintenance	77%	75%	+2%	18 <sup>th</sup>
Neighbourhood as a place to live	86%	82%	+4%	10 <sup>th</sup>
Rent as value for money	86%	80%	+6%	12 <sup>th</sup>
Service charge as value for money	62%	66%	-4%	32 <sup>nd</sup>
Listens to views and acts upon them	78%	66%	+12%	6 <sup>th</sup>
Safe and secure home	93%	85%	+8%	4 <sup>th</sup>
Dealing with anti-social behaviour	73%	64%	+9%	8 <sup>th</sup>
Participation in decision making	81%	61%	+20%	3 <sup>rd</sup>
Have a say in how services are managed	78%	60%	+18%	3 <sup>rd</sup>
Trust social landlord	89%	77%	+12%	5 <sup>th</sup>

The following table shows the latest full set of performance figures for individual departments within Adra and provide a comparison with previous results. Adra teams have achieved some incredibly high levels of service satisfaction. Mustard, the independent market research company who verify these results emphasise that any customer satisfaction results above 80% represents excellent customer service.

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Trwsio	87%	87%	90%	92%	<b>91%</b>	<b>91%</b>
Lettings	84%	92%	95%	94%	<b>88%</b>	<b>92%</b>
Gas Servicing	94%	90%	94%	97%	<b>97%</b>	<b>96%</b>
Anti-Social behaviour service	57%	80%	73%	67%	<b>82%</b>	<b>69%</b>
Assets	85%	79%	81%	79%	<b>No data</b>	<b>88%</b>
Rents	91%	92%	95%	96%	<b>99%</b>	<b>94%</b>
New Build	No data	100%	100%	90%	<b>90%</b>	<b>No data</b>
Inspections Service	-	-	85%	78%	<b>85%</b>	<b>79%</b>
Adaptations	-	-	-	97%	<b>98%</b>	<b>91%</b>
Aros Adra	-	-	-	100%	<b>100%</b>	<b>90%</b>
Supported Housing	-	-	-	97%	<b>87%</b>	<b>94%</b>
Affordable Tenures and Market Rentals	-	-	-	100%	<b>97%</b>	<b>91%</b>

Adra established a corporate **Customer Service Excellence** project in 2018 and this has enabled Adra to provide a clear focus on improving customer satisfaction over several years. The project has delivered several outcomes which Adra are extremely proud of, including:

- ❖ A continual improvement in Adra customer satisfaction results.
- ❖ Retaining the Customer Service Excellence accreditation, with 5 Compliance+ awards in the latest assessment in 2022.
- ❖ Adra won the “Excellence in Customer Services” award at the CIH Cymru awards in 2021. This award reflects the work undertaken by all Adra staff.
- ❖ Adra were nominated for several awards in 2022, including the CIH Cymru awards: TPAS Cymru Awards and Wales Contact Centre awards. These nominations reflect Adra’s commitment to providing excellent customer services.
- ❖ There are instances of dissatisfaction amongst Adra tenants in relation to the condition of their homes and Adra’s repair timescales (issues faced by all other RSLs in Wales according to Welsh Government’s tenant satisfaction questionnaire results). In response, Adra’s Corporate Plan for 2022-2025 makes firm commitments in terms of:
  - Reviewing our repair timescales.
  - Investing £60m in our current homes over the lifetime of the corporate plan.



## RESIDENT VOICE

### RS 4: Residents are able to influence the design and delivery of services in ways that are appropriate for them and the organisation

Our customers have always been at the heart of what we do – it's why we are here and why we will always look at ways to improve the experience that we provide to our customers. We work tirelessly to create a culture which values and promotes tenant involvement. We have a strong ethos of involving customers in relevant decision-making processes, listening to their views and acting on their feedback. Our Customer Participation strategy sets out our commitment to involving and empowering tenants to participate with Adra and within their communities.

#### Evidence and assurance

- ❖ During 2022-2023 we consulted with approximately 2,300 of our customers to gather their views on a range of different topics. We did this using a range of different methods such as tenant satisfaction questionnaires, estate visits, postal consultations, online consultations and face-to-face events. We also worked closely with the Adra Tenant and Resident Partnership during the year on a number of topics.
- ❖ During the year we undertook a review of our Customer Participation Strategy. As part of this process, we consulted with TPAS Cymru, Adra's Tenant and Resident Partnership, Adra's Customer Panel, our Board, Senior Management Team and various other Adra Teams as well as other Housing Associations in both Wales and England.
- ❖ Our new Tenant Participation Framework – 'Eich Llais/Your Voice' was approved by Adra's Board and launched in April 2023. The aim of our new Framework is to provide more varied participation opportunities, which will hopefully ensure that more tenants participate with us and are more representative of our tenant profile. The new Framework will ensure more bespoke consultation processes on differing topics with customers who have direct experience of the service in question.
- ❖ During the year we continued to ensure that a direct link between the Adra Board and our customers was maintained. This enabled feedback from all tenant consultations were provided to Board and from all relevant Board meetings/decisions were provided to our customers.
- ❖ We had three tenant members sitting on the Adra Board for the majority of the year (two full Board Members and one Co-opted member). The second Tenant Board Member position became vacant in late 2022/23.
- ❖ During the year, we have consulted on numerous topics including – Rent Setting, Ventilation Policy, Market Rent Policy, WHQS 2, Tenant Participation, Communication methods, Customer portal and the Cost-of-Living Crisis.
- ❖ We visited 529 properties during our 2022-2023 **Estate Visits Programme**. Our Chief Executive, Board members, ELT/SLT members, Tenant Partnership members and various staff members – including new staff members took part.
- ❖ Our latest **Tenant Satisfaction Questionnaire Results** concluded the following:
  - *Listen to views and act upon them* – 78% (up from 73% in 2022-23 where we were placed 6<sup>th</sup> out of 46 landlords in Wales)
  - *Given opportunities to participate in decision making processes* – 81% (remained the same in 2022-2023 where we were placed 3<sup>rd</sup> out of 46 landlords in Wales)
  - *Given a say in how services are managed* – 78% (remained the same in 2022-2023 where we were placed 3<sup>rd</sup> out of 46 landlords in Wales)

## RENTS AND SERVICE CHARGES

### RS 5: Rents and service charges are affordable for current and future tenants

Adra undertakes significant work every year to ensure that rent and service charges are affordable and conform with statutory rules and guidance. Adra sets its rents in accordance with the Welsh Government social rent agreement, and looks to comply with the wider principles set out in the current social rent agreement. This includes strengthening our approaches to ensure we minimise evictions and not to evict into homelessness; undertaking a standardised tenant satisfaction survey; and meet grant funding standards for all new developments.

#### Evidence and Assurance

- ❖ To ensure compliance with the Welsh Government's social rent agreement for 2023-2024, Adra's rent increase was capped at 6.5% across all social housing stock, in line with the rent settlement published by the Housing Minister in November 2022.
- ❖ Adra's social rent policy incorporates affordability measures including the Joseph Rowntree Foundation (JRF)'s living rent model to ensure rents remain affordable for current and future tenants.
- ❖ Adra undertake a thorough review of affordability in Gwynedd and North Wales as part of its rent setting process on an annual basis. This includes comparison to other registered social landlords/private sector rents; socio-economic statistics on employment and earnings; Joseph Rowntree (JRF) and Bevan Foundation research into affordability and poverty in Wales etc.
- ❖ The 2022 comprehensive review concluded that Adra rents are in-line with and within the main public measures of affordability. This includes the JRF living rent model; and the various affordability scenarios within the CHC rent affordability tool. Adra's rents are both competitive and amongst the lowest in Wales.
- ❖ Adra's affordability review places tenant engagement central to the process. Adra consults with its tenants through a number of methods i.e. holding an in-depth tenant satisfaction survey with 20% of our customers; and undertaking Estate Walkabouts at 10% of its housing stock per annum. The regulatory question around "rent value for money" is asked as part of this survey, and satisfaction levels are above 80% via this research method.
- ❖ 84% of Adra tenants are satisfied that their rents offer value for money, and only 6% state they are dissatisfied. These results are verified by Mustard, an independent market research company. These results placed Adra in the top quartile of performers in accordance with the Welsh Government social landlord tenant survey results published in July 2023.
- ❖ Feedback received from tenants plays a central part in Adra's rent setting process. This has helped ensure Adra's rents are amongst the lowest in Wales. Adra has the lowest average rent in North Wales. This is the greatest indicator that Adra rents are affordable.
- ❖ 63% of Adra tenants are satisfied that Adra's service charges offer value for money. 22% of tenants are dissatisfied with this measure. Adra have implemented a corporate project in 2023 to conduct a wholesale review of service charges.

## VALUE FOR MONEY

### RS 6: The organisation has a strategic approach to value for money which informs all its plans and activities

One of the Corporate Plan's key principles is Value for Money and it states that one of its main goals is "to ensure that our business is strong and financially viable". Delivering Efficiency and Value for Money is a fundamental part of ensuring that the best outcome is achieved for current and future customers, and that Adra's Business Plan remains viable. Failing to deliver VFM could potentially jeopardise core business objectives.

Adra's overall ethos and approach to efficiency and VFM, is encapsulated as follows: "VFM is about ensuring that every pound spent delivers the maximum impact possible in terms of quality and / or quantity. Without VFM as an overarching principle, you will inevitably spend more than you need to achieve your objectives. Nobody likes throwing money away and our tenants certainly can't afford for us to do so."

#### Evidence and Assurance

- ❖ Adra has **Value for Money Strategy** and **Action Plan** in place which defines what we mean by value for money, notes areas for development and improvement, and explains our approach to Benchmarking, Performance Monitoring, Procurement and Culture Change in respect of Value for Money. The strategy is updated on a regular basis with the last review held in 2022.
- ❖ Adra's delivery of Value for Money was recently reviewed by Mazars as part of the internal audit programme. This gave a "substantial assurance" rating, i.e. the highest possible level of assurance.
- ❖ Adra uses a range of methods to evaluate progress against the VFM performance standard, including tracking the change in our Operating Margin and comparing ourselves with others, i.e. "benchmarking" and Adra generally benchmarks well (or very well) compared to peers.
- ❖ Adra has a Commercial Strategy with five themes, one of which has VFM at its core, namely "**Efficiencies and Minimised Financial Leakage**" – this theme focuses on the potential efficiency gains to be made to our existing services, minimising the money that leaves the business, and creating value for money through effective procurement.
- ❖ Adra utilises a combination of methodologies to work out out tru impact on social value including the **HACT Social Value** tool to assist with monitoring the social impacts of our investments, as well as the **National TOMs Wales** (Themes, Outcomes and Measures); this helps ensure that our investment programmes deliver VFM.
- ❖ We have implemented the "Thrive" Social Value system to calculate our true contribution in this area and for the 2022/23 financial year, it showed that Adra generated social value equating to the sum of £5.7 million in areas such as tackling homelessness, loneliness, mental health, employment and skills etc.
- ❖ Adra has a **Social Value charter**, the inclusion of a 10% SV assessment as part of the procurement of relevant tenders, and the publication of Adra's SV guide for contractors.

## FINANCIAL MANAGEMENT

### RS 7: Financial Planning and Management is Robust and Effective

Adra has a sound financial planning framework which helps ensure it delivers on the Corporate Plan objectives and achieve its social purpose. We undertake an annual “Budget Challenge” process to assess and scrutinise each service’s budget requirement, scope for efficiency and potential improvement in service delivery.

#### **Evidence and Assurance**

- ❖ 30 year Business Plan (with Year 1 based on the annual budget) is approved by Board every Spring. It is then submitted to Funders and Welsh Government. The Business Planning process includes detailed Stress Testing (including multi-factor stress testing), which looks at the main factors that would stress the Business Plan, together with potential mitigations to counter the stressors.
- ❖ Monthly management accounts continue to be produced, with the service accountants meeting with heads of service and budget holders to discuss significant variances, year-end projections etc. Options to streamline budget monitoring process to make it more efficient and effective are being assessed.
- ❖ The “Financial Monitoring Report” continues to be presented to the Audit and Assurance Committee on a quarterly basis – this summarises Adra’s financial position (e.g. performance against budget) and gives updates on other relevant financial issues, e.g. the impact of inflation and increased repairs demand.
- ❖ Systems and processes to support the business plan and to monitor financial performance have been further developed e.g. development of financial systems (eBis, Openaccounts etc).
- ❖ A new project ledger has been put in place and a new component accounting system will be ready for 2024. Systems (bank account, ledger etc) have also been set up for the subsidiary Medra. The take-up of electronic payslips for staff is also increasing.
- ❖ Adra continues to work towards setting an overall revenue budget that promotes VFM and setting a high Operating Margin target is part of this discipline. The inflation pressures of the last twelve months have however had an effect, and so the target has been revised to 27% (previously 30%). This target is still at a healthy level and helps with driving efficiency.
- ❖ A separate quarterly “Treasury Management report” has been presented to the Audit and Assurance Committee which details compliance with our 9 key treasury risks. One of the key areas of focus of this report is compliance with covenants, and have golden rules in place to ensure we comply fully.

## ASSETS AND LIABILITIES

### RS 8: Assets and liabilities are well managed

Adra devotes significant time and resource to make sure it maximises its assets to achieve its social purpose. A cornerstone of our 2022-25 Corporate Plan is a priority to Strengthen our Business, whereby we embrace a commercial mindset into that culture so that we can look at new and different ways to bring in income and not be reliant on just the same sources. We'll continue to do this as we move forward - allowing us to reinvest surpluses in the business to improve services, meet our social purpose, and build more affordable homes. Beneath the Corporate Plan sits three key strategies that combine together to achieve this aim, namely the *Asset Management Strategy*, the *Development Strategy* and the *Commercial Strategy*.

#### Evidence and Assurance

- ❖ As part of our **Asset Management Strategy**, Adra has developed an *Asset Performance Model (APM)* to assess and understand our assets and liabilities. A subgroup of officers namely 'The Active Asset Management Group (AAMG)' meets regularly to consider individual Asset Investment Appraisal (AIA) data – this includes consideration of criteria linked to financial; demand and sustainability considerations.
- ❖ **Adra's Development Strategy 2020-25** sets out our ambitions to meet the increasing demand for housing across North Wales for all different tenures. The Strategy contains the target of providing an additional 1,200 homes over the period 2020-25. This will mean that Adra will be managing over 7,500 homes by 2025.
- ❖ A **Commercial Strategy** was launched in 2021 with a view of developing additional surpluses to re-invest in activities that will help Adra to meet its social responsibilities and continue to provide additional services of quality to our customer base.
- ❖ Adra maintains an up-to-date record of all its Assets and Liabilities (the "A&L Register"). The A&L register provides the detail of our income generating resources but perhaps more importantly it also highlights areas of risk that could affect Adra's ability to achieve its financial objectives. The Register plays a valuable role in both short and long-term business planning.
- ❖ The Board and Executive base their strategic and financial decisions on assets and liabilities on a range of data and information gathered across all parts of the business. Adra has robust systems in place to monitor its stock condition with data collated as business intelligence for informed decision-making. Adra aims to undertake a 20% survey of the stock annually ensuring that all properties are reviewed once every 5 years.
- ❖ Adra has been an active participant in the Welsh Government's "Optimised Retrofit Programme" and has secured funding totalling over £4m to date. Adra has upskilled eight Property Surveyors so that they can conduct **Whole Home Surveys (WHS)** on our stock. Conducting WHS forms a critical part in informing our decarbonisation related Investment Planning on the journey towards a zero carbon future.

## QUALITY OF ACCOMMODATION

### RS 9: Adra Provides High Quality Accommodation

A key priority of Adra's Corporate Plan 2022-25 is to provide quality homes to be proud of; for existing and new customers. Adra is passionate about being considered as a leading provider of quality homes which are affordable, safe and well maintained. We ensure all of our homes meet the required standards for all tenures, and continue to invest to ensure they meet with WHQS Compliance standards.

Further, Adra is passionate about playing its part in addressing the climate change challenge and this is reflected on our Corporate Plan by having its own priority theme within it. Over the next three years our Asset Management Strategy will focus on improving the energy efficiency of our homes and, where possible, install new green technologies as standard. To do this we will also increase our use of sustainable materials, particularly in our repairs and maintenance schemes, to further reduce our impact on the environment.

#### Evidence and Assurance

- ❖ Adra has a comprehensive Asset Management Strategy in place which provides a clear direction on the management of capital investment works, Responsive Maintenance, Void Properties, Compliance, Adaptations, Disposals, Shops, Garages, Leaseholders and land related assets.
- ❖ Adra continues to invest in our homes ensuring all properties meet WHQS Compliance. Adra's current detailed investment plan provides a financial commitment to invest in over £250m of Planned Maintenance (Capital) improvements over the next 30 years.
- ❖ Adra reached the milestone of completing the 750<sup>th</sup> new build property in 2022, and also approved the revised Development Strategy which will see 1,200 new affordable homes being built by 2025. All Adra new build developments meet the requirement of DQR and the new WDQR standards, as well as the requirements of Lifetime Homes specification.

Adra is on a journey towards decarbonising the housing stock, guided by our Decarbonisation Strategy which provides strategic direction to enable Adra to meet Welsh Government's ambitious decarbonisation targets. Our ambition remains to provide our customers with quality, low carbon, energy efficient homes and be net zero by 2030. During the year, we spent £2.1m on energy efficiency measures – 321 properties in total received External Wall insulation (EWI), Roof Insulation, and new windows.

- ❖ We have committed to ensure that all new build developments will reach EPC A or near zero carbon when receiving grant funding. Similar to many RSLs, Adra is still on this journey but has already completed a number of EPC A schemes with a couple of further near zero carbon schemes now on site.
- ❖ Adra participated in Welsh Government funded schemes such as *Optimised Retrofit Programme (ORP)* to test new approaches to decarbonising Welsh homes. This includes consideration of the fabric or materials our homes are made from, and the way we heat and store energy in our homes. Adra completed "fabric first" works on 74 properties that attracted ORP funding of £870k; and has secured £1.2 million in relation to the ORP 3 Programme. .
- ❖ Gwynedd Net Zero project – Adra was successful in drawing down a grant of £589,203 from Welsh Government towards a partnership project with the aim of creating the right conditions to decarbonise the housing stock. Partners include Grŵp Llandrillo Menai /CIST, Grŵp Cynefin, Datblygiadau Egni Gwledig, and a number of community groups such as Partneriaeth Ogwen and Dref Werdd.

- ❖ Adra's in-house workforce (Tîm Trwsio) continued to deliver all repairs and maintenance to our homes with the service completing 19,600 repairs jobs in the year. Satisfaction with the repairs service came in at 91%, against a backdrop of a 30% increase in the level of demand.
- ❖ Our enhanced 'Void Standard' policy increases the investment made in vacant properties when they are being prepared for new tenants, and we spend significantly more than the sector average per empty property.
- ❖ Resident satisfaction with overall quality of your home was 78% for the year, and we will strive to improve on satisfaction going forward.

**KEY PERFORMANCE INDICATORS SUMMARY (2022/23 YEAR END)**

	Indicator	Past Performance (previous 3 years)			Target 2022/23	Performance 2022/23
		Performance 2019/20	Performance 2020/21	Performance 2021/22		
Tenant Satisfaction	KPI: % of our tenants that are satisfied or very satisfied that their rent provides value for money	85%	84%	86.3%	85%	84.4%
	KPI: % of our tenants that are satisfied or very satisfied with our overall service	81%	83%	80.7%	81%	77.1%
	KPI: % of our tenants that are satisfied or very satisfied with how we deal with repairs and maintenance	82%	81%	79%	79%	76%
	KPI: % of our tenants that are satisfied or very satisfied that we listen to them and act on their views	83%	80%	80%	81%	73.4%
	KPI: % of our tenants that believe we a trustworthy or very trustworthy	87%	90%	90.3%	90%	87.8%
	KPI: % of our tenants that are satisfied or very satisfied with the quality of their home	81%	81%	77.6%	78%	76.7%
	KPI -% of our tenants that are satisfied or very satisfied with their neighbourhoods	84%	86%	85.9%	85%	88.1%
	KPI -% of our tenants that are satisfied or very satisfied with the way we deal with anti-social behaviour (ASB)	74%	75%	76.2%	75%	70.1%
Health and Safety	KPI - Overall compliance with landlord health and safety requirements for the 'big six' (heating certificates, competition of fire risk assessments, water hygiene, electrical testing, asbestos review, and safety testing of lifts)	98.57%	99.79%	98.22%	99%	98.96%
Governance and Finance	KPI - Welsh Government Judgement of our financial viability	Standard	Standard	Standard	Standard	Standard
	KPI -Welsh Government Judgement of our Governance and Services	Standard	Standard	Standard	Standard	Standard
Assets	KPI: % of stock compliant with Welsh Housing Quality Standard (WHQS)	100%	100%	100%	100%	100%



	Indicator	Past Performance (previous 3 years)			Target 2022/23	Performance 2022/23
		Performance 2019/20	Performance 2020/21	Performance 2021/22		
	KPI: Average time taken to renovate and re-let vacant homes	57.4 days	107.1 days	80 days	69 days	64.5 days
	KPI: Loss from empty properties and uncollected rent as a % of rental income	2.23%	4.33%	3.49%	2.8%	2.74%
Grow th	KPI: Number of new homes constructed *cumulative total over 3 years	78	170	502*	750 by 2025	118