

Self-evaluation of governance, service delivery and financial viability – 2021/22 (interim)



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We **build** homes,
create communities
and **transform** lives

Self-evaluation of governance, service delivery and financial viability – 2021/22 (interim)

This is a summary of how well we are delivering on the Regulatory Standards which set out what we are expected to deliver in terms of Governance, Service Delivery and Financial Viability.

We expect to update it once our Annual Report 2021/22 has been published. The Annual Report demonstrates how well we have done in delivering on our strategic plans against the backdrop of the risks we face and describes our stakeholder engagement and governance arrangements. The two reports therefore complement each other. Our [Annual Report 2021/22](#) was published in July 2021.

At the end of this summary is our Improvement Plan, setting out the areas where we plan to make improvements over the next year or so.

You can find out more about the Regulatory Standards on the Welsh Government website ([Housing associations registered in Wales: regulatory framework | GOV.WALES](#))

1. Strategic leadership and governance arrangements

[Our Strategy](#) is headlined by our vision, and describes who we are and how our values drive how we work. Our values were chosen by our staff; formed as a [wordcloud](#) at a staff conference.

The United Welsh Group has clear governance arrangements which set out how each organisation is governed. United Welsh applies the Community Housing Cymru Code of Governance, with no significant departures from that Code.

Leadership is provided by the Board and Executive Team. The Board can have 12 members and currently has 11, with two of those being members of the Executive Team.

The mix of skills and experience on the Board is kept under review to make sure the mix is right for delivering Our Strategy, and that the balance of background and experience aligns with the communities in which we work. Currently, of the 11 members, four are females (36%); one person is from a minority ethnic group (9%); and one person has a disability (9%). The average age is 54, with a range between 35-74. The average tenure is 4.2 years.

In making decisions, the Board and the Executive Team are mindful of impact on various groups of people, and of the risks that may arise or are being addressed. One important group of people who may be impacted by some decisions are our tenants. As more contact has moved online, we are looking at ways to improve how tenants can influence strategic decision-making.

Another area where we are working to improve is in how we measure and evidence our commitment in relation to [Equality, Diversity and Inclusion](#). We have started to work on improving the diversity of our workforce, but we need to do more. [Our Deeds not Words Plan](#) shows how we are progressing in terms of addressing discrimination because of ethnicity and race.

2. Robust risk management and assurance arrangements

United Welsh seeks to manage risk rather than avoid it, minimising exposure to loss from any activity while maximising the benefit to us and our customers and making the best use of resources.

We have robust risk management arrangements, which are checked every year by our independent internal auditors. The Board has an Audit & Risk Committee which receives reports from the internal auditors on a range of service areas. Those reports give an opinion on whether the controls for managing risks are operating properly, making recommendations for improvements where necessary. Consequently, the Board receives assurance over risk management and the operation of internal controls.

The Executive Team reviews our primary risk and assurance maps regularly. Other areas of the business have their own risk and assurance maps. Health & Safety and Safeguarding in particular are monitored by a special panel.

We have business continuity plans in place setting out our approach if an event poses a major threat to the delivery of services. Examples include our Extreme Weather Plan and Information Technology Plan. Our main Disaster Recovery Plan is currently being reviewed to take in the learning from delivering services through the pandemic.

3. High quality services are delivered to tenants

United Welsh provides a broad range of services and / or homes to a variety of customer or client groups. In terms of accommodation, this includes general needs, supported schemes, older persons schemes, hostels, and Extra Care. Other services include floating support, opportunities for jobs and training, activities to encourage intergenerational connection, activities to reduce potential loneliness and isolation for older people, school holiday activities and foodbank support.

During the nine months to December 2021, we provided 43 new homes for social rent for general needs, spread across Caerphilly, Cardiff and the Vale of Glamorgan. We are now beginning to see the onward impact of delays in construction while sites were locked down in 2020 and 2021, together with difficulties in sourcing labour and materials. Our [upcoming sites](#) are publicised on our website.



Tai Ffres, a specific youth housing option not available anywhere else, has been developed in partnership with Llamau. This resulted from the corporate realisation of the difficulties around affordability and access into stable and good quality accommodation for young people in Wales, which are not supported by the current housing pathways. This service will be unique to Wales and the UK. A Youth Board for Tai Ffres was established with targeted recruitment from underrepresented communities to help shape the service.



The safety of people in their homes is very important to us. We carry out regular checks on the five main safety areas: gas, electric, asbestos, fire risk and water hygiene.

At the end of December 2021, 99.98% of homes had a valid gas safety certificate, 99.98% of homes had a valid electrical certificate, and 100% of inspections had been carried out for sites requiring a fire risk assessment, asbestos or water hygiene inspection.

We are currently partway through an extensive programme of fire safety improvement works. The Board approved additional expenditure of £2.3m in July 2021 to cover fire safety and asbestos removal work.

In Living Well, our service for older people, person-centered fire risk assessments are completed at each sign up and reviewed annually with tenants, ensuring they are safe in their property.

Where we have a relationship with managing agents at some of our properties, we have continued to undertake reviews to ensure that managing agents are managing the buildings safely and are compliant with all health and safety / fire safety requirements. If a managing agent is not compliant, then clear action plans are put in place with timescales.



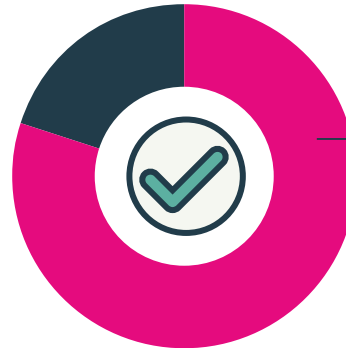
A programme of digital transformation began in 2020, which has focused on providing more efficient and effective ways to pay rent, self-serve, and request services or support. This included the launch of **TED**, our tenant app, where tenants can access digital services including online rent payments, self-diagnosis repairs and a Jobs and Training module.

Early in 2022, we embarked on a ‘soft go live’ of an applicant portal to digitize and automate the application and pre-tenancy process for applicants up to the point they sign a tenancy agreement with us.

Since January 2021, we have renewed our focus on capturing accurate information about tenants. This work continues, with a focus on tenant self-service via TED our tenant app, to ensure such data remains up to date and relevant. An Equality, Diversity and Inclusion Group was established in 2021 to evaluate this data and ensure it influences service design.

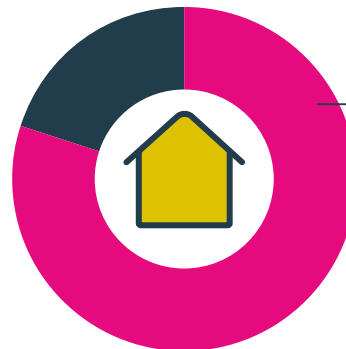
We have invested significant resources in the collection of tenant satisfaction data through an independent, expert third party (Acuity) who conduct a minimum of 75 telephone surveys per month from a randomized sample of tenants. This allows in depth analysis of results and comments.

Headline data for Q3 of 2021/22 (that is October - December 2021):



Overall satisfaction with services is 80%

(2020/21 Housemark median: 83%)



Overall satisfaction with their home is 80%

(2020/21 Housemark median: 83%)

During April to December 2021, we received 88 complaints, of which 70 were formal and 2 were escalated to the Ombudsman (neither were upheld).

We are establishing a Tenant Insight Group to examine these results and see how these, together with other information we have about the quality of service delivery, can be used to improve services.

We let tenants know how we are doing by sending an annual performance summary each year. In future, that will include our self-evaluation as well. In addition, our performance information and full Annual Report are available on our [website](#).

4. Tenants are empowered and supported to influence the design and delivery of services

We recognise that our approach to tenant engagement needs a refresh and we have begun work on developing a new Tenant Engagement Strategy and evolving our community of involved tenants. There are already a range of opportunities for tenants to become involved with the activities of United Welsh at a local level.

These include:

- Community investment team activities
- Together Fund (Community initiative grants)
- Community engagement activities
- Living Well Forum
- Tai Ffres Youth Board

This is in addition to providing feedback through the monthly Acuity tenant satisfaction surveys, which includes the ability for respondents to comment; participating in consultations and the learning we draw from complaints.

Due to the pandemic we switched to digital engagement, using our social media channels to reach out to tenants on specific topics. Whilst limiting the potential tenants who could become engaged, we did have some successes and held engaging and challenging conversations with tenants on a variety of subjects, including rent setting and service charges.

Tenants have also been involved in helping us develop digital solutions. Tenants applying to us for housing supported us by testing our new digital application portal to ensure it is fit for purpose before its launch.

We have also invited tenants to get involved in the Shaping Our Future project, kicking off in early 2022 to review how United Welsh will work in the future and how that would impact on our tenants.



Tenants were part of the recent recruitment process to appoint a new Group Chief Executive, and tenants also play an active part in recruitment in our Thrive services.

For each new tenant in the Bespoke Repatriation Service, we hold a networking day. A large part of this is driven by the individual themselves where they direct their risk management and crisis support plans. At the Brynteg Road scheme, activities are led by people using the services. An example of this is a group of tenants wanting to go on holiday to Tenby and this being supported by staff.

Our Customer Perception Survey (conducted monthly by Acuity on our behalf) shows that in Q3 of 2021-22:

 **81% of tenants**

thought we were 'easy to deal with'

 **69% of tenants**

are 'satisfied that we listen to their views and act upon them' (2020/21 Housemark Wales median: 71%)

 **80% of tenants**

were satisfied that United Welsh gives them an opportunity to participate in the decision-making process

 **69% of tenants**

are satisfied that United Welsh gives them a say in how services are managed

We can see from the comparisons with others in our sector through the Housemark benchmarking that we have room for improvement in this area, which is why we are refreshing our approach and establishing a Tenant Insight group to make the most of the information we have available to shape service improvements.

5. Rents and service charges are affordable

Our objective is that, regardless of location, rent and service charges combined will not exceed 33% of net income. We calculate income for this purpose as being National Living Wage adjusted for tax and National Insurance. Any property rents that fall above the affordable level have been frozen and we expect all rents to be affordable in time. We are in the final year of a three-year rent reduction phase.

In relation to new developments, rents for individual properties are set based on their location and property size, with the base one-bedroom flat being set at a level such that rent and service charge combined should not exceed 33% of net income.

Arrears levels are stable, indicating that most tenants find the rents affordable. As at the end of December 2021, total arrears stood at 3.55% of our annual rent due. That was a total value of £1.3m (31-03-21: 3.76%, £1.3m). The average across the sector in Wales at September 2021 was 3.6%.

6. Strategic approach to value for money (VFM)

Our approach to Value for Money is encapsulated in our published [VFM statement](#) which also shows metrics that demonstrate how we delivered VFM for the financial year.

We have robust procurement procedures and use procurement frameworks as appropriate. Board decisions are presented against a particular strategic outcome, with a discussion of resource requirements and customer impact where relevant. Financial VFM benchmarking is presented to the Executive Team monthly. Variances are used to highlight where costs may need further investigation.

Q3 2021-22 Acuity (Tenant Perception Survey) results:



83% of tenants

were satisfied with the VFM represented by the rent they pay (Mar-21: 84%; Housemark Wales median 83%)



67% of tenants

were satisfied with service charges delivering value for money (Mar-21: 69%)

As the satisfaction levels for service charges have been low (dipping to 63% during Q1), we carried out a review which included looking at how they are calculated, which services are to be provided, how much United Welsh provides in subsidies, and how information about service charges is communicated to tenants. As a result, satisfaction levels with VFM are increasing, as better information is given to tenants about their charges and they have more say in what services are provided.

7. Financial planning and management

The Executive Team reviews our financial performance every month, comparing actual outturn to our budget for the year. Where significant variances have arisen they look for explanations and what corrective action has been taken.

The Board reviews financial performance every quarter alongside reviewing delivery on Our Strategy. The Board considers key metrics such as Operating Margin and interest cover (that is how well we can afford the interest that is due on our loans). Both of these are important for our lenders.

For the longer term, we prepare a five-year Business Plan and a 30-year forecast. This helps us plan for how much we will need to borrow. Our Treasury Strategy sets out what we will need to borrow and how we go about doing that. Detailed scrutiny of Treasury matters is carried out by the Audit & Risk Committee.

We monitor each month how much cash we have available either in the bank, or as loans we can draw on quickly. We aim to have enough cash to cover at least 18 months' worth of capital commitments.

Stress testing of financial plans is carried out regularly both in the form of 'reasonably possible' scenario testing and the 'test to destruction' type of test. This allows us to discover our boundaries and set thresholds or alarm levels - for example, the upper level on arrears.

8. Assets and liabilities are well managed

We maintain a schedule of the main asset and liability groups, showing what they are and where records detailing them are to be found.

Our main asset group is our social housing. We monitor monthly turnover and cost per social housing unit. We manage our general stock to minimise as much as possible any property staying empty for any length of time.

Current void levels and average turnaround times are higher than normal due to the ongoing effects of the pandemic as there was a period where no letting was possible. In general needs properties that has recovered, as we introduced digital letting as soon as routine letting was permitted. In housing for older people, we continue to face challenges as people are more reluctant to move into a group setting.

The average turnaround time for the nine months April to December was 60 days, after adjusting for lockdown periods (2020/21 average turnaround time was 44 days). At the end of December, we had 79 properties available for letting (at 31 March 2021: 96).

Other examples of our assets being used for social purpose are:

- Our Living Well schemes host activities such as the intergenerational choir; where we partner with a local school at Wesley House. Caerphilly Miners come in to deliver activities, Keep Wales Tidy support garden projects and pre-pandemic we also had local toddler groups using communal space within our Extra Care schemes.
- Projects such as the [art wellbeing project at Oak House](#) helps both residents and supports local students.
- One flat at a Living Well scheme is leased as a Ciriad home i.e. it is available for the health board to use for step down accommodation for older people leaving hospital, preparing them to return to their own homes.
- A property in Ebbw Vale is used as a Housing Hub in partnership with Blaenau Gwent Borough Council.
- Wales Co-operative Centre are tenants at Y Borth, our head office.
- Plas Hyfryd (Extra Care) hosts a telecare centre run by Caerphilly County Borough Council.
- We have three properties built for specified purposes for partner organisations – Coed y Cwm Autistic Day Centre; Bargoed Health Centre and Hanbury Chapel, which is used as a local community hub by Caerphilly County Borough Council.
- We have been heavily involved in the re-design of homelessness services in Cardiff city centre, which has led to significant physical and management alterations to a host of large-scale properties including Baileys Court and Adams Court. Furthermore, we routinely partner with local authorities to develop new schemes which address homelessness pressures, often building bespoke accommodation units.

9. High quality accommodation

The Board adopted high level net zero principles in February 2020, which were developed into our [Towards Net Zero Carbon Plan](#) in September 2020. Part of that plan includes new build grant funded homes to be EPC A and off gas by 2025.

We have one of the highest average SAP ratings across the sector in Wales, at 81.23 with over 95% of stock achieving a SAP rating of 70 or more (rating at Mar-21: 81.17).

Stock condition data is collected on a continuous basis, with a focus currently on those properties with recorded WHQS Acceptable Fails. Surveys are also now underway to assess properties that may require energy efficiency retrofit work. All surveying work halted during the main lockdown periods in 2020 and 2021 to protect both tenants and surveyors.

We have a programme of refurbishments for Living Well schemes (older persons' sheltered accommodation) with two due to be completed in the latter part of 2021/22.



Where appropriate, we source new homes built offsite from timber frame panels, thus reducing

operational and embodied carbon. Our new business unit to manufacture timber frame panels, [Celtic Offsite](#), was set up in 2021 using a Welsh Government loan.

In December 2021, Celtic Offsite was awarded ISO9001, a recognised standard for quality management based on a number of quality management principles including a strong customer focus. Celtic Offsite also achieved Gold accreditation with the Structural Timber Association and have been awarded the PEFC (Programme for the Endorsement of Forest Certification) Chain of Custody certificate.

Regulatory standard	Improvement actions	Expected completion date
RS1 The organisation has effective strategic leadership and governance arrangements which enable it to achieve its purpose and objectives	Include any changes required as a result of the review against CHC Code of Governance into the 2022 Governance Improvement Plan.	April 2022
	Continue with improvements outlined in our Deeds not Words Action Plan: <ul style="list-style-type: none"> • Build into our Recruitment policy our practice of scrutiny of shortlisting to ensure that applicants of minority ethnicity are interviewed for each advertised position where all essential criteria are met. • Report annually and act on findings around ethnicity pay gap, recruitment, promotion & retention ethnicity data. 	April 2022 June 2022
	Build 2022 Governance Improvement Plan based on the outcomes of the 2022 Board effectiveness review.	April 2022
	Further development of tenant involvement in recruitment for Thrive.	September 2022
	Tai Ffres: <ul style="list-style-type: none"> • Merger of youth board into the full project board. • Development of a tenant board – for real operational insight into services delivered. • Begin working with Wales Co-op Centre to look at a more co-productive/ cooperative model of housing for young people. 	March 2022 September 2022 September 2022
	Implementation of changes required to comply with the Renting Homes Wales Act.	15th July 2022 (and beyond)
	Creation of a case management system to digitalise managing agents annual scheme reviews.	TBC

Regulatory standard	Improvement actions	Expected completion date
RS2: Robust risk management and assurance arrangements are in place	Update the Celtic Offsite Risk Register to reflect that it is now out of the mobilisation phase and is manufacturing.	June 2022
	Complete the update of the DR Plan and the alert level guidance.	September 2022
RS3: High quality services are delivered to tenants	Solicitors have been commissioned to undertake a review of the asset management partnering contract with specific reference to how landlord compliance reporting and related operational processes need to evolve to take account of recent and forthcoming legislative changes.	June 2022
	Continue to deliver on our Deeds Not Words commitments: <ul style="list-style-type: none"> • Disaggregate ethnicity data from customer satisfaction data to learn and improve the experiences of people – first step is to scope with Acuity. 	May 2022
	Improve use of tenant and business data to improve tenant insight and hence services offered: <ul style="list-style-type: none"> • Establish Tenant Insight Group. • Group to make their 1st regular presentation to Business Planning Group for service leads to consider, reflect and respond to the data / feedback. • Creation of an app and staff portal to provide a digitised application, tenancy and support process for Tai Ffres accommodation. 	April 2022
		May 2022
		September 2022
	Creation of a case management system specifically designed to digitise the Living Well Service.	December 2022
Living Well to pilot designated pet flats in response to the recent review of the pet policy.	May 2022	

Regulatory standard	Improvement actions	Expected completion date
RS3: High quality services are delivered to tenants	Implement the LGBTQ+ action plan in Living Well: <ul style="list-style-type: none"> • Establish steering group • Implement actions 	May 2022 TBC
	Extending our units under the Cariad scheme to provide step up / step down accommodation for people to avoid admission to hospital / care setting or aid quicker discharge.	September 2022
	Seek CIW registration to further meet the needs of people with complex mental health issues, responding to the needs of the health board.	September 2022
	Tai Ffres - development of appropriate feedback systems. Full academic evaluation of the implementation, mobilisation, and delivery of the service – peer assisted research supported by Cardiff University. Feedback methods to be co-produced with young people: <ul style="list-style-type: none"> • Bid for funding from National Lottery • If successful, project commencement 	April 2022 July 2022
	Realise the commitment within the Tai Ffres aims, objectives and outcomes framework to be open, honest and transparent on the performance of the Tai Ffres service: <ul style="list-style-type: none"> • Publish first set of performance data 	January 2023

Regulatory standard	Improvement actions	Expected completion date
<p>RS4: Tenants are empowered and supported to influence the design and delivery of services</p>	<p>Develop a tenant engagement strategy, specifically, to:</p> <ul style="list-style-type: none"> • Ensure tenants can effectively influence and shape the delivery of services that directly impact them, e.g. affordable warmth, repairs and planned maintenance, and communicating with us. • Enable tenants to develop, influence and improve the communities in which they live through an asset-based community development approach. • Address inequalities within the communities we serve. • Create a range of innovative opportunities for tenants to influence the shape and direction of the Association’s future services through face to face and digital means. 	<p>September 2022</p>
	<p>Engaging with our tenants and core business areas – we will establish a broad range of engagement methods which meet the needs and aspirations of both parties.</p>	<p>September 2022</p>
	<p>We will promote agreed engagement methods and encourage participation and involvement from a broad range of tenants aiming for those engaged to be reflective of their communities and our broader tenant base (locations, accom type, EDI characteristics).</p>	<p>September 2022</p>
	<p>Tai Ffres - ensure that the involvement and engagement strategy for Tai Ffres is co-produced with young people.</p>	<p>January 2023</p>

Regulatory standard	Improvement actions	Expected completion date
<p>RS4: Tenants are empowered and supported to influence the design and delivery of services</p>	<p>Develop our community of involved tenants to support United Welsh by:</p> <ul style="list-style-type: none"> Increasing the number of involved tenants (monitoring quarterly). Ensuring the involved tenant community is representative of our diverse communities (monitoring quarterly). Formalise the roles of our involved tenant community through a volunteering policy, procedure and role profiles; ensuring volunteers have appropriate support, resources and recognition for their contribution. 	<p>December 2022</p> <p>December 2022</p> <p>March 2023</p>
<p>RS5: Rents and service charges are affordable for current and future tenants</p>	<p>Review our current rent setting process in Living Well to ensure we are considering affordability.</p>	<p>October 2022</p>
<p>RS6: The organisation has a strategic approach to value for money which informs all its plans and activities</p>	<p>Complete implementation of the recommendations of the review of service charges:</p> <ul style="list-style-type: none"> Establish a service charge panel (tenants, leaseholders and owner occupiers) to shape services provided and advise on communications about service charges. Develop our tenant app to include a portal for service charge service delivery feedback and complaints. Develop a learning module on service charges for United Welsh and Celtic Horizons staff. 	<p>July 2022</p> <p>TBC</p> <p>September 2022</p>

Regulatory standard	Improvement actions	Expected completion date
RS7: Financial planning and management is robust and effective	Include reporting on decarb expenditure and major repairs in the financial performance reports presented to both the Executive Team and the Board.	May 2022
	Financial performance reports to the Board to include more detailed narrative in relation to the financial forecasts of Celtic Offsite and the impact it could have on the overall business plan.	July 2022
RS8: Assets and liabilities are well managed	Complete the implementation of AssetCore to record properties and their title and security information, establishing regular reporting to monitor loan security pipeline.	June 2022
RS9: The organisation provides high quality accommodation	Continue with implementation of the Towards Net Zero Carbon Plan, which will include developing our strategy for optimised retrofit projects. First step is data management: <ul style="list-style-type: none"> • Lifespan Asset Management system is recognised as containing a large volume of inconsistent, inaccurate and superfluous data. We'll be carrying out an exercise to review and cleanse all data held in Lifespan which will better enable us to produce useful information to target investment planning in the right areas. 	March 2023