

# Adra

ADRA  
SUSTAINABILITY REPORT  
2020/21



**Adra is the largest social housing provider in north Wales and makes a significant positive impact on people's lives and on the surrounding environment. We are committed to improving our environmental credentials, strengthening our social impact and ensuring robust governance so that we can meet our priorities.**

November 2020 saw the launch of a new **Sustainability Reporting Standard (SRS)** for the social housing sector in the UK. The standard is a voluntary framework for housing providers to report on Environmental, Social and Governance (ESG) performance in a transparent, consistent and comparable way.

In line with one of our core business values of being transparent and open with our customers, partners and investors, Adra is an 'early adopter' of the standard - one of only 6 in Wales and 86 across the UK. To learn more about Adra visit [www.Adra.co.uk](http://www.Adra.co.uk)

This is Adra's first Sustainability Report and is in direct response to the sector's ambition to standardise its reporting on sustainability.

The report itself highlights our performance and impact on three distinct areas, 'Environment', 'Social' and 'Governance' and range from the energy efficiency of our homes to the equality balance of our Board.

We believe that Adra makes a significant and positive impact on its communities, the people that live in them and the surrounding environments. There is a clear link between the SRS and some of our existing strategies, including our Community Strategy, Development Strategy and Carbon Management Strategy. This report allows us to demonstrate to a wider audience of stakeholders and investors, through key metrics and case studies / assessments / analysis the true extent of our impact

The reporting standard aligns to the UN Sustainable Goals (SDGs). Working to the standardised reporting on sustainability has highlighted how aligned Adra's work is to the SDGs and the positive impact our work has on many of them.

The information and data presented in this report aligns to the three areas (Social, Environmental, Governance) identified in the Sustainability Reporting Standard. These areas are subdivided into 12 themes as follow:

#### **Social:**

1. Affordability and Security (provides affordable housing)
2. Building safety and quality (tenants' safety is well managed)
3. Resident voice (listens to residents' voice)
4. Resident support (supports residents and the local community)
5. Placemaking (supports residents and the wider local community through placemaking)

#### **Environmental**

6. Climate change (prevents and mitigates the risk of climate change)
7. Ecology (promotes ecological sustainability)

#### **Governance**

8. Resource management (sustainable management of natural resources)
9. Structure and governance (legal structure of the organization and its approach to governance)
10. Board and trustees (high quality board of trustees)
11. Staff wellbeing (supports employees)
12. Supply Chain Management (procures responsibly)

# UN Sustainable Development Goals



The Sustainable Development Goals (SDGs) adopted by all UN member states in 2015 have become a powerful rallying call and set of common global goals that demand investors (along with governments, business and civil society) to do more to end poverty, protect the planet and ensure that all people enjoy peace and prosperity. Achieving the SDGs will require trillions of pounds of additional investment each year in both developing and developed countries.

Affordable housing is recognised as a universal social good within the SDGs. “Access to adequate, safe and affordable housing” is a core target for SDG 11 Sustainable Cities and Communities. Housing though is not just about “bricks and mortar”. There is strong evidence, that good housing contributes to other positive outcomes particularly in relation to health and wellbeing and improved life chances.

Having a decent, affordable home is an important determinant of people’s health and wellbeing (SDG 3), has a positive knock-on effect on children’s education (SDG 4), can help people into decent work (SDG 8), can contribute to reducing inequalities (SDG 10) and can provide a route out of poverty (SDG 1). Housing’s carbon footprint can also be reduced through the right energy efficiency and construction measures (SDGs 7 and 13)

At Adra we believe that we have a direct or indirect positive impact on 13 of the 17 SDGs

# SOCIAL

Adra is the largest social housing provider in north Wales with nearly 6,500 homes under management. Our position and influence has a positive impact and makes a tangible difference to the lives and wellbeing of our customers. Good housing is seen as key to ensuring good, long term health and wellbeing of people and increases their life chances.

Adra's vision as set out in the Corporate Plan 2019 – 2022 is that **“as a leading provider of quality homes and services, we want to make a positive difference to people and their communities”**.

We have set ourselves stretching targets in many areas directly related to our customers and communities. Our Corporate Plan sets out our position in relation to providing quality homes for all:

*“We want to continue to invest both in our properties and our services. Our customers are our focus and we will continue to listen to them and act positively in their interests. We remain committed to meeting the needs of our customers and continue working to improve their access to high quality, cost-effective homes and services. We know that the condition of a person's home can have a significant impact on their wellbeing, so we're committed to improving such aspects as energy-efficiency, for example, so that our homes are inexpensive to heat.”*

The plan further demonstrates our commitment to our communities and highlights that our ambition *“is to help create communities that are healthy, safe, prosperous and cohesive; communities in which our customers can be proud to live. Working together with our partners, we will provide support to communities facing poverty, and for individuals, will focus on improving employability through training and skills development, volunteering opportunities, work placements, and paid employment”*.



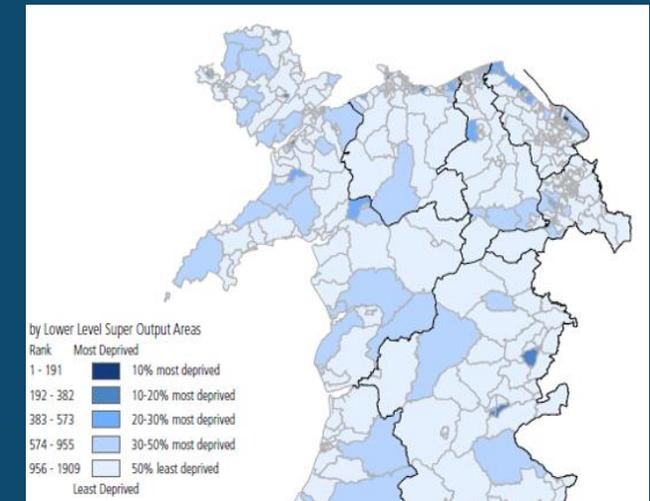
## Theme 1: Affordability and Security

This theme addresses the extent to which Adra provides homes that are affordable to those who are on low incomes. We will look at Adra's position and performance on many key areas e.g. affordability, different tenure types offered and our efforts in positively impacting on those living in fuel poverty.

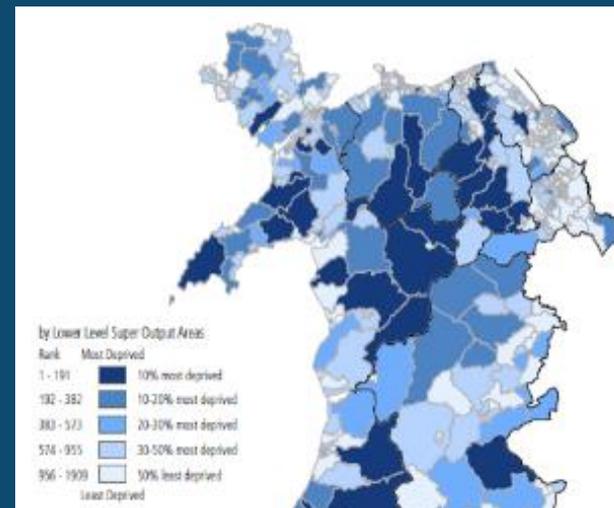
We are committed to providing affordable housing for all and helping to reduce the clear housing inequalities that has emerged in society.

The waiting list for affordable housing (to purchase or rent) across north Wales is circa 2,500 people. The highest demand is within towns and the most populated areas. Smaller one and two-bedroom houses and flats are desirable for those applicants needing to downsize and for creating sustainable tenancies in our stock. There is historically high demand for three-bedroom family homes in the towns and most populated areas. Meeting this demand whilst ensuring affordability is a key priority.

The Welsh Index of Multiple Deprivation (WIMD) is the Welsh Government's official measure of relative deprivation for small areas in Wales. The most recent WIMD was conducted in 2019 and published in 2020. The aim of the WIMD is to rank small areas according to their relative deprivation levels, across eight types of deprivation to produce an overall index.



One of the eight types of deprivation recognised within the WIMD is the Housing, and it focuses on overcrowding and the likelihood of poor-quality housing, e.g. the likelihood of housing being in disrepair or containing serious hazards. Adra operates in five of the North Wales local authority areas, which comprises of 380 small areas.



The WIMD data highlights, on average for the area

- 5.4% of people are at risk of being in overcrowded households, 17.5% of people in the most affected area
- 19.8% likelihood of poor-quality housing, 58.8% of people in the most affected area
- 18.2% likelihood of housing containing serious hazards, 55.2% in the three most affected areas

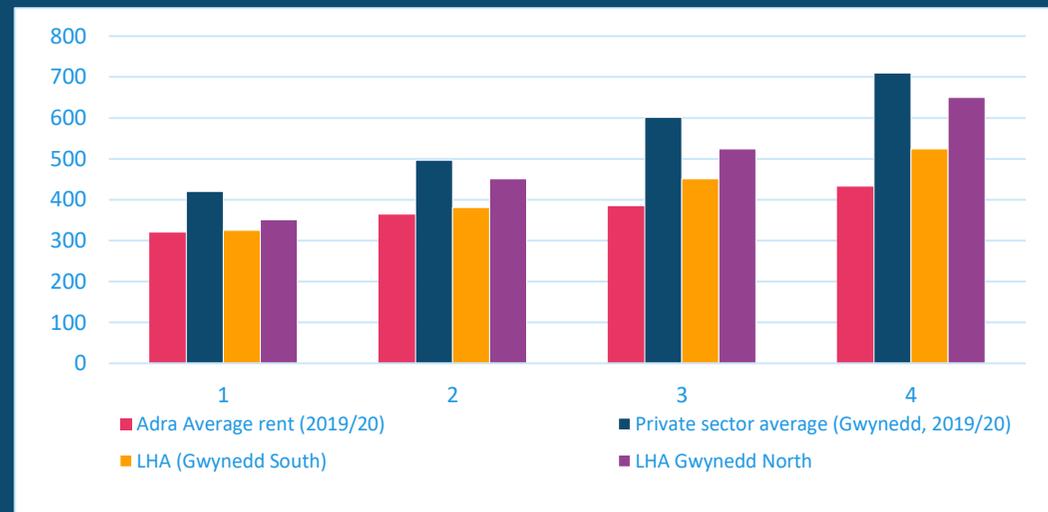


As well as focusing on providing quality homes that are safe, as a social landlord Adra also provides affordable rents.

Local Housing Allowance (LHA) rates are used to calculate the amount of Housing Benefit (for the housing element of Universal Credit) that can be paid to tenants. The calculation is based on private market rents being paid by tenants in the Broad Rental Market Area (BRMA) and is limited by legislation.

Adra provides homes across five BRMAs in north Wales. The BRMA groups rental market areas to provide the Local Housing Allowance (LHA) for each area, and within that there are five accommodation types - Shared accommodation, 1 bedroom, 2-bedroom, 3 bedroom and 4-bedroom properties.

**Figure 1: Adra rents in comparison to private sector and Local Housing Allowance (LHA) 2019/20**



Our properties offer customers value for money when average rents are compared to the median weekly wage. The table on the right shows the rent as a % of the median weekly wage for all areas where Adra currently have properties.

Area	Median Weekly Wage	Avg. social rent	Rent as % of wage
Gwynedd	£531.20	£98.32	18.5%
Conwy	£513.30	£115.00	22%
Denbighshire	£563.60	£98.32	17%
Flintshire	£574.90	£126.50	22%
Wrexham	£565.70	£126.57	22%
Wales	£541.70	n/a	n/a

To support the community in north Wales with accessing quality, affordable housing, the tenure types offered by Adra was increased in 2019. Rent to Own, intermediate rent and shared ownership options were made available, and market rents were introduced in 2020. At the end of 2019/20, of the total stock of 6,332 properties, 97% (6,140 homes) of tenancies were on social rent, and 0.3% (19 homes) were either low cost home ownership options or intermediate rent. The remaining 173 were void.

98% of our tenants are on an assured tenancy with the remaining 2% on assured shorthold tenancies (for an initial 6 month fixed period upon expiry of which they shall continue periodically)

**Tenancy Types for year ending March 2020 (occupied)**

Housing Type	Number	As % of stock
Supported	5	0.08%
Housing for 55+	1,331	21.61%
General Needs	4,804	78%
Intermediate Rent	10	0.16%
Low cost ownership	9	0.15%
<b>Total</b>	<b>6,159</b>	<b>100%</b>



Since 2015 we have completed over 200 new homes in Gwynedd (of 426 across north Wales). This has helped people like Natasha from Criccieth to stay in their communities.

*“I was born and raised in Criccieth and wanted my own home here to raise a family. House prices are so high, I had to move out of the village. I’ve been able to return to Criccieth by having an affordable house through Adra. I now live close to my friends and family and I have a comfortable house at an affordable price in the town. That is important to me.”*

**Fuel Poverty**

Adra has committed to being carbon neutral by 2030. We have begun on this journey by committing to improve our most energy inefficient homes by 2022, and by committing to build all our new homes to A rated standards from 2022.

Fuel poverty is not just about the building. It is also about providing support to manage the cost of energy, and our energy wardens have been working with our customers since 2016. Their energy savings advice includes practical advice on effective use of heating systems, explaining different energy pricing plans, and looking for more competitive pricing plans to help reduce bills. The wardens also support customers in applying for grants. 138 Adra households received support from our wardens in 2019/20 and support was provided for 7 community events.

**In 2020/21, Energy wardens supported 188 tenants. 134 Warm Home Discounts were submitted in October 2020, with estimated savings of £52,360 for tenants. 7 tenants were referred to the ‘Look after my bill’s’ scheme, and 18 tenants were supported with Dŵr Cymru discount applications (total savings of £4,500).**



## New Development

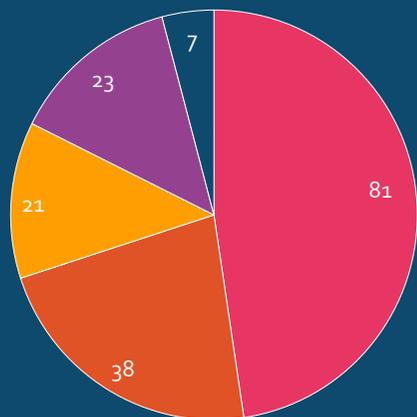
There is an acute demand for new homes in North Wales. The supply of new housing is not keeping up with the demand, and the role of housing associations such as Adra is a fundamental part of addressing the housing crisis. Adra's Development Strategy 2020 - 2025 states our commitment to build over 1,200 new homes across all tenure types thereby supporting the development of sustainable communities and associated regeneration.

Adra has committed to develop a balanced development programme, comprising around 70% affordable tenures (grant funded or section 106) and around 30% market rent or sale. In 2020/21 we invested over £36.5m in developing new homes, **completing 172 new homes** – 70 completed by Adra with a further 100 homes developed in partnership with others.

Our new homes are not just affordable homes, they are completed to a high quality, using modern methods of construction and are completed by working with local contractors to minimise our carbon footprint. One of our most recent schemes in Clwt y Bont, Deiniolen, has seen properties installed with ground source heat pumps and photovoltaic panels to minimise both cost to the tenants through improved energy efficiency and to reduce the carbon emissions from the properties.



**New Development by Property Type (2020/21)**



■ Semi Detached ■ Detached ■ Terrace ■ Flat ■ Bungalow

Since 2015, we have completed **426** new homes across north Wales:

County	Number	As %
Gwynedd	201	47%
Conwy	52	12%
Denbighshire	116	27%
Flintshire	12	3%
Wrexham	45	11%
<b>Total Units</b>	<b>426</b>	<b>100%</b>

In 2020/21, completed homes were let within the following tenure types:

Tenure Types	Number	As %
Social rent	67	39%
Intermediate rent	44	25%
Market rent	22	13%
Rent to Own	32	19%
Shared ownership	7	4%
<b>Total</b>	<b>172</b>	<b>100%</b>

## Theme 2: Building Safety and Quality

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.

This theme seeks to assess how effective Adra is in at meeting its legal responsibilities to protect residents and keep buildings safe and identifies three areas of performance to assess - gas safety checks, fire risk assessments and compliance against the Decent Homes Standard. However, as a Welsh landlord, Adra reports compliance against the equivalent standard, namely the Welsh Housing Quality Standard (WHQS).

We also expand the safety assessments here to include all the 'Big 6' Health and Safety areas i.e. Gas safety, Electrical Safety, Lift Safety, Legionella, Asbestos, and Fire Safety

Adra prioritises the health and safety of its tenants and has invested to ensure that our landlord compliance team and related systems and processes are amongst the best performing in the country. We focus on the 'big six' fields of landlord safety compliance and we have undertaken in-depth reviews of our competence in those areas. Most recently we have reviewed our fire safety measures and we became the first landlord to be awarded substantial assurance by the Housing Quality Network affiliated auditor in that area.

From both a business and social perspective, our main asset is our housing stock, and so it is vital that we maintain the safety and quality of our properties. All our properties must adhere to the Welsh Housing Quality Standard (WHQS) which assesses quality and suitability of our homes.

We take our regulatory obligations, compliance and management of associated risks seriously and there are robust processes in place to achieve this.

### **Gas Safety**

Given that we operate in predominantly rural areas, not all our homes are on mains gas, with many being on solid fuel and oil heating. Our decarbonisation programme will also increase the level of alternative technologies in our homes.

At 31<sup>st</sup> March 2021, Gas Compliance was **99.95%**, with 100% of our oil fuelled and 98.6% of solid fuel heated properties serviced.

**97.2%** of  
customers  
satisfied or very  
satisfied with  
the service

## Fire Safety

We received high-level assurance in 2020/21 from the independent Housing Quality Network (HQN) auditor on our fire risk management processes and practices. Fire risk assessments are undertaken in accordance with our policy which categorises our buildings in terms of fire safety risk. The schedule is based on a High, Medium and Low risk assessment of building types:

Risk Profile	Property Type	Cyclical Re-assessment Schedule
High	Converted Flats Buildings over 5 storeys Sheltered Schemes Community Housing Offices and Depots	1 year
Medium	3-5 storey purpose built general needs	2 years
Low	1-2 storey purpose built general needs	3 years

Our Board monitor progress against this schedule and monitor the closure rate of any high-risk actions that arise from the assessments.

At the end of March 2021 **all (100%)** of our properties had an up to date fire risk assessment.

## Electrical Safety

We have aligned our compliance policies to reflect national best practice in conducting an Electrical Installation Condition Report (EICR) on all properties every five years. We are nearing completion of the first cycle of inspections and as at 31st of March 2021 **99.26%** of our properties had received an EICR test within the past five years.

## Lift Safety

We manage compliance on seven communal lifts. At the end of March 2021 **100%** of our lifts were compliant with lift safety requirements.

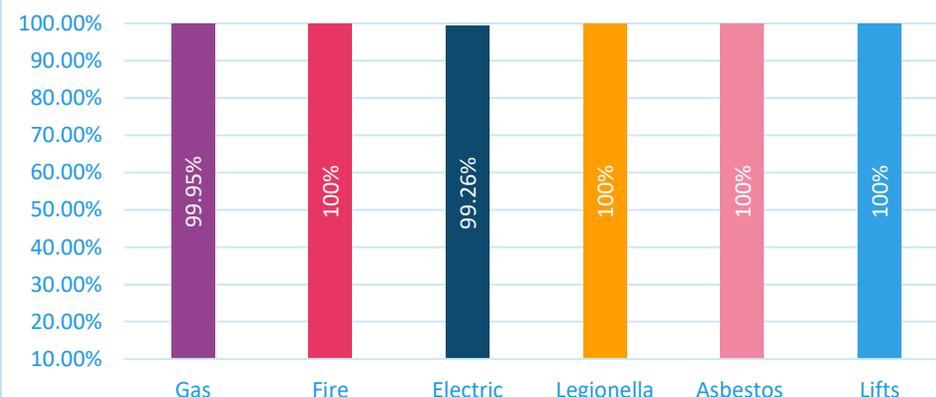
## Water Hygiene

At the end of March 2021 **100%** of our water hygiene temperature checks had been carried out to the required timescales and followed our adopted 'Legionella Policy'

## Asbestos

**100%** of our asbestos safety checks were undertaken to required timescales throughout 2020/21 and followed our adopted 'Control of Asbestos Policy'.

'Big 6' Compliance (at 31.03.2021)



## Welsh Housing Quality Standard (WHQS)

The Welsh Housing Quality Standard (WHQS) introduced in 2002 is the Welsh Government's standard of housing quality. It aims to ensure that all dwellings are of good quality and suitable for the needs of existing and future residents. The Welsh Government set a target that all social landlords should improve their housing stock to meet the WHQS by 2020. Adra achieved this target in 2015 and is now focussing on maintaining the standard and reducing the number of acceptable fails where possible.

The WHQS measures 42 individual elements within seven categories and assesses whether properties:

- are in a good state of repair
- are safe and secure
- are adequately heated, fuel efficient and well insulated
- contain up to date kitchens and bathrooms
- are well managed (for rented housing)
- are in attractive and safe environments
- as far as possible suit the specific requirements of the household



Component	Relevant Stock Numbers at 31.12.2020	Fully Compliant stock at 31.12.2020	Compliant stock subject to acceptable fails at 31.12.2020
Roofs and associated components	6,400	6,400	0
Windows	6,400	6,400	0
External Doors	6,400	6,400	0
Kitchens	6,400	6,010	390
Bathrooms	6,400	6,193	207
Energy Rating (SAP $\geq$ 65)	6,400	5,482	918
Central Heating Systems	6,400	6,400	0
Electrical Systems	6,400	6,269	131
Mains Powered smoke detectors	6,400	6,400	0
Gardens and external storage	6,400	6,400	0

**100%**

WHQS compliant since 2015

### **Theme 3: Resident Voice**

Listening to our customers is a key priority for Adra and is one of the customer satisfaction performance indicators set by the Regulator.

This theme seeks to assess how effective Adra is at listening and empowering its customers, and identifies three criteria that cover Board scrutiny, complaint handling and customer satisfaction.



### **Holding Management to Account**

Adra has a consultative framework in place which offers a wide range of opportunities for residents to have their say on the services they receive from Adra as a landlord. The main consultative body is the Tenant Partnership and we ensure that consultation happens with the Partnership and via other methods before relevant policies and initiatives go on to Board for decision. The Board has demonstrated its commitment to tenant participation through the creation of a Tenant Participation Board Champion role, and officers of the Partnership meet regularly with the Chair and Vice Chair of the Board. A recent external audit on customer engagement provided significant reassurance in this area of work with no recommendations made for further action / improvements.

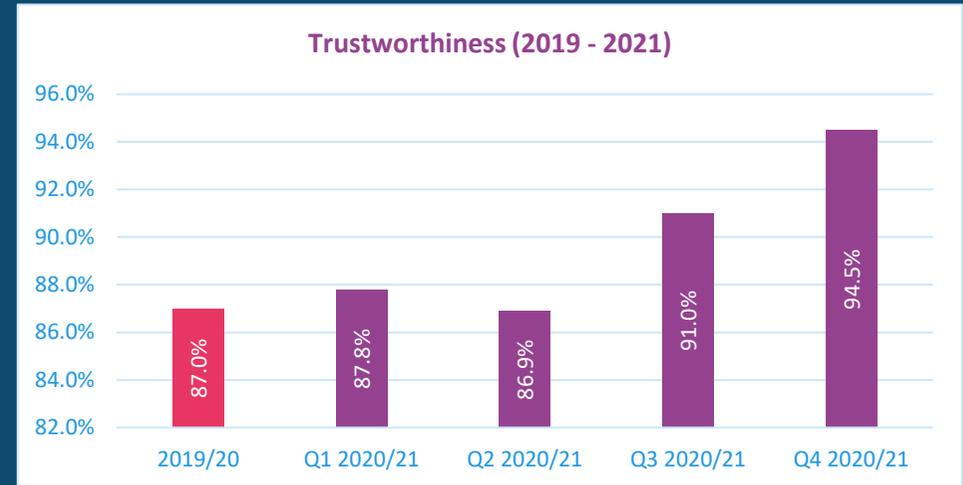
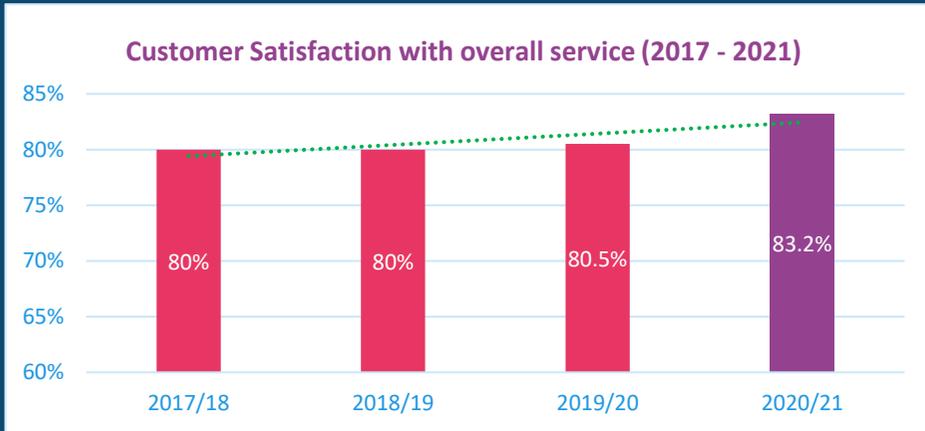
### **Resident Satisfaction**

We want to know how our customers think we are doing, and so we work with a market research agency to ask over 125 customers each month about their experience with us. We use this feedback to improve our services, e.g. by doing more of what our customers say we do well, and by working to improve issues where the satisfaction is lower. Our 2019-22 corporate plan sets ambitious goals for our customer satisfaction to be over 90% for all front facing services. To help us to achieve this we have established a dedicated customer service excellence project.

We also work closely with our tenant partnership to consult and engage with our customers on specific policy developments and other activities. We use the feedback to deliver services that work for our customers. To reflect our commitment to our customers we are an accredited Customer Service Excellence body, which includes assessment of our customer feedback processes.

Despite the Covid-19 pandemic having an impact on our ability to provide services during the year, a significant proportion (**83.2%**) of our customers surveyed said that they were satisfied or very satisfied with our overall level of service. This is an improvement on our 2019/20 position and demonstrates the good work that has been carried out during the year to meet our customers' expectations.

The Welsh Regulator requires us to report each quarter on how satisfied our customers are with the way in which we listen and act on their views. Of our customers surveyed in 2020/21, 4 out of 5 (80.4%) were satisfied or very satisfied; with **over 90% responding positively** that they believe us to be a trustworthy organisation. Belief in our trustworthiness increased significantly during 2020/21 from 87% in March 2020 to 94.5% by March 2021.



Of the 102 complaints received in 2020/21, 3 cases were escalated to the Ombudsman. 1 was formally investigated but was not upheld by Ombudsman and confirmation was provided that Adra had followed its Policy as required of Registered Social Landlords. The other two were rejected by the Ombudsman as they had not followed Adra's complaints procedure.

Whilst no change of practice was required in response to these complaints as they were not upheld or were rejected by the Ombudsman, we actively seek new and innovative ways to deliver our services. Practices are reviewed and revised based on learnings from the Ombudsman and via feedback gained through our tenant satisfaction questionnaires to ensure that the best possible service is always provided.



## Theme 4: Resident Support

Adra is in a strong position to support its customers with improving their life chances.

This theme seeks to assess the effectiveness of our initiatives to support individual customers, and covers the support we provide and how successful it is.

Our 2018-2030 Community Strategy sets out our community vision and values, our priorities and our long-term commitment to making a difference in the communities that we serve. The strategy is supported by shorter term delivery plans which are reviewed regularly so that our work is focussed, and so that we respond effectively to any changing needs or priorities.

The key focus areas for 2020-2022 are:

- Supporting our customers to move towards employment.
- Support and promote the health, wellbeing and welfare of our customers.
- Connected Communities
- Create communities which our customers feel safe and proud to live in

## Employment and Skills

We recognise that being in secure employment is key to helping people to improve their health, wellbeing, self-confidence and ultimately the quality of their lives.

Our Skills and Employment Plan outlines how we provide support and direct opportunities for tenants to improve their skills and employability through digital inclusion support, apprenticeships, work experience, creating volunteering opportunities and working in partnership with other organisations and support agencies.

To measure our effectiveness, we have set ourselves ambitious targets that by 2022 we will:

- be assisting 60 of our customers per year to move towards employment
- have created an annual minimum of 30 volunteering opportunities with us, and our partner organisations
- be creating two apprenticeships (per £3m investment expenditure)
- be creating four graduate opportunities

Activity undertaken / or their outcome realised in 2020/21 included:

- Jobs fair event held in Adra offices to promote careers with Adra attended by over 100 individuals. 4 attendees were appointed to apprenticeship posts in October 2020 with one an Adra customer.
- Pop up business school event supported, in partnership with North Wales Employability Group partners. Event aimed to support people to start their own business in a risk and debt free way. Virtual event held in November 2020.
- First applications submitted for Kickstart scheme, to provide work placement opportunities to 16-24 at risk of long-term unemployment.

## Increase their income and better manage their money

Our Rents Team are adopters of 'Policy in Practice'. This helps identify the benefits and additional funding that is available to our customers. We help customers to apply for benefits, such as Universal Credit, and additional grants they might be eligible for e.g. Discretionary Assistance Fund and Discretionary Housing Payment. We complete income and expenditure forms with all new tenants and have a service level agreement with the Citizens Advice Bureau (CAB) so that tenants can access support and independent advice.

During 2020/21, 105 tenants were provided with advice and support by the CAB (53 for benefits; 75 for debts/budgeting, 6 for employment)\*. **£271,556** of debt was negotiated, **£48,938** of debt deleted, and **£217,889** gained in additional benefits/grant funding.

\*Figures within the brackets includes duplicates i.e. people supported for more than one issue



**2,190**

new Universal Credit claimants supported during 2020/21

## Support during Covid-19

The Covid-19 pandemic made us reflect on how we engage with customers and on the services that best support the needs of the most vulnerable in our communities.



Welfare calls made to **1,800 vulnerable customers** (over 70's, vulnerable and shielding)



Referred over **350 customers** that were shielding to receive weekly food parcels



**£50k hardship fund** created to support communities through the pandemic. **14 projects** supported by March 2021



**£2,500** in financial support to foodbanks and supported collection / delivery across Gwynedd



Supported **14 families** by providing 'Baby Boxes' in partnership with Barnardos amongst others



Provided and delivered Personal Protective Equipment to volunteers and key workers across Gwynedd



Outdoor wellbeing events organised amongst elderly residents at 3 sheltered housing sites to tackle loneliness and isolation

## Theme 5: Placemaking

This theme seeks to highlight the wider set of activities that we undertake to create well-designed homes and places that meet local needs and provide great places for people to live and enjoy.

Placemaking is first and foremost about people. A place has to work for everyone and when building at scale, that requires homes in a mix of tenures to meet the demand.

Crucially, it also means the delivery of green spaces and access to appropriate infrastructure such as schools, roads, shops and leisure services enabling tenants to live their lives in their own communities.

We actively seek our new partnership opportunities to work together with other organisations and communities to address deep rooted social and economic problems, such as poverty, health inequalities, and climate change.

In 2020/21, **86.2%** of residents surveyed were satisfied with their neighbourhoods as a place to live. We achieved this through getting the basics of estate management right, tackling anti-social behaviour, maintaining our homes to a good standard, and investing in the general look and feel of our communities thus ensuring good levels of security for residents. **Over 90%** of our customers said in 2020/21 that they feel safe or very safe in their communities.

### **CASE STUDY: Maes Ni Project (Maesgeirchen, Bangor)**

Maesgeirchen is one of 3 communities in North Wales (Wrexham and Colwyn Bay being the other two) and 10 across Wales that has received £1 million through the Lottery funded Building Communities Trust scheme. The Maes Ni project started in 2016 and aims to increase community involvement and local decision making on how the money was spent. Consultation with residents showed that the creation of a new Community Centre and the upgrading of the play park was at the top of the wish list.

Adra has been on the scheme's Steering Group since the start and has been the scheme "Fundholder" since 2018 – providing financial support and advice etc. Our Customers and Communities Director is a member of the Steering Group and has helped and advised the group. The Play Park upgrade was completed in October 2020. At Adra's request, the company Cadarn helped with the planning and tendering for the play park. This work has been done as a community benefit, and they have also contributed over £9,000 towards elements of the work



# ENVIRONMENTAL



Adra provide homes across the whole of north Wales – from Aberdaron to Wrexham. Most of our homes however are in Gwynedd, a county of approx. 984 sq. miles, just shy of the size of Luxembourg. The scenic Llŷn Peninsula and most of the

Snowdonia National Park are in Gwynedd. We recognise that our day to day activities has an impact on our environment, be it from the operation of our office buildings to the emissions from our vehicles in managing our properties across a vast and rural area.

In response to the Climate Change Emergency we have developed a long-term **Carbon Footprint** and **Decarbonisation Strategy 2020 – 2030**. This aims to move us towards being 'net zero' by 2030.

The best way of achieving this ambitious target will be by working with other organisations to help build robust partnerships of like-minded and complementary stakeholders who are willing to work collaboratively to make a difference.



## Theme 6: Climate Change

This theme seeks to assess how our activities impact climate change. It looks at current practice together with changes being made to improve future performance.

This theme contains five criteria, including the distribution of EPC ratings, emissions data, climate change impact risk and resident information provision.

In February 2021, the Welsh Government set out its legal commitment to achieve net zero carbon emissions by 2050. By 2018 - the latest year for which data is available - Wales had seen a 31% fall in greenhouse gas emissions compared with 1990 levels. New legal targets will force a 63% reduction by 2030 and 89% by 2040, with Wales reaching 'net zero' - effectively a 100% cut - by 2050.

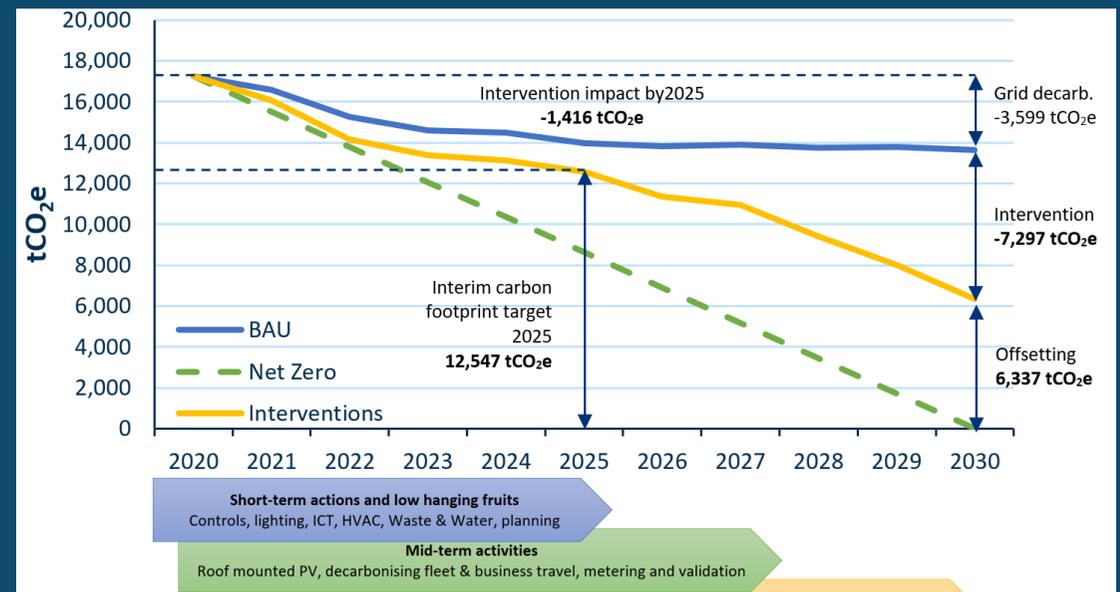
The need for everyone to act responsibly towards climate-related issues is now stronger than ever. By taking action to operate and grow Adra in a sustainable way, we are playing our part in contributing to the UK's net-zero emissions targets and global Paris agreement targets.

The housing sector clearly has a key role to play in reducing greenhouse gases and impacting positively on climate change.

With Adra's homes being spread across north Wales it is vital that we seek and adopt new ways of working to offset the carbon emissions of our activities. 2020/21 saw a major milestone in this regard with the adoption of Adra's first **Decarbonisation Strategy** for the 10-years 2020 – 2030 which states our ambition of becoming 'net zero' by 2030. Therefore, 10 years are given to decarbonise Adra by undertaking energy efficiency, renewable energy measures, low carbon fleet, and offsetting measures. Decarbonisation will also consider electricity grid decarbonisation and other factors such as rationalisation of the estate.

Working with the Carbon Trust we calculated our baseline carbon footprint (2018/19) from direct and selected indirect emission sources (scope 1, 2 and selected scope 3). This carbon footprint was calculated in line with the Greenhouse Gas (GHG) Protocol emission scopes. This work showed that **96% of our total** recorded emissions come from energy consumption within our housing stock.

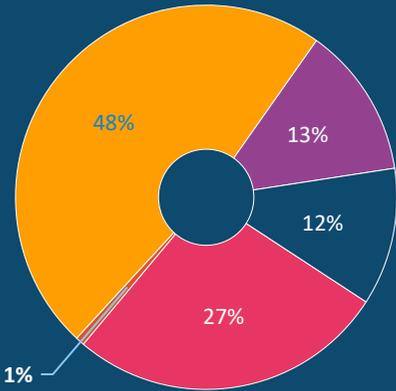
Our Decarbonisation Strategy 2020 - 2030 outlines the journey we will need to follow to reach net zero by 2030:



Dwelling Type	Total Count	EPC Band Total Count (2019/20)							Total Carbon Emissions (tCO <sub>2</sub> e)
		A	B	C	D	E	F	G	
Semi detached	1,362	21	20	741	508	72	0	0	4,499
Detached	25	0	1	6	15	2	1	0	125
Terrace	2,820	14	48	2,010	629	116	2	1	7,992
Flat	1,324	0	219	1,043	54	7	1	0	2,128
Bungalow	801	3	6	384	357	51	0	0	1,932
<b>Total</b>	<b>6,332</b>	<b>38</b>	<b>294</b>	<b>4,181</b>	<b>1,563</b>	<b>248</b>	<b>4</b>	<b>1</b>	<b>16,675</b>
<b>Total as %</b>	<b>100%</b>	<b>0.6%</b>	<b>4.6%</b>	<b>66.1%</b>	<b>24.7%</b>	<b>3.9%</b>	<b>0.1%</b>	<b>0.0%</b>	-

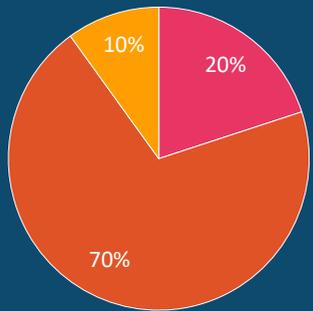
Over two thirds (71.3%) of our existing properties are currently EPC rated C or above. Terraced properties are the largest proportion of property types within our stock portfolio at 45%, followed by semi-detached (22%) and flats (21%) respectively. A significant proportion (95%) of our flats, nearly three quarters (73%) of our terraced, and over half (57%) of our semi-detached properties have an EPC rating of C or above. The biggest contributor to our total carbon emissions in relation to relative numbers are detached properties at a ratio of 1:5 (or 5 tCO<sub>2</sub>e per property) with nearly three quarters (72%) of our detached properties having an EPC rating of D or below.

CO2 Emissions (% of total by property type) 2019/20



■ Semi Detached ■ Detached ■ Terrace ■ Flat ■ Bungalow

EPC Rating - New Developments (2020/21)



■ EPC A ■ EPC B ■ EPC C

We completed 172 new build properties in 2020/21. The EPC rating for these properties were within 3 bands i.e. A, B and C, with over two thirds (70%) being 'B' rated (20% A and 10% C). C rated properties were as a result of purchasing 'off the shelf' and existing properties.

The Adra Board took the decision in the year that all new development properties should be as close to 'A' rated as possible. Where possible all new build properties are installed with roof mounted solar panels and air source heat pumps for energy. Electric vehicle charging points also specified as well as rainwater harvesting units.

**56** properties currently under construction using modern methods of construction



We continued to invest and improve the energy efficiency of our existing homes in 2020/21, thus reducing the environmental impact and reducing the costs for our tenants. To support our decarbonisation ambitions, we have trained our property inspectors to target energy efficiency matters during property inspections.

Over **£1m** was invested in improving insulation in **137** of our properties in 2020/21; 100 receiving external wall and loft insulation with a further 37 receiving loft insulation only. This will significantly increase the energy efficiency of these properties and will be reflected in both our corporate carbon reduction performance and Adra's overall decarbonisation effort. Initial works undertaken in 2020/21 to improve the energy performance within our lowest rated stock equated to an estimated heating cost reduction of **-£95** on average per property per annum (**-22% of their average heating costs**).

In addition to insulation, we also **invested £108k** in the installation of new double-glazed window units in 38 of our existing homes.

We have also been successful in obtaining over £500k in grant funding from the Welsh Government. This will allow us to trial new heating technologies such as ground source and air source heat pumps in our homes. The trial of new heating systems will allow the property temperature to be controlled through smart technology i.e. temperature regulation.

All new development tenants are given a Home User Guide that provides guidance and tips on various domestic activities including:

- Setting the thermostat and programming the heating timer
- Boiler pressures
- Using and looking after windows
- Avoiding condensation

### Adra Carbon Emission Data 2020/21

Aspect	Usage	Kg CO <sub>2</sub> e	Carbon emissions (metric tonnes)
Electricity	94095 kWh	0.233	21.9
Natural Gas	16,198cm <sup>3</sup>	2.02	32.8
Water	652cm <sup>3</sup>	0.34	0.2
White fleet	913,645 miles		413.4
Grey fleet	133,369 miles		38.3
Paper	239, 112 sheets	919.4	1.1
Properties	6,487*		16,626 <sup>†</sup>
		<b>Total</b>	<b>17,133.7</b>

\*social rent properties of total stock of 6,499

<sup>†</sup>reduced to 2.56MT per unit compared to 2.68MT in 2019/20

Source	Scope 1 Emissions (tCO <sub>2</sub> e)		Scope 2 Emissions (tCO <sub>2</sub> e)		Scope 3 Emissions (tCO <sub>2</sub> e)		Total Emissions (tCO <sub>2</sub> e)	
	FY18/19	FY19/20	FY18/19	FY19/20	FY18/19	FY19/20	FY18/19	FY19/20
Adra operated sites	120	119	43	36	-	-	163	155
Adra housing stock	10,831	10,899	6,092	5,559	-	-	16,923	16,458
Adra White Fleet	419	461	-	-	-	-	419	461
Adra Grey Fleet	-	-	-	-	89	93	89	93
Adra Waste	-	-	-	-	61	66	61	66
Adra Water	-	-	-	-	1	2	1	2
<b>Total</b>	<b>11,371</b>	<b>11,479</b>	<b>6,135</b>	<b>5,595</b>	<b>151</b>	<b>159</b>	<b>17,656</b>	<b>17,235</b>

For comparison purposes the table opposite provides an overview of our Scope 1, Scope 2 and Scope 3 emissions for the two years 2018/19 and 2019/20. The 2020/21 emissions are being compiled and will be available shortly.

## **Theme 7: Ecology**

This theme seeks to assess how we protect the local environment and ecology. It includes two criteria that impact the local ecology: managing pollutants and biodiversity.

We actively seek best practice and innovative ways of meeting planning requirements in relation to green spaces and biodiversity. We also strive to minimise the impact of possible pollutants from our work.



### **Green Space and Biodiversity**

All our developments conform to local planning guidelines and are designed to provide all new development sites with a protected green space. The size of the green space is dependent on the size of the site and the number of properties being built. All green spaces are maintained in accordance with planning conditions and are designed in liaison with our Land Management Team. One of our new sites will feature an area of temperate rain forest.

An ecological assessment is undertaken on all our new development sites to assess the ecological and biodiversity impact on each site. All remedial recommendations made are implemented and maximised wherever possible. Where appropriate a landscape design is developed to maximise the biodiversity opportunities and ensure that whenever we remove trees from a site, we replace them with the same numbers.

Sustainable Drainage guidelines means that we look at integrating water management systems within all new development sites, this includes the creation of ponds. These guidelines often require us to improve on the biodiversity of the site through initiatives such as additional tree planting.

Detecting bat colonies when developing new sites presents challenges, and has meant that several sites have needed specific lighting plans prepared. Lights cannot be installed pointing upwards etc. and need to be sympathetic to local biodiversity.

Our Land Management Team actively work with community groups to provide support, advice and grant funding to create green spaces within the communities. These include community gardens, allotments and alternative planting areas. Wild flower planting has taken place at three sites in Bangor, Penygroes and Llanllyfni in partnership with our grounds maintenance contractor – further schemes are proposed for 2021/22.

As well as developing new homes across north Wales, we are also improving our existing estates, with work being carried out to identify suitable areas for the retrofitting of sustainable drainage systems which will involve the creation of ditches, ponds and culverts. This work will increase the biodiversity values of the identified estates.

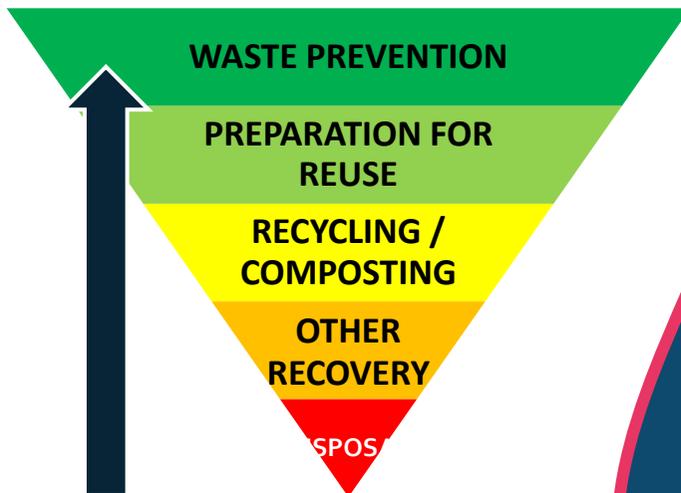
### **Pollutants**

Although we currently do not have an independent strategy to manage and reduce all pollutants, we do however actively seek viable options to minimise the environmental impact of pollutants. Working with the local authority and Welsh Water, we are replacing original water mains within our estates in Gwynedd to reduce properties that have lead, asbestos or galvanised mains and services.

## Theme 8: Resource Management

This theme seeks to assess how we manage the use of resources. Its three criteria cover sourcing materials, waste management and water management.

Building new homes and retrofitting current stock carries with it the risk of direct and indirect environmental impacts, be it the overall carbon footprint to the unsustainability of the materials used. We are mindful of the impact that our activities have on the wider environment, and we minimise the use of raw materials and production of waste from our building sites.



Our Waste Management Policy covers all business activities and aims to ensure compliance with the Environmental Protection Act 1990 and all associated legislation relating to waste management to ensure that all our operations are carried out without:

- risk to water, air, soil, plants or animals
- causing a nuisance through noise or odours; and
- adversely affecting the countryside or places of special interest

The management of our waste is done via our materials supply contract, delivered by a local waste management company. We also have a substantial waste segregation process in place across three sites enabling us to split all our different types of waste. We are supplied with all data on our waste / recycling rates which is incorporated into our Carbon Footprint calculations, with any identified opportunities to reduce waste incorporated into our environmental action plan. During 2020/21, 1,180 tonnes of waste from our various sites was recycled (100%)

All our waste management activities adopt the principles of the waste hierarchy with a view to reducing the volume of waste that is sent to landfill. All our waste management decisions are resource responsible and enhance our Environmental Management System which complies to ISO 14001:2015.

Our Water usage has minimal environmental impact. We monitor usage on a monthly basis to protect against any leaks which we would be unaware of otherwise.

Whilst we don't currently have an adopted strategy to increase the use of responsibly sourced material for building works, our newly established materials framework, which includes several other Housing Associations and Local Authorities, has a strategic core group with representation at an executive level to specifically discuss this area. The intention is to establish a clear strategy with our materials suppliers Travis Perkins.

Waste materials recycled in 2020/21 (in kilograms)

Material	Waste Disposal Contractor 1	Waste Disposal Contractor 2
Mixed	602,203	100,304
Rubble/Inert	77,600	111,725
Wood	640	66,612
Soil	34,080	-
Trade	155,480	-
Green	320	-
Other	13,200	18,269
<b>Total</b>	<b>883,623</b>	<b>296,910</b>

# GOVERNANCE

Governance is the system by which organisations are directed and controlled – particularly how the aims and values of an organisation are set as distinct from the day-to-day operational management of the organisation by its executives.

The foundations of good governance are said to be having a balanced and diverse Board that leads and provides strategic direction whilst simultaneously managing risk. Effective governance is however more than just the Board. It is fundamentally about culture and a way of working that, if managed well, constantly evaluated, regulated and then used as a platform for innovation equates with service excellence. Good governance is more than a set of rules and processes. Good governance is good business too!

Good governance ensures “the right people make the right decisions, at the right time with the right information” and “decision making is evidence-based and focused on meeting user needs”

Adra is committed to achieving good governance and to complying with Community Housing Cymru’s Code of Governance.



## **Theme 9: Structure and Governance**

This theme seeks to assess the quality, suitability and performance of the corporate and governance structure. The theme is made up of six criteria including ownership, governance and risk approaches.

Reporting to Adra's Board are two committees, namely the Audit and Assurance Committee and the Customers and Assets Committee. The group structure also has a standalone Board to oversee and govern the operation of the commercial subsidiary, Medra.

All Boards and Committees have separate Chairs who differ from the Group's Chief Executive.

All Board members are required to sign and adhere to the Code of Conduct for Board Members. Within the Code there are explicit rules on managing and declaring conflicts or potential conflicts of interest. All members are required to complete a declaration of interest form on an annual basis and make the company secretary aware of any material changes within the year or during a meeting of the Board and its committees. Any significant changes to Adra's Rules must be cleared with the Financial Conduct Authority (FCA).

Adra (Tai) Cyf. is a registered social landlord in Wales and has the legal status as a not for profit organisation under the Co-operative and Community Benefit Societies Act 2014.

We are required to submit an annual self-assessment report to the Housing Regulator against the 10 published *Performance Standards*. This report, together with regular monitoring information submitted throughout the year informs the Housing Regulators Independent judgement on our financial viability and overall governance.

The most recent Regulatory Judgement received from the Welsh Government in March 2021 confirmed the highest possible classification awarded to landlords in Wales, namely 'Standard/Standard'.

### **Governance**



### **Financial Viability**



In order to always ensure good governance, we are a member of Community Housing Cymru (CHC) and our code of governance applies the agreed CHC model.

Neither Adra nor its subsidiary Medra were subject to any adverse regulatory findings during 2020/21.

Our *Risk Management Framework* outlines our approach to risk, including how we identify risks that could impact on our services, business and customers. Risk is often seen as compliance and therefore a handbrake on business; it however can also be viewed as an opportunity to highlight areas for improvement. We recognise that all organisations face an inherent level of risk; without risk, there is no reward. The flip side to this is that too much risk can lead to business failure. Adra realises that pursuit of meeting the aims of our key business strategies often involves some degree of risk.

We 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). Our Risk Management Framework supports our commitment to maintaining certification and our commitment to establishing and embedding in normal business practices, a framework of risk management that protects its officers, staff, customers, partners and the general public. The framework is reviewed annually to reflect our business position and our Board's risk appetite.

We operate two corporate level risk registers, namely a Strategic Risk Register (highlighting risks where the causes are usually external to the business, that if they were to occur, would be serious enough to potentially require a change in strategic direction) and an Operational Risk Register (where the causes can be internal or external and if they were to occur would impact on our ability to deliver our current business strategy or improve / deliver our day to day services).

We have a central risk management function which advises and supports risk owners as they review allocated risks and update the risk registers and associated action plans accordingly.

During 2020/21 our Board agreed to establish a Risk and Audit Assurance Group to scrutinise and support the delivery of the risk management framework.

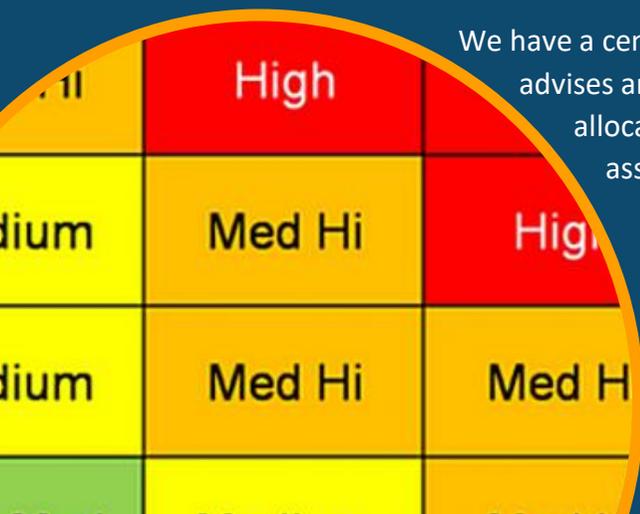
The overall accountability for risk management rests with the Board, with day to day operational responsibility managed by the Chief Executive through the Executive Leadership Team and Senior Leadership Team.

Risks are assessed and scored using a recognised 5x5 matrix with risk categorised as follows:

Risk Level	Risk Category	Recommended Response
16-25	Extremely High Threat	<ul style="list-style-type: none"> <li>Unacceptable level of risk exposure which requires immediate corrective action to be taken.</li> </ul>
11-15	High Threat	<ul style="list-style-type: none"> <li>Unacceptable level of risk exposure which requires constant active monitoring and measures to be put in place to reduce exposure</li> </ul>
6-10	Medium Threat	<ul style="list-style-type: none"> <li>Acceptable level of risk subject to regular active monitoring measures</li> </ul>
1-5	Low Threat	<ul style="list-style-type: none"> <li>Acceptable level of risk subject to passive monitoring measures</li> </ul>

To guide our business activity and the level of risk that we are willing to expose ourselves to, our Board annually assesses our corporate SWOT and PESTLE analyses and establishes their agreed risk appetite for the year. This assesses and establishes their risk tolerance levels for a suite of thematic risk areas associated with the business including, but not limited to; 'Development and Growth', 'Health and Safety', 'Financial Investments' etc.

At the end of March 2021, we managed 24 'strategic' and 23 'operational' risks through our respective risk registers.



## Theme 10: Board and Trustees

This theme assesses the quality, suitability and performance of the board and trustees. The theme is made of eleven criteria including board demographics, ownership, experience and independence of the Board.

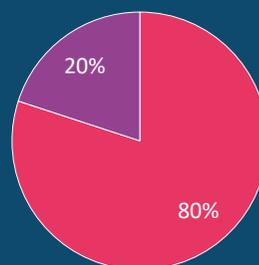
The Adra Board has a maximum of twelve (12) members (excluding co-optees); two of whom are to be tenant members and up to two nominated by the local authority. Currently Adra has ten (10) Board members, with one (1) of the tenant positions being vacant. The Board's composition brings together a broad range of skills, experience and knowledge including expertise in finance, business, development, public administration and social value. All Board members are non-executive directors.

Adra Board Members are appointed on renewable fixed terms, up to a maximum of 9 years in total measured by number of annual general meeting's (AGM) following appointment.

As at 31st March 2021, Adra's longest-serving Board Member had served for 5 years 10 months and our newest Board Member had served for 11 months. As at that date, the average tenure was 38.5 months

A full skills audit and review of the Board was carried out in 2018/19 with individual Member appraisals undertaken annually.

### % gender split of AdraBoard members (at 2020/21 year end)



■ Men ■ Women

56

Average age of  
Board Members

50%

Of the Adra Board  
can speak Welsh  
fluently.  
(40 % for Medra)

There are currently no Board members that identify as BAME.

**10%** of the Board (1 of 10) currently identify themselves as suffering from a disability

Within the Adra Group, we also have our Commercial Subsidiary governed by its own Board. Currently there are no members that identify themselves as BAME or to have a disability.

The gender split of the Medra Board matches that of the parent company with **20%** of members identifying as women and an **average age of 56**.

Two Board members stepped down in the two-year period 2019 – 2021 with 1 new member appointed during this period.

Two members of the Audit and Assurance Committee have professional financial experience. Adra's Vice Chair also has such professional experience and may choose to exercise ex-officio attendance at this Committee.

Our Appointment, Remuneration and Disciplinary panel has a maximum of six members of the Board and must include the Chair and Vice Chair. It does not include our Chief Executive.

Succession planning is considered carefully as standard. Both the Board Chair and Committee Chairs have Vice-Chairs, and a decision was taken recently on the Board Chair's successor upon their tenure ending at the 2021 AGM.

Our internal audit services are delivered by an independent provider, Mazars, and our externally appointed financial account auditors are Beevers and Struthers. Provision has been retendered on several occasions since inception with both successful on each occasion and have been in place since 2010.

## Theme 11: Staff wellbeing

This theme seeks to assess the extent to which we are a good employer, and includes two criteria, namely the CEO-worker pay ratio and a disclosure on being a Living Wage employer.

Staff are our most valuable resource and the wellbeing of our staff has never been more important. Keeping our staff happy and healthy during the pandemic has been a priority. We have in place numerous policies to support our staff wellbeing including our Wellbeing Strategy and a Mental Health, Stress and Wellbeing Policy. We also offer up to 6 free confidential counselling sessions via an external counselling service.

We also ensure that we support the physical health of our staff and arrange membership with a health insurance provider that gives support with covering the cost of various physical treatments e.g. physiotherapy, dentistry etc. We also work closely with local businesses and can offer staff reduced rates for memberships to local gyms and leisure centres.

As an employer we continue to pay our staff the 'real living wage' as calculated by the Living Wage Foundation.

Adra works to positively influence and reinforce the supportive internal organisational culture. This helps us with achieving our priorities and meeting emerging challenges.

A positive culture requires dedicated and committed staff, and this is promoted by our focussed organisational development programme called "Gwna Wahaniaeth". (Make a Difference)

The mission statement for this organisational development programme is:

**To be the company that others want to work for, where staff work as one team and are valued and empowered to make a positive difference**

A key theme within the programme's strategy is 'Health and Wellbeing' which sets out our commitment to improving both the physical and mental health of our staff through our 'Wellbeing Strategy'. Through this Strategy we focus on the health and wellbeing of our staff in the workplace, be they office based, at home or out in the field.

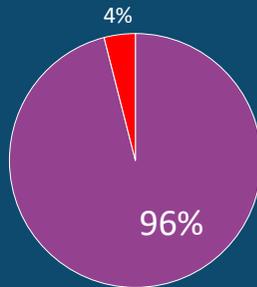
The Strategy ensures that we have effective initiatives, policies and procedures in place, and focuses on:

- Developing self-awareness, enabling staff to reflect on their health and helping them manage minor health problems in work.
- Promoting positive life changes that can directly influence good health in the workplace
- Striving for a workforce that is physically and mentally fit
- Providing positive feedback to staff to ensure that they feel appreciated
- Improving wellbeing by ensuring staff feel proud to work for Adra due to the positive impact of the company
- Work-life balance
- Helping people avoid work-related health problems
- Develop mental health first aiders to support staff suffering with mental health issues.



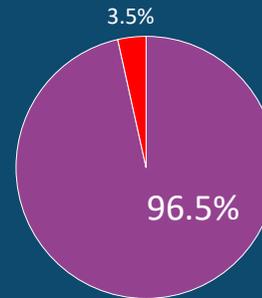
# Over the last two years, 96.5% of our staff believe that we are good employer with 96% being proud to work for us.

Adra understands our communities and supports those most in need



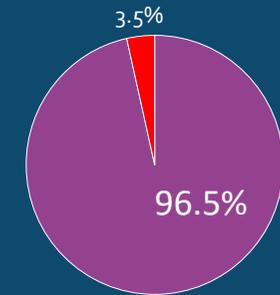
Yes No

Do you feel proud to work for Adra?



Yes No

I believe that Adra is a good employer



Yes No

Our 2019 – 2022 Corporate Plan sets the target of achieving over 90% staff satisfaction with Adra as an employer. Since 2019 we have undertaken one full survey, and two interim ‘temperature check’ surveys were undertaken during the pandemic period - presented above are three of the most relevant results (averaged for the last two years).

Positively, during the pandemic staff response in terms of our understanding of our communities and supporting those most in need rose by 2%. This demonstrates the good work carried out by Adra during this time of need.

6%

Gender Pay Gap

4.85

CEO – Worker pay ratio

6

Average number of sick days per employee

## Theme 12: Supply Chain

This theme seeks to assess the extent to which the housing provider uses its supply chain to achieve positive outcomes. The theme is made up of two criteria covering social value and environmental impact in procurement.

We already achieve social value and community benefits via our procurement activity but want to do more. Social Value (SV) is therefore being championed and a **Social Value project** has been established to mainstream SV throughout Adra.

This project is part of our Corporate Programme under the Financial Transformation banner. It includes establishing a SV Charter, more clearly measuring the impact of our SV activity and reviewing how we can further embed SV into the procurement of goods, works and services to comply with Welsh Government Procurement Policy Note 01/20.

A toolkit for SV in procurement is being developed as a guide for contract managers and the procurement team. This guide will include the requirement that 10% of the overall evaluation criteria is based on SV for relevant contracts. It will also ensure that we have adequate contract management arrangements in place to follow up on SV promises.

Adra's procurement of goods, works and services require bidders to certify whether they have either of the following Environmental Management Systems in place:

- ISO 14001:2015 (UKAS accredited)
- Green Dragon (Level 4 or above)

Following the adoption of Adra's decarbonisation and environmental strategies, Adra will review its supply chain in further detail to assess how the environmental impact of the procurement of goods, services and works can be mitigated further.

Examples of sustainable procurement activity already undertaken include the procurement of green source energy for all our office buildings for a fixed period of three years, re-use of reclaimed slate for new roofing schemes, purchase of hybrid vehicles for our Neighbourhood Wardens and installation of electric charging points at our offices.

Work continues with our main materials supplier to investigate opportunities to further minimise our carbon footprint and make more use of recycled materials.

## Thank you

Thank you for reading our first ever Sustainability Report. For more information on the Adra Group or our services:

Website: [adra.co.uk](http://adra.co.uk)

Twitter: [@adrataicyf](https://twitter.com/adrataicyf)

Facebook: [@adrataicyf](https://www.facebook.com/adrataicyf)

LinkedIn: [adrataicyf](https://www.linkedin.com/company/adrataicyf)

# Adra