

22/23

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Getting back on track...

3 Year Strategy

Creating
better
Living Solutions

ateb

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ON BEHALF OF THE ATEB GROUP OF COMPANIES:

ateb



West Wales Care and Repair
Gofal a Thrwsio Gorllewin Cymru

MILL BAY
HOMES

EBS

Purpose

Our Group has the collective purpose of ‘creating better living solutions’ for the people and communities of West Wales. ateb, Mill Bay Homes (MBH) and West Wales Care & Repair (WWCR) all contribute to this purpose; ateb provides over 3,000 affordable rented homes, WWCR supports 100s of our older and more vulnerable communities and MBH returns Gift Aid receipts to ateb, its parent company, 100% of which are used to provide better living solutions.

We are very proud of the contribution that our companies make towards our purpose and are excited about what they can achieve over the next 3-year period. The last 2 years have been very hard for everyone, Our customers, teams, and partners alike have had to dig deep to overcome new challenges that none of us thought we would ever have to deal with.

With hope, the impact of the Covid-19 disruptions will subside, and greater freedoms return. But in the dark we have seen some light, the way we now operate through the use of technology has enabled us to consider new ways of providing our services and how our teams might work more flexibly. Although it is difficult to understand all the opportunities and impacts of Covid-19 at this time, we must ensure we are ready to maximise opportunities whilst protecting all from its threats.

This strategy sets out where our 3 companies need to focus their improvement efforts and investment for the next 3 years, to help us ‘get back on track’ with the ateb Vision that showcases... ‘what good looks like for ateb.’ As you would expect, we are already working on a range of long-term improvement strategies that will come to fruition within this period, but we have also taken the opportunity to set some new objectives based on your feedback.

Thank you to all our customers, teams, and partners for contributing to this strategy. Your input, challenge and support has given credibility to the direction we are proposing. Please know that, where needed, we will update our thoughts over the next 3 years to accommodate changing situations to always ensure we deliver the right customer outcomes as effectively as we can.

David Birch

Chair



Challenges

As we start 2022, the environment we face is uncertain. The following are the key areas of concern that were raised by our customers, teams, and partners when we considered how the next 3 years could impact us:

COVID-19

Its shadow will probably stretch the course of the next 3 years in some form or other?, but we hope that its impact on lives, livelihoods and service delivery will weaken. We are considering the next 3 years to be a period of recovery within which we will safely rebuild our operations and services to match customer expectations.

WELLBEING

How we and our partners can better support the customers we serve in uncertain changing times will need to be considered. ateb Group alone will not be able to meet the wider support demands, but together with our partners we should have a better opportunity to enhance wellbeing.

ECONOMY

The start of 2022 sees CPI inflation at an 40 year high, rising interest rates, uncertain supplies, skills and resources ever more difficult to source. As a Group we do have good financial strength.

HEALTH & SAFETY

With the advent of new Building Safely legislation and the justifiably high levels of expectations on landlords to ensure safety of its customers, we will need to continue to develop new and better systems to meet our increasing levels of responsibility to Health and Safety.

REGULATION

It will be a busy couple of years with Renting Homes Wales Act becoming law at the end of 2022, WHQS 2 expected in 2023 and a new regulatory framework. The Group will need to adapt and support the introduction of this legislation.

AFFORDABILITY

For the last 3 years we have kept ateb's rent increases to CPI only for the majority of our customers, with some having their rent frozen. This alone is not enough to support all of our customers and we need to continue to find ways of supporting affordability of the homes and services we offer.

TEAM RESOURCES

It has become increasingly difficult to attract new talent to our Group due to the unprecedented demand on the skill sets we require. We will need to invest in our team to ensure we have the best chance of retaining and attracting great people and living our DNA aspirations.

CUSTOMER EXPECTATIONS

Nothing stands still, our customer expectations quite rightly will increase over time and we will need flexibility and agility to keep our service delivery ahead of that expectation.

BUILDING NEW HOMES

ateb and MBH both need land to build homes, which is becoming increasingly difficult to source at the right price. We will need to be more strategic in how we procure new land in the future.

PARTNER SUPPLY CHAINS

We cannot deliver what we do without the support of a vast range of companies that supply materials, consultancy advice and contractors etc. Finding and working with the best partners is a challenge given the continued demand for our partners' services. This is especially so with construction materials and contracting supplies.

COMMUNICATING EFFECTIVELY

We know we can always do better in terms of listening and understanding, we will need to develop new approaches to deal with the changing communication landscape and the fast adoption of new technology.



DECARBONISATION

This is probably the single biggest challenge we all face given the stark concerns emanating from COP26. How we can reduce carbon and in so doing make energy more affordable, will be a significant challenge for us and our sector.

COLLABORATION

We can achieve more together but the challenges of developing collaborative relationships can sometimes seem hard. We must develop ways of using the advantages of collaboration to support our customers in better and more innovative ways.

SYSTEMS & TECHNOLOGY

The current drive to the Cloud continues at pace, but this brings new challenges in terms of skills sets to get the best from the technology and learning and development to use it for customers, teams and partners alike. We should always challenge ourselves to have the best processes to get the best from our technology.

■ Strategic Aims

Where we want to be in 3 years' time

Our Group has the following 3 aims that help us to visualise where we would like to be in 3 years' time:

We will have increased resources in key customer services

We will be better customer communicators

We will have continued to keep our services affordable & VFM

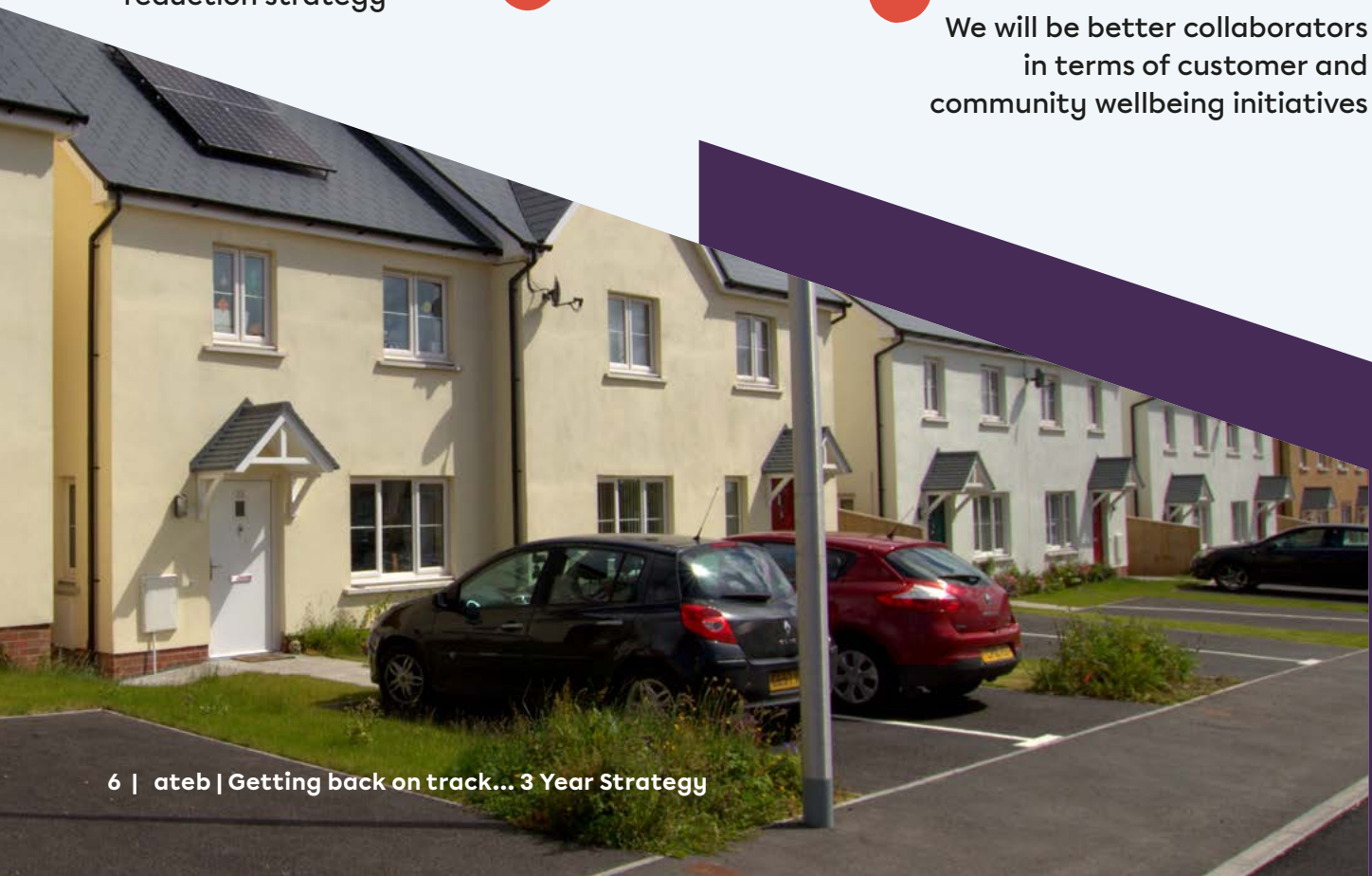
We will have improved our customer facing service technology

Improve Customer Service

Our services will be more aware of changing customer and ED&I needs

We will have significantly started our carbon reduction strategy

We will be better collaborators in terms of customer and community wellbeing initiatives



ateb will seek to build more affordable homes for rent and purchase.

ateb will have built 287 more homes for social rent

We will have developed opportunities to support customers in a wider area than currently

Serve More People

We will have transferred £8m of Gift Aid over the next 3 years from MBH to ateb to enable more homes to be built and additional customer services to be delivered

WWCR will have developed and widened its services

We will be supporting our communities in more ways than we do currently

We will remain financially resilient to unforeseen events

We will have integrated the range of new legislation impacting our Group

We will have invested in our team's development

Increase Business Effectiveness

Our systems will be more flexible and agile to better deliver our customer outcomes as effectively as we can

We will be operating our new approach to hybrid working and customer service delivery

Our DNA will be stronger across the Group

We will have invested in our local supply chains and skills development

■ Prioritises

What we will need to focus on...

Taking into account the challenges our customers and we are likely to face, we believe our Group needs to focus on the following 5 objectives over the next 3 years if we are to achieve our aims:

1 Lower carbon

We will invest in lowering our carbon footprint over the next 3 years to get us on track for net zero carbon by 2035

- **Plan A** – Save costs by lowering carbon in our operations
- **Plan B** – Help with our customers energy bills by lowering carbon in existing homes
- **Plan C** – Help with our customers energy bills by lowering carbon in new homes

2 Keep our customers' homes compliant

We will need to deliver our regulatory requirements

- Greater customer protection with the Renting Homes Wales Act
- More customer long term safety due to the Building Safety act
- Assess and understand how homes will be made better with the WHQS 23
- Build our new homes to the new Beautiful Homes standard
- More customer engagement with the new Regulatory Framework – including greater commitment to ED&I



3 Work with others to help our customers more

We will work with others to deliver more

- Create more CLT (or similar) development projects to help our rural housing customers
- Understand where customers want new homes with more alignment to LA economic and social regeneration plans
- Work with other HAs, agencies, and partners to deliver more new customers homes
- Focus procurement on local supply chain and employment / training enhancing regeneration to help our communities to prosper
- WWCR will develop more services to help more older and more vulnerable customers

4 Invest in our customer services

We will improve the way we resource and deliver our services

- We continue with all the improvements we have already agreed with our customers
- Continued commitment to improving our customer management and communication (our 'Deliver' initiative)
- Make hybrid working work for customers and our team alike
- Make sure that we develop more trust, togetherness and empowerment with our customers, teams and partners
- Make sure we create the right working environment to attract the best skills
- Continue to invest in new digital systems that improve our customer and business effectiveness
- Continue to purchase new land opportunities to allow us to build new homes for future customer needs

5 Keep our services affordable

We will ensure we seek to keep our homes and services affordable to use/purchase

- We continue with all the improvements we have already agreed with our customers
- Make sure we know what our homes cost our customers and us to run
- Look at ways to keep our homes affordable to buy, rent or part own
- Continue to build our understanding of VFM across all Group services
- Develop more ways to help give money advice solutions and support to more people

The ateb, MBH and WWCR Boards will use these objectives to prioritise their improvement efforts to maximise our strategic aims outcomes.

How we will measure our progress

We will monitor our strategy as follows:

- At the end of each financial year we will report our achievements against our 5 strategic objectives and assess whether we are working towards the achievement of our 3 year aims.
- Where we are not progressing as planned we will highlight remedial action.
- Where our strategic objectives change, we will advise and propose adjustments.

Our Boards will monitor progress throughout the year to ensure we are making progress.



Business Plan highlights

Our 22/23 Business Plan supports this strategy and will be used to monitor financial performance over the next 3 years. The Business Plan has made allowances for the anticipated investments referenced in this strategy. The following highlights are from the FY 22/23 Business Plan for each of the 3 companies:

Business Plan Highlights	Total / Target to have achieved by March 25
Units in Management	3,337
Units being Developed	287
Total Turnover	£60.4m
Estate & Service Costs	£14.5m
Estate & Service Costs per Unit	£4,345
Weighted Average Operating Surplus %	24.6%
Weighted Average Interest Cover (EBITDA MRI / Net interest)	161.3%
Gearing (Historic Cost)	45.5%
Gearing (Net Worth)	32.4%
Net Cash inflow from operating activities	£23.7m

MILL BAY HOMES

Business Plan Highlights	Total / Target to have achieved by March 25
Units Sold	183
Turnover	£48.5m
Cost of Sales	£37.4m
Weighted Gross Margin %	22.9%
Gift aid transfer to Parent	£8.3m



West Wales Care and Repair Gofal a Thrwsio Gorllewin Cymru

Business Plan Highlights	Total / Target to have achieved by March 25
Income	£2.8m
Grant Income	£2.5m
Other Income	£0.3m
Estimated number of people supported	6,315

Executive Summary

Over the next 3 years we will continue to see challenges from an uncertain operating environment, which is why we are focusing on consolidation that ‘gets us back on track’. Our strategy is all about our customers. Firstly, we want to keep pushing to improve the services our customers receive; secondly, we want to help more customers than we currently do and finally we want to make sure our Group is always effective, resilient, and open to change to ensure we can support our customers over the long term.

Although it is very difficult to predict the world in 3 years’ time given current disruptions, we have used the feedback from our customers, teams, and partners to paint the kind of improvements we would like to see over that period. If we can achieve this improvement, then we should remain on course to achieve our long-term Vision for ateb.

We believe our Group will need to concentrate on 5 key objectives to make our planned improvement come to life. The first 2 objectives require the Group to adapt to Welsh Government legislation across a range of areas, the biggest being the need for our Group to reduce its carbon footprint. Both objectives are aimed at improving customers’ wellbeing, affordability and access to services. decarbonisation alone will involve a longterm multi-million pound commitment over the next 3 years.

As a Group we want to work with like-minded organisations to achieve more. We believe in the post Covid-19 environment, collaborating will be an essential approach to providing fuller, more rounded solutions to more complex propositions e.g. the positive health and wellbeing of the people and communities we serve.

We are only as good as the teams we employ. Our 4th objective concentrates on making sure we have the right processes, software, resources and people to ensure we have effective systems. Without proper flexible and agile systems, the impact we can make on our customers’ lives will be diminished, especially in times of uncertainty.

Finally, but not least, our last objective will continue our drive to make all our services and homes as affordable as possible. We know that affordability is high on all of our customers’ agendas which is why it will remain high on ours.

We will report on whether we are ‘getting back on track’ over the next 3 years, highlighting any significant changes to our strategic plans with the reasons why. We will look forward to working with our customers, teams, and partners to deliver the ambition in this strategy that will enable us to continue to create better living solutions for the people and communities ateb, MBH and WWCR collectively serve.

Abbreviations

MBH	Mill Bay Homes
WWCR	West Wales Care and Repair
CPI	Consumer Price Index
WHQS 2	Welsh Housing Quality Standards
COP26	Conference of the Parties 26
VFM	Value for Money
ED&I	Equality, Diversity and Inclusion
CLT	Community Land Trust
LA	Local Authority
HAs	Housing Associations
EBITDA	Earnings Before Interest, Tax, Depreciation, Amortisation,
MRI	Major Repairs Included

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