

Adra

Annual Report and Accounts

2021-22



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A Word from the Chair



It's a pleasure to present our Annual Report. This is the first Annual Report for me as Adra's Chair and I would like to thank my predecessor Mark Jones for his hard work whilst at the helm. It was a pleasure to take over the leadership of a company which is without a doubt on robust foundations.

It's a privilege to chair a company which makes such a difference within our communities; providing comfortable, safe and good quality homes to local families. Without a doubt, the demand for social, affordable, good quality housing is as high as ever; and we wish to play a key part in tackling this huge challenge.

Last year was a very challenging year for us and for the social housing sector, as we came out of the pandemic. The impact of the lockdown periods was apparent, with an increase in the demand for repair work on our properties due to the delay in being able to maintain our properties over the last two years.

I can testify that our Team Trwsio has worked especially hard to respond to this demand and in meeting the needs of our customers. I would like to thank our customers for their patience whilst waiting for the repair work to be done in their homes.

Though all the obstacles caused by the pandemic, we have made significant progress with our priorities. Many thanks to Adra staff for their tireless work during challenging times, and it has been nice to meet people who are so passionate about their work, working together and with external partners, to maximise the benefit to our customers.

Our programme to invest £60m in our current properties over the next three years continues. This is to improve the standard of the fabric of our properties, and to improve the standard of living for our residents at the same time. Our commitment to invest to provide the best housing possible to customers will continue over the coming years.

Also, we are continuing to build quality new homes across north Wales and our programme will build approximately 900 new homes over the next three years and offering options of social and affordable housing to people who need them.

The aim and purpose of Adra is much more than investing in bricks and mortar. We are also passionate about supporting our people and in investing in our communities. We have set a target, by 2025, to support 5000 people to thrive. It was a pleasure to see Academy Adra succeeding again this year by supporting residents, with several opportunities to develop employability skills.

We have also been very active in the decarbonisation field recognising not only the obvious benefits of protecting the natural environment but responding to the real problems of fuel poverty. This work continues, and it has been identified as an obvious priority in our new

Corporate Plan. Our Decarbonisation Strategy brings several benefits regarding environmental improvement, creating new posts and making our housing stock fit for the future. We hope to lead the sector in this field over the coming years, with exciting plans in the pipeline.

Continuing to be an organisation that is well governed is vital for our ambitions for the future, and we continue with the highest rating for governance, and financial viability with our Regulator, the Welsh Government. We continue to provide the best possible services to our customers. I'm pleased that our tenants survey results showed that **over 90% of our customers continue to trust us the services they receive.**

I look forward to working closely with the Board and Leadership Team to implement our ambitious Corporate Plan over the next three years. Not only we will be providing good quality housing and supporting our communities but also providing an excellent experience to our customers and be an innovative and inclusive organisation where people wish to work for and work together with us.

Hywel Eifion Jones

Adra Board Chair



Creating Safe, Quality Houses

As a provider of quality homes, the safety of our customers is one of our main priorities and we ensure that we meet our regulatory and compliance obligations and manage all associated risks. We make sure that our homes are safe by assessing their compliance against the recognised 'Big 6' Health and Safety areas: Gas safety, Electrical Safety, Lift Safety, Legionella, Asbestos, and Fire Safety.

During 2021/22 we continued to face the impact of Covid-19 not only on restrictions to accessing homes to carry out work but with the increased demand as a result of the backlog created. During the year we:

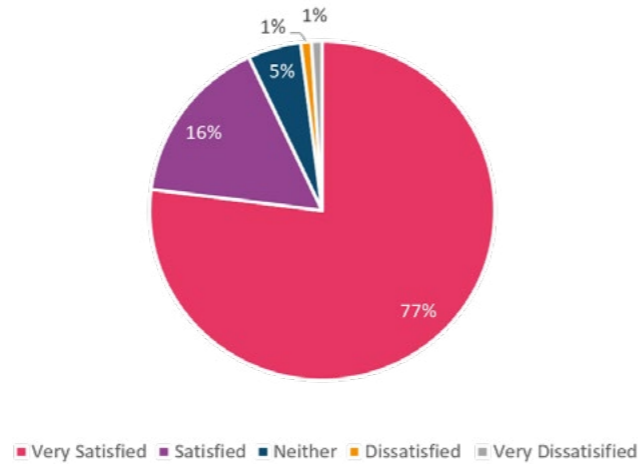
Carried out over 6,000 heating system compliance checks

Carried out over 14,000 fire safety checks and services

Completed over 1,200 Electrical Condition Reports

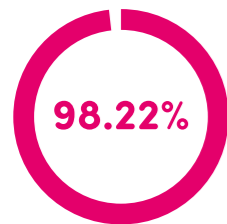
Completed over 220 Fire Risk Assessments

92.5% of customers are satisfied that Adra provides them with a home that is safe and secure

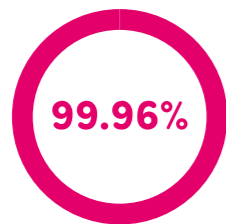


We also report compliance against the Welsh Housing Quality Standard (WHQS) which measures compliance against 42 individual elements within seven categories and assesses whether properties:

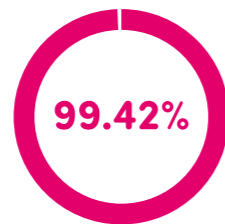
- are in a good state of repair
- are well managed (for rented housing)
- safe and secure
- are in attractive and safe environments
- are adequately heated, fuel efficient and well insulated
- as far as possible suit the specific requirement of the household
- contain up to date kitchens and bathrooms



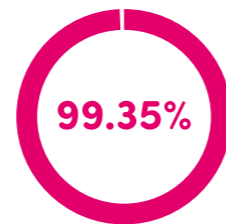
compliance with the 'Big 6' health and safety areas



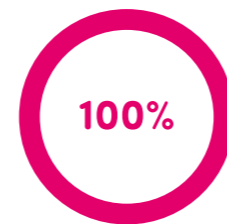
of fire risk assessments had been carried out on time



of homes had a valid electrical safety certificate



of homes had a valid heating certificate



of homes compliant with the WHQS

Investing in our current homes

We continued to invest and improve the energy efficiency of our existing homes in 2021/22, 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.

We follow a "fabric first" approach to decarbonise of our properties and ensure the suitability of properties to receive retrofitting of new technology carbon reducing measures over the next few years.

Over £1.6m spent on energy efficiency improvement to our homes

245 homes have received either External Wall Insulation, Roof Insulation, and or new windows

22% Reduction in the carbon footprint and heating cost of properties that have received works

10,516m² of external wall insulation installed

30 Hybrid air source heat pumps installed

168 Energy efficient boilers installed

38 Intelligent Energy Systems (IES) installed

An average 23% reduction in the carbon footprint on properties where EWI works have been completed

Over 3km of concrete paths repaired or renewed

Over 1km of fencing repaired or renewed

8,800m² of slate roofing renewed



Decarbonising our homes

Adra has successfully piloted the installation of 30 Hybrid Air Source Heat Pumps (HASHP) during 21-22 as part of Welsh Government's Optimised Retrofit Programme and has been successful in securing further funding of £870,000 in relation to "fabric first" energy efficiency measures on a further 74 properties. Adra will continue to install Intelligent Energy Systems (IES) systems in 2022-23 in addition to the 38 installed in 21-22.

We are trialling heating technology with Welsh Government grant funding and working with external partners such as Sero Homes to mitigate the risk of homes overheating.



92

customers provided with energy usage advice

517

grant/discount applications were submitted on behalf of customers

7

Customers were supported to switch energy provider

£77,760

Total savings and income generate for Adra customer

-23%

reduction in indicative heating costs due to energy efficiency works on poorest performing homes

Investing in our homes

This year was the second of our third 5-year cycle of planned investment works. We anticipate a new standard, The Welsh Housing Quality Standard 2023, to be introduced in 2023. We will need to review how this will be implemented alongside our decarbonisation agenda and how it impacts on our business plan.

During the year we spent £9.022 million on the homes we already have in management. Of this £7.17m went to maintain the Welsh Housing Quality Standard, £633,000 on adapting our homes for customers and a further £1.2m, on general improvement works.

We received additional grant funding of £560,000 through Welsh Government's Optimised Retrofit Programme to further develop our in-house repairs and maintenance work and improve the energy efficiency of our properties.



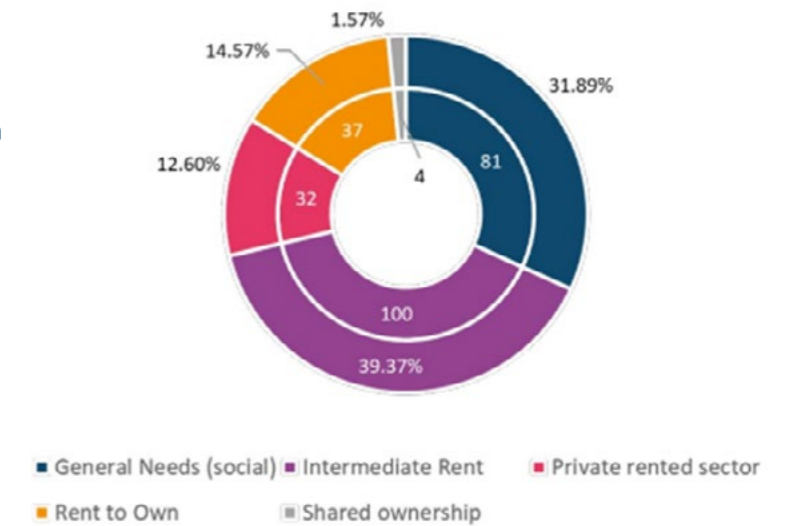
Building new homes

We've committed to build over 1,200 new homes across all tenure types by 2025. Our programme to build new houses include around 70% affordable tenures (grant funded or section 106) and around 30% market rent or sale. During 2021/22 we invested over £41.6m in developing new homes, completing 254 by the end of March 2022.

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 and maximise our impact on the local economy.

One of our recent developments, Plas Farrar in Bangor, included a photovoltaic panel system to power lighting in all communal areas to improve the energy efficiency of the building whilst reducing the service charge on customers.

New Homes completed 2021/22 by type (number / %)



Developments completed during the year include:

- Sychnant - Conwy
- Llanfair Road - Abergele, Conwy
- Llay - Llay, Wrexham
- Oak Meadow - Penyffordd, Flintshire
- Cae Topyn - Denbighshire
- Cae Mair - Rhuthin, Denbighshire
- Trefnant - Trefnant, Denbighshire
- Croes Atti - Flintshire
- Brookhouse Mill - Clawdd Offa, Denbighshire
- Plas Deva - Prestatyn, Denbighshire
- High Patures - Deganwy, Conwy
- Pen y Coed - Buckley, Flintshire
- Pennant Hall - Penmaenmawr, Conwy
- Plas Farrar - Bangor, Gwynedd



Making decarbonisation a local reality

Recognising the challenges faced by many to meet decarbonisation targets and the skills gap that exists, Adra have led on the establishment of a new Decarbonisation Centre of Excellence at Penygroes in Gwynedd during the year. This is the first of its kind in the United Kingdom. The centre has brought together several partner agencies to work together to meet these challenges including Grŵp Llandrillo Menai and Travis Perkins. This project has so far seen an investment of over £784,000 through the Welsh Government's Community Renewal Fund and Adra match funding.

The centre meets the decarbonisation challenge set by the Welsh Government and aligns activity carried out through the Project Zero Net Gwynedd and our Optimised Retrofit Programmes. Over time these projects will:

- Create employment at the Decarbonisation Centre of Excellence and in the decarbonisation field in general
- Provide opportunities for individuals to gain new skills through focused and dedicated decarbonisation through a curriculum developed by Adra and Grŵp Llandrillo Menai
- Upskill Adra's workforce to be able to carry out decarbonisation works on our homes and offer support to others
- Support households with their decarbonisation needs and energy efficiency
- Engage with local companies to work with them or support them in meeting their decarbonisation targets
- Provide new training provision for suppliers
- Develop several community hubs across Gwynedd to demonstrate energy efficient technologies and raise awareness of the decarbonisation agenda
- Improve the energy efficiency and warmth of our homes
- Improve partnership working across the region in trying to meet the decarbonisation targets for social and private homes
- Support the regeneration of Penygroes both on a social and economic level

Adra
SERO%



Supporting our customers

Giving back to our communities

As well as keeping our focus on providing safe, quality homes, we want to see our communities and residents thrive and feel safe in the areas they live.

We want to make the most of our spending and investments to create additional, long-term value. We've been able to assess the social, economic and environmental impact that we have made on society. We have quantified the amount of change people experience before and after our activities and can place a monetary value on this change.

Some of the social value we've generated comes from activities such as supporting local supply chains, using sustainable and green products and materials, supporting the local economy, and supporting our customers to improve their health and wellbeing and resolving anti-social behaviour. We're proud to say that between 2015 – 2021, we've contributed £52m in social impact.



Our social value during 2021/22

Anti-Social behaviour and our warden services:



670 anti-social behaviour, safeguarding and domestic abuse cases dealt with, equating to an estimated £3.3m worth of social value. 82% of our customers were satisfied with the service they received.

Repairs and Adaptations:



470 adaptations completed and £633,000 invested in adapting houses for independent living and generated an estimated £1.5m in social value.

CAB Referrals:



£15,000 annual investment into a Citizen's Advice Bureau referral service which provides our customers with finance and debt advice. 101 customers were referred to the service and generated an estimated £714,000 in social value.

Tackling loneliness:



231 people were supported at our Supported Housing sites and 41 people living elsewhere received support from our tenancy support officers.

Education, training and apprenticeships:



70 people were supported into training and employment through our 'Academi Adra' initiative.

Keeping our spend local:



60% of our suppliers were based in Wales and 87% of these were small or medium enterprises.

Since setting up the Cymru Materials

Framework, £144,191 has been raised by the social value fund which will be used to support local initiatives, including offering trainee and apprenticeship opportunities.

Promoting the Welsh language:



97% of Adra's staff are Welsh Speakers. We've invested in opportunities for learners – be they staff or contractors working with us – to be supported to use the language in their everyday work. We've

co-designed learning modules with other partners whose staff want to strengthen their use of Welsh.



Customer Satisfaction

We are committed to providing quality homes and excellent services to our customers. During the last two years, we've continued to do this, despite lockdowns and Covid restrictions, which meant that we sometimes had to adapt our usual ways of working.

We were delighted to receive such positive feedback from customers on our performance during the year, with results against several indicators putting us in the top 10% of housing associations in Wales when it came to satisfaction with our services.

9 out of 10

tenants who had work during the year by our repairs and maintenance teams were satisfied or very satisfied with the service they received

9 out of 10

tenants said that they trusted us

9 out of 10

tenants believed their rent provided value for money

8 out of 10

tenants were satisfied that we listened to their views and acted upon them

9 out of 10

tenants were satisfied that their neighbourhood was a safe place to live

8 out of 10

tenants were satisfied with the quality of their home

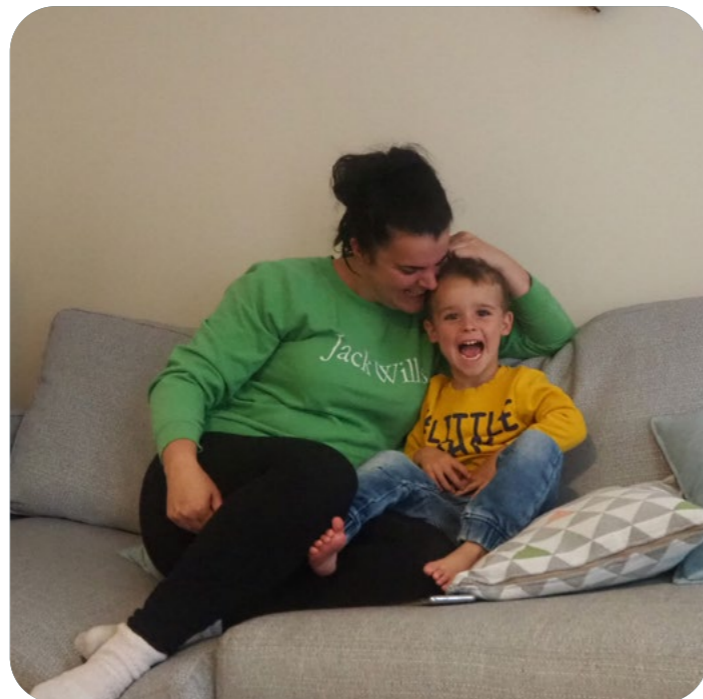
8 out of 10

tenants were satisfied with the overall level of service provided

External audits also support these results, and we again achieved Customer Service Excellence accreditation during the year. We were also winners of the Customer Service Excellence award at the Chartered Institute of Housing Cymru Awards 2021.

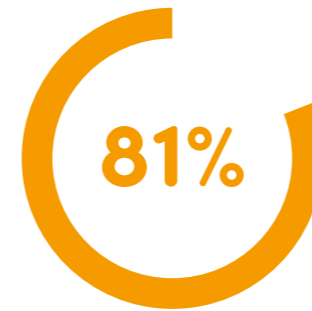
This is a testament to our dedicated staff and our partnership working with other organisations, who share our commitment to delivering positive outcomes for our customers and communities.

At the same time, we also recognise that there are areas where we can improve. We will continue to listen and act on the feedback we receive and drive further improvements in our services over the coming year.

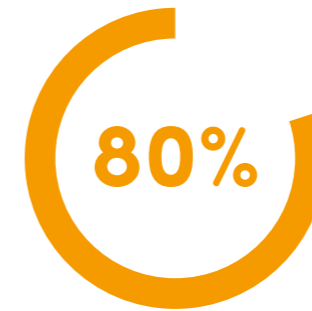


"Working as a Partnership with Adra is clearly producing results and we hope this continues. We would warmly welcome new members who would wish to join us as a member of the Tenant and Resident Partnership."

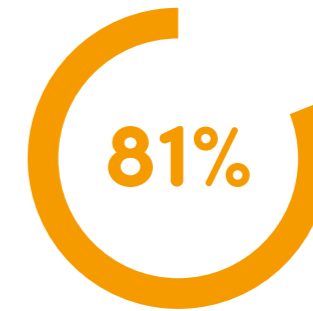
Derek Hainge
Chair of the Tenant and Resident Partnership



81% of customers are satisfied with the overall level of service provided



80% of customers are satisfied that we listen to their views and act upon them



81% of customers are satisfied that they are given opportunities to participate in our decision-making processes



85% of customers were satisfied with their neighbourhoods as a place to live



92% of customers reported that they felt safe in their community



86% of Adra customers are satisfied that their rent provides value for money



93% of customers are satisfied that Adra provides them with a home that is safe and secure



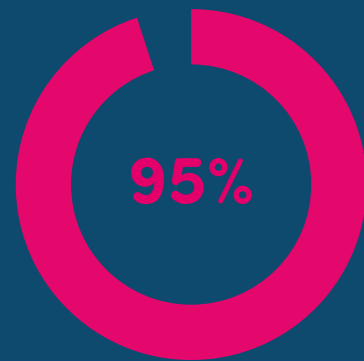
90% of customers believe that Adra are trustworthy

In November 2021 we held a staff satisfaction survey. The results concluded that an overwhelming 96% of staff think that Adra is a good place to work.

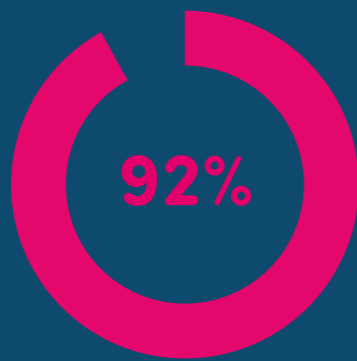
Considering the forced changes staff have had to endure over the Covid pandemic - the uncertainty, the challenges both professional and personal - to have achieved this high level of satisfaction, is a great accomplishment. It exceeds our Corporate Plan target of 90% of staff from all Directorates being satisfied with Adra as an employer.

Staff Satisfaction

During 2021/22 we conducted our last full staff satisfaction survey (conducted every two years). We found that:



95% of staff believe that Adra respects their personal and family commitments



92% of staff believe that someone at work seems to care about them as a person



93% of staff believe that their health and wellbeing is important to Adra

In the same month, Adra won the Chartered Institute of Personnel and Development award for the best health and wellbeing initiative. We are very proud of having achieved this all-Wales award with numerous entries having been submitted from across several sectors.

We continue to invest in our people and created seven apprenticeships and two graduate opportunities giving local people a chance to gain employment and to thrive in their communities.

A new corporate project was also launched this year. Prosiect Perthyn will drive and maintain our commitment to Equality, Diversity and Inclusion for all our customers, staff and board members. This project will be one of our main

priorities for the coming year,

Social housing is rooted in redressing inequalities. We are a company that serves so many diverse communities, including LGBTQ+ people, people of ethnic backgrounds, disabled people, people of all religions and all ages. Diversity in the workforce also improves the performance and productivity of organisations.

We also performed well in reducing the carbon footprint of our business and achieved the Carbon Literacy Award and maintained our ISO standard in our environmental work. We also maintained two other international accreditations (ISO) on our work on health and safety and quality.

Our Board Members set our priorities and strategic direction, so that we remain solvent, well run, and deliver the outcomes for which the organisation has been set up. We have a non-Executive Board and under our Rules there is a flexible Board size of between 9 and 12 Board Members (not including Co-optees). The Rules provide that 2 Board Members shall be Tenant Board Members and up to 24% nominated by the Local Authority. The remainder are Independent Board Members. Additionally, up to three Co-optees can be appointed to the Board.

Being a Board member brings important responsibilities. We undertake annual appraisals when people are appointed to our board - offering appropriate training and support where required, and identify any recruitment needs. Our Board presently has a wide range of professional and commercial expertise, and local knowledge. We assess the collective Board skills, and the succession timeline for Members, and plan so that we have strong coverage and resilience for core Board skills and experiences.

Our Board is supported by two Committees: Audit and Assurance, and Customer and Assets. These have delegated powers to make certain decisions and scrutinise matters. The Board's Appointment, Remuneration and Disciplinary Panel meets as required.

We are fully committed to achieving good governance and complying with Community Housing Cymru's Code of Governance. The Board's remuneration levels are set in accordance with Adra's 'Board Remuneration Policy.'

Regulation

As with all Registered Social Landlords in Wales, we are assessed by Welsh Government through an ongoing co-regulatory relationship between the Regulator and the Association. Welsh Government gives a Regulatory Judgement, designed to give the Association, our customers, and other stakeholders an understanding of our performance in relation to Governance and Service Delivery, and Financial Management.

Our most recent Regulatory Judgement in March 2021 saw Adra retain the highest possible rating of "Standard/Standard" for both Governance and Service Delivery, and Financial Viability.

Our Board Members during 2021/22

Tenants

- Lynn Rowlands
- Sharyn Williams (appointed September 2021)

Independent

- Hywel Eifion Jones
- Sasha Davies (appointed June 2021)
- Huw Gareth Pritchard
- Robert Lewis
- Selwyn Hayward
- Mark Jones
- Abigail Tweed (retired January 2022)
- William Nixon

Members Nominated by Gwynedd Council

- Berwyn Parry Jones
- Cai Larsen

Co-opted Members

- Gwen Crawford (appointed June 2021)
- Denise Stone (appointed September 2021)

Shareholders

We had 31 Shareholders at the end of 2021/22. Shareholders influence decision-making at Adra through voting at General Meetings.

	2022	2021
	£'m	£'m
Income and Expenditure Account		
Turnover	40.1	37.8
Operating Surplus	10.8	12.0
Surplus for the Year	9.8	9.2
Interest Payable	-3.6	-2.7

Cash Flow

Net Cash Generated from Operating Activities	20.4	20.3
Net Cash Inflow / (Outflow)	-2.7	10.8

Balance Sheet

Net Tangible Fixed Assets	252.4	206.5
Net Long Term Loans	-139.0	-123.8
Net Assets	71.3	54.6

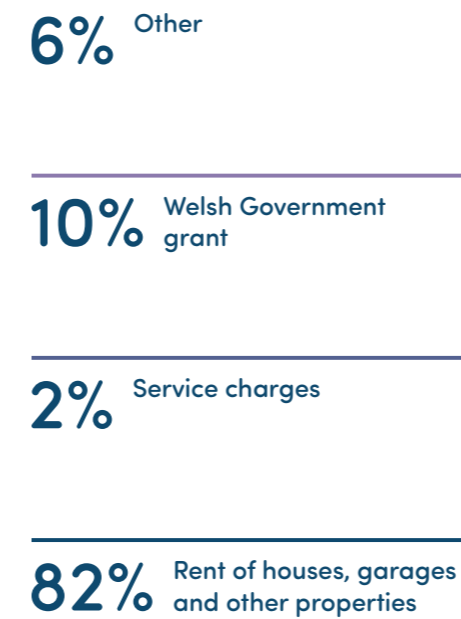
Turnover

Rent of Houses, Garages and Other Property	32.9	31.1
Service Charges	0.9	0.7
Welsh Government Grant	4.1	4.1
Other	2.1	1.9
	40.1	37.8

Expenditure

Services	2.2	1.8
Management	9.7	8.8
Repairs & Maintenance	10.0	9.4
Improvements to Housing Stock	8.6	6.6
New Developments	39.4	28.7
Interest	3.6	2.7
Housing Depreciation	6.9	6.2
	80.4	64.2

Turnover



Expenditure

