

ateb Group Strategic Plan

2020/21 – 2021/22





If you don't know where
you are going, you'll end
up someplace else.





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Introduction

The Coronavirus pandemic has had a dramatic impact to our lives and clearly impacted our strategic outlook.

Given the above the ateb Group Board decided to develop an interim strategic plan that straddles the last year of our current plan (Year 3) and first year of what would have been our new plan (Financial Year (FY) 2021/22).

Clearly the operating environment is very dynamic and therefore this plan must be flexible enough to respond to changing circumstances. Customers, partners and the ateb team (ateb, Mill Bay Homes (MBH), West Wales Care & Repair (WWC&R)) have contributed to this plan that balances assurance of service to our customers and partners with the need to prepare, plan and innovate for the future.

The interim plan will continue to ensure that we are "creating better living solutions" by focusing on our 3 strategic aims:

Purpose

Strategic Aims & Priorities

2 year Objectives

2 year Targets and Measures



AIM 1

Increase Corporate Strength

"Without the right purpose, financial resources, culture and governance, we will not have the capability to deliver the right services and growth."



AIM 2

Improve Service Delivery

"We must always deliver our customers the outcomes they want, efficiently with great customer experience, meaning we will need the best people, assets and systems."



AIM 3

New Business Growth

"We have a responsibility to meet the needs of new people and communities within the scope of our purpose, we can achieve this through service and/or market growth, collaboration and diversification."

Whereas the Coronavirus pandemic has created difficulties and hardships throughout our communities, it has also demonstrated opportunities such as togetherness / compassion, flexible working and removal of homelessness. This plan will seek to provide a positive platform to aid recovery and take advantage of the opportunities.

David Birch, Chair
On behalf of the ateb Group Boards



ateb group consists of 4 companies:
(Figures current to end of FY 19/20)

ateb group limited

The parent and registered social landlord. Circa 2,900 rented social/affordable homes, circa 100 colleagues and turnover of £17m+.



West Wales Care and Repair
Gofal a Thrwsio Gorllewin Cymru

Advice and adaptations for vulnerable and older persons in privately owned or rented homes. Circa 650 home safety assessment and over 1,000 adaptations per year, 15 colleagues and a turnover of circa £750k per year.

millbay
Welcome Home

Subsidiary developing and selling homes to recycle profits to provide new social and affordable homes, 6 colleagues, 40+ properties developed per year, turnover of circa £9m and recycle profits of £1.3m.

EBS

Currently dormant. A property and development services company that will undertake work on behalf of the group and other partners.



ateb group provides services across West Wales:

ateb

KEY CUSTOMER SERVICES:

- Social rented homes
- Affordable/intermediate rented homes
- Shared ownership homes
- Benefit and financial planning advice
- Tenancy support services
- Employment and training opportunities
- Tenancy and community engagement

millbay
Welcome Home

KEY CUSTOMER SERVICES:

- New homes for sale (recycled profits to create more social and affordable homes)



West Wales Care and Repair
Gofal a Thrwsio Gorllewin Cymru

KEY CUSTOMER SERVICES:

- Benefit and adaptations advice to private owners and renters
- Adaptations for private owners and renters

Ceredigion

Carmarthenshire

Pembrokeshire

EBS

KEY CUSTOMER SERVICES:

- Under development

Strategic Aims



You may not be interested
in strategy, but strategy is
interested in you.



Strategic



Strategic Aims

How we approach our strategic planning

ateb has developed its strategic hierarchy that is used to help shape the best long term outcomes for the people and communities we serve. The hierarchy consists of our purpose supported by 3 aims and 12 priorities, it is important that each priority is functioning correctly to maximise our aims and in turn deliver our long term purpose.





How we agreed this plan

We used the following process with our customers, teams, and partners to develop this plan:

1. Reassessed the challenges we are facing by engaging and listening to our customers, teams and partners.
2. Reviewed the strategic priorities in our current plan.
3. Retained those priorities that remained relevant to our aims and reset their outcomes and timelines to fall within the 2 year interim plan.
4. Assessed the new/changed demands on our existing services, our business resources and new service needs, including recovery of services from lockdown.
5. Envisaged the likely operating environment over the next 5 years to help shape early responses to potential new norms.
6. Considered where innovation will have the biggest impact in achieving our aims.
7. Assessed the likely cost of delivering the emerging 2 year plan and updated our financial projections to ensure the plan is deliverable.

The key priority areas we established

Increase Corporate Strength

- ☐ Assure
- ☐ DNA development
- ☐ Offices & agile working
- ☐ Integrated Cloud technology
- ☐ Financial planning

Improve Service Delivery

- ☐ Engage customers
- ☐ Team wellbeing & structure
- ☐ Environment & supply chain
- ☐ Processes & reporting

New Business Growth

- ☐ More Homes
- ☐ Broaden Areas
- ☐ Tenure & Care development
- ☐ Partnership development

Challenges



My interest in life comes from setting myself huge, apparently unachievable challenges and trying to rise above them.



Challenge



Challenges

We have established the following issues that may impact our strategic aims:



Welfare support post Covid-19

- dealing with the welfare and social impacts of the 2020 pandemic on our customers and our teams and partners.



Recession economy post Covid-19 - will impact our customers and communities and potentially our ability to build more homes and access funding etc.



Brexit – uncertainty in the financial and housing markets generally making our operating environment very changeable



New Regulation – there will be a new approach to regulation from the Welsh Government within the life of this plan



Independent Affordable housing review – changes emerging from the review undertaken in 2018



Cloud technology – adoption and security across our operations



Mill Bay Homes – uncertainty with the private housing market leading to reduce gift aid to the parent



Carbon reduction – the cost and technology needed to reduce carbon within our existing homes



Uncertain funding – streams for WWC&R



Changing colleague expectations – of work/life balance. Office facilities and remote working design



Housing Horizons – challenges of doubling output over the next 20 years; aligning housing with health and making a good home a right for all



Universal Credit – the continuing migration of customers from Housing benefit to universal credit



Construction supply chain – availability puts a greater emphasis on Modern Methods of Construction and new procurement techniques



Foundational Economy principles – Learning, training, employing and enterprise support for local communities

Strategic Objectives



The key is not to prioritise what's on your schedule, but to schedule your priorities.



Strategic



AIM 1: Increase Corporate Strength

"Without the right purpose, financial resources, culture and governance, we will not have the capability to deliver the right services and growth"

These are the objectives we will focus on for the next 2 years to ensure we **'increase corporate strength'**:

Priorities	Objectives	Measure of success
Governance We must have the right strategy; management of risk and understanding of performance	1. Assure The pilot Assure framework including internal audit (IA) recommendations to be implemented to give the required level of assurance to Board that we are delivering our Vision	<ul style="list-style-type: none"> • Whether Board feel assured that we are managing risk and doing what we set out to do in our Vision. • Whether an IA concludes a high level of assurance has been achieved
	2. GIP We will continue to develop our governance services by constantly monitoring and updating our Governance Improvement Plan(GIP) to ensure great governance	<ul style="list-style-type: none"> • Whether an external review of our governance systems confirms we can be assured by our governance practices and structures
	3. H&S Action Plan Increase the groups response to H&S by completing the H&S action Plan	<ul style="list-style-type: none"> • Whether Managers feel confident in meeting their H&S responsibilities. • Whether we can validate improvements in our systems following completion of the plan. IA report.
Culture We must have the right DNA and working arrangements running throughout the Association	4. DNA We will continue to work with i2i to specifically target how we can increase the ownership and accountability for the ateb DNA and reduce silo working, whilst dealing with the impact of Covid-19	<ul style="list-style-type: none"> • Whether a team survey demonstrates that progress has been made • Whether 121 agree that progress has been made • Whether a peer report with another RSL demonstrates that we are taking ownership, reducing silo working



AIM 1: Increase Corporate Strength

Priorities	Objectives	Measure of success
Purpose We must ensure we have the right ambitious purpose	No Objectives agreed within this plan	
Resources We must have the right finances, people, partnerships and infrastructure	5. Offices We need short term and longterm solutions to our office facilities that reflect the changed workplace outlook	<ul style="list-style-type: none"> • Whether i2i agree the proposed solutions gives certainty about our office facilities in the short and long term.
	6. HMS Our Housing Management System (HMS) upgrade phase 1 must be in place	<ul style="list-style-type: none"> • Whether the system is live by the due date • Whether phase 2 has been included within our business plan proposals
	7. Cloud platform We will have 100% cloud ICT services	<ul style="list-style-type: none"> • Whether the systems have been implemented and are working effectively • Whether allowances have been made for residual cloud transfers within the business plan • Whether the teams can use the systems effectively • Whether the compliance system effectively manages our compliance responsibilities
	8. Agile working We need to understand and agree a long term vision for agile working beyond Covid-19 disruptions	<ul style="list-style-type: none"> • Whether the team feel confident with the agile working arrangements put in place by ateb group. 121 feedback and other surveys to support measure
	9. Financial planning We will adopt a Credit Rating Agency approach to analysing our financial planning to ensure business can deliver through a disrupted economic environment	<ul style="list-style-type: none"> • Whether there is an Increase in our credit rating score • Whether there is Increased capacity within the business for growth and improvement



AIM 2: Improve Service Delivery

"We must always deliver our customers the outcomes they want, efficiently with great customer experience, meaning we will need the best people, assets and systems"

These are the objectives we will focus on for the next 2 years to ensure we **'improve service delivery'**:

Priorities	Objectives	Measure of success
Customer We must always deliver the right outcomes, efficiently with great customer experience.	10. Engage Review We will review our engage initiative to see where we can add more value	<ul style="list-style-type: none">• Whether we can demonstrate we have improved our levels and quality of engagement
	11. Wellbeing We will develop an interactive approach to team welfare aimed at minimising impacts of Covid-19	<ul style="list-style-type: none">• Whether the team feel that the wellbeing pro-gramme has helped them to deal with the impact of working through Covid-19. i2i and survey feedback.
	12. Team structure We will review our current and proposed directorate reviews to ensure they meet post Covid-19 environment	<ul style="list-style-type: none">• Whether the directorate review plans meet the requirements of our working practices for the medium term
	13. Remuneration review Complete the remuneration review commenced	<ul style="list-style-type: none">• Whether the proposed remuneration system does meet our commitment of fairly rewarding team members for their responsibilities and effort at ateb group. i2i and team feedback.



AIM 2: Improve Service Delivery

Priorities	Objectives	Measure of success
Property We should always maximise our property assets and property investment.	14. De carbonisation We will develop and issue a plan for how we will seek to decarbon our existing and new properties to enhance property affordability	<ul style="list-style-type: none"> • Whether we are able to commit to a decarbonisation strategy that is affordable over the long term without distracting from our new growth activities
Systems We need to have the right process and infrastructure to be high performing.	15. Environment Initiative We will look to introduce a reduce; reuse; recycle policy across all our service delivery areas	<ul style="list-style-type: none"> • Whether we can demonstrate that we have reduced, reused or recycled more than previously
	16. Local Supply Chain initiative We will look to introduce a learn; train; employ and enterprise (LTEE) policy across our areas of operation	<ul style="list-style-type: none"> • Whether we can demonstrate LTEE opportunities taken within our supply chain activities
	17. Service delivery plan PH2 We will review our progress against the service delivery plan and agree the actions that must be completed by the end of FY 2020/21 and FY 2021/22 with an emphasis on outcome focussed process maps	<ul style="list-style-type: none"> • Whether we can demonstrate that our operations are aligned to the service delivery plan objectives
	18. Leadership Groups we will refocus our service group activities onto Risk and Improvement reporting with operational reporting delegated to team ownership and realign the corporate group to strategic and governance related accountabilities	<ul style="list-style-type: none"> • Whether the leadership groups deliver the outcomes expected from their TOR. IA report. • Whether the teams have more interaction and communication with the leadership groups. i2i feedback.



AIM 3: New Business Growth

"We have a responsibility to meet the needs of new people and communities within the scope of our purpose, we can achieve this through service and/or market growth, collaboration and diversification."

These are the priorities we will focus on for the next 2 years to ensure we develop new business growth:

Priorities	Objectives	Measure of success
Existing Service growth We should identify how we can grow our existing services.	19. New Homes Strategy We will develop a new strategy for West Wales to build 291 new homes; 206 for social rent; 12 for shared ownership or rent to own.	<ul style="list-style-type: none">• We deliver our agreed development strategy in the time, cost and quality parameters set
Complimentary growth We should explore whether we can add value to our purpose by branching into complementary market sectors.	20. Welfare & Health Integration We will seek to develop our welfare service with our community partners through and beyond the Covid-19 disruptions	<ul style="list-style-type: none">• Whether our customers agree that we have helped to make a difference to their welfare over the longer term.• Whether we have developed a long term welfare strategy.
Collaborative growth We should explore all opportunities that add value to our purpose through working with others.	21. Community Support We will support existing and emerging community groups with housing expertise	<ul style="list-style-type: none">• Whether we can demonstrate how we have actively supported the development of community groups for the benefit of the communities and customer we serve
	22. Local Authority Partnerships we will develop housing and regeneration partnerships with our local authority(LA) and RSL partners	<ul style="list-style-type: none">• We successfully work with our partners to develop more than one CLT development.• We are involved/negotiating or have secured a collaborative project with our west wales LA partners
Diversification We should evaluate whether there is merit in diversification that adds value to our purpose.	No Objectives agreed within this plan	

Subsidiary Objectives



If everyone is moving
forward together, then
success takes care of itself



Strategic



Subsidiary Objectives

Whereas the majority of our strategic objectives equally apply to all 3 companies within the group, the following objectives specifically apply to our 2 subsidiary companies

Mill Bay Homes (MBH)

Priorities	Objectives	Measure of success
Existing Service growth We should identify how we can grow our existing services	23. New Homes Strategy 73 for market sale through MBH who will generate £695,000 recyclable profits to support new affordable homes in future years.	<ul style="list-style-type: none">• Homes are sold• Gift aid is received

West Wales Care & Repair (WWC&R)

Priorities	Objectives	Measure of success
Complimentary growth We should explore whether we can add value to our purpose by branching into complementary market sectors.	24. Welfare & Health Integration Develop new lines of business to support the older and more vulnerable people we serve in West Wales	<ul style="list-style-type: none">• Increased income and additional service for more customers



Our 2 year Timetable

Ref	Objective	2020/21				2021/22			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1	Assure								
2	GIP								
3	H&S Action Plan								
4	DNA								
5	Offices								
6	HMS								
7	Cloud Platform								
8	Agile Working								
9	Financial Planning								
10	Engage Review								
11	Wellbeing								
12	Team Structures								
13	Remuneration Review								
14	De Carbonisation								
15	Environment Initiative								
16	Local Supply Chain Initiative								
17	SDP phase 2								
18	Leadership Groups								
19	New Homes Strategy								
20	Welfare & Health Integration								
21	Community Support								
22	Local Authority Partnerships - regeneration								

Key Metrics



A good financial plan is a road map that shows us exactly how the choices we make today will affect our future.



Financial



Key strategic plan metrics

As well as achieving our strategic objectives, the following targets have been set for this strategic plan

ateb Group limited

Strategic Plan Metrics	Year 1 – 2020/21*	Year 2 – 2021/22
New social rented homes (Min)	99	107
New shared ownership (Min)	3	3
New rent to own (Min)	6	0
Rent arrears (Max)	6.29%	3.45%
Void rent loss (Max)	0.99%	0.63%
Planned Maintenance - Revenue (Min)	£927k	£858k
Planned Maintenance - Capital (Min)	£673k	£1,884k
Ateb Turnover (Min)	£17,292k	£18,331k
Operating cost per unit (Max) £/unit	£4,316	£3,969
Operating margin (Min)	26.7%	33.3%
Gearing ratio (Max)	59.4%	57.0%
Interest cover ratio (Min)	205.8%	210.3%

MBH Limited

Strategic Plan Metrics	Year 1 – 2020/21*	Year 2 – 2021/22
Homes sold (Min)	25	49
MBH Turnover (Min)	£4,857k	£10,756k
Gross Surplus (Min)	12.7%	13.1%
Gift aid returned (Min)	£1k	£702k

WWC&R

Strategic Plan Metrics	Year 1 – 2020/21*	Year 2 – 2021/22
Total income generated (Min)	£705,674	£678,262
Operating Surplus/(Deficit) For Year (Max)	-£53,101	-£53,980

*This period will be particularly impacted by Covid-19, these targets are not indicative of our historical performance

Risks



There are risks and costs to action. But they are far less than the long range risks of comfortable inaction.



Risks



Risks

The ateb Group Board have articulated their risk appetite as follows:

ateb risk appetite is...

"The level of risk that we are prepared to accept in pursuit of our objectives, before action is deemed necessary to reduce the risk. It represents a balance between the potential benefits of innovation and the threats, that change inevitably brings."

Risk area	Does our strategic plan ...	ateb risk appetite
Compliance	Knowingly breaching rules or regulations?	We have no appetite for knowingly breaking any rules or regulations whilst going about our business.
Financial	Allow us to fulfil our financial obligations to our customers and partners?	We will accept financial risk dependant on the rewards of taking the decision being commensurate with our purpose/aims, that there are clear controls/plans in place to manage/mitigate ongoing financial risk and the decision does not breach the safety margins agreed by Board in respect to financial decision making nor have an adverse effect to the agreed business plan and budget.
Reputational	Protect the ateb brand?	We will accept an impact to our reputation on the basis that the impact is time limit, managed, marginal or generally commensurate to the rewards of taking the decision.
Performance	Ensure that service delivery is not adversely affected?	We will accept an impact to our performance on the basis that the impact is time limit, managed, marginal or generally commensurate to the rewards of taking the decision and that no other agreed or planned proposal will be unknowingly affected as a con-sequence.



ateb has identified the following strategic risks i.e. those risks that will impact our ability to deliver our long-term aims:
(These risks will be monitored by Board)

	CONTROL Steps can be taken to stop the risk occurring	INFLUENCE Steps can be taken to influence the risk from occurring	NO CONTROL or INFLUENCE Steps must be put into place to react to the risk occurring
Compliance	<ul style="list-style-type: none"> • We fail to meet H&S legislation and regulatory requirements • We fail to comply with employer and landlord legislation • We fail to operate within our regulatory framework • We fail to meet our lenders covenants • We fail to deliver our contractual requirements • Poor governance systems and decision making 		
Financial	<ul style="list-style-type: none"> • We do not manage our operational costs effectively • We fail to make the right investments e.g. new property developments or strategic asset management • We don't manage our income streams effectively • We fail to manage our funding requirements effectively 	<ul style="list-style-type: none"> • Income reducing due to effects of economic recession • Ability to access funding due to changes in investment markets e.g. Brexit, Covid-19 or lack of security etc. • Pension cost increases • Carbon reduction costs 	<ul style="list-style-type: none"> • Rent policy/level changes • Grant policy/level changes • WWC&R funding changes • Property market collapse • Pandemic or similar event
Reputational	<ul style="list-style-type: none"> • We don't relate to our customers expectations • Failure to deal with customer and community's issues effectively • Poor levels of service or product quality • Bad employer or partner 	<ul style="list-style-type: none"> • The wider communities do not understand our supporting community role • Opposition to new development schemes • Perceptions of social housing 	
Performance	<ul style="list-style-type: none"> • We do not understand how our services are performing • Lack of improvement planning and delivery 	<ul style="list-style-type: none"> • Competition for new homes land • Competition for the right skills and experience throughout the group 	



Reporting Our Outcomes

This Plan aims to promote improvement and growth in a well governed, agile, customer driven framework over the next 2 years. We will review progress of the plan annually by addressing the following:



Reporting Our Outcomes

Our Success Criteria

We will judge the success of this strategy by assessing the amount we have:

1/ Increased Our Corporate Strength

2/ Improved Our Service Delivery

3/ Developed New Business Growth

Reporting Our Success

We will report annually on:

1/ What priorities have been implemented

2/ What priorities are outstanding

3/ Are the priorities having the desired impact on our aims

Reporting Changes

We will report annually on:

1/ Any reasons for movement in our 5 and 30 year plans as compared to our approved 2018/19 base plans

2/ Any reasons for new or amended priorities

Improvement

If we are to continue to improve we must build an agile, learning, customer focused system that maximises resources and people's capabilities in an innovative, empowered, governance aware culture.

Growth

If we are to continue to grow we must build new homes, review areas of operation, explore new tenures and alternative income streams to lower dependency on grants. Grow through long-term collaborations.

This plan will finish at the end of FY 2021/22.
A new 3 year plan will be issued in Q4 2021/22.





*better living
solutions*

ateb *better living solutions*