



**Merthyr Housing** | **Tai Merthyr**  
*Where People Come First* | *Lle Daw Pobl yn Gyntaf*



# Corporate Plan 2022-2025



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## Introduction

### Welcome to our Corporate Plan for 2022-2025.

This 3 -year Corporate Plan outlines the future strategic direction of the Association incorporating outcomes, action plans and financial performance.

The world has changed since our Corporate Plan was last reviewed in 2020. The impacts of the pandemic and BREXIT are still being felt and are directly affecting the way in which we operate.

To recognise the challenges that are facing us, this Corporate Plan will be updated annually for a rolling three-year period. This will allow us to adapt and change quickly if needed.

# Who We Are

We were established in 1977 and initially, we worked in the specific areas of Dowlais, Aberfan, Troedyrhiw and Cefn Coed. Our work gradually spread to encompass the whole of the local authority borough of Merthyr Tydfil.

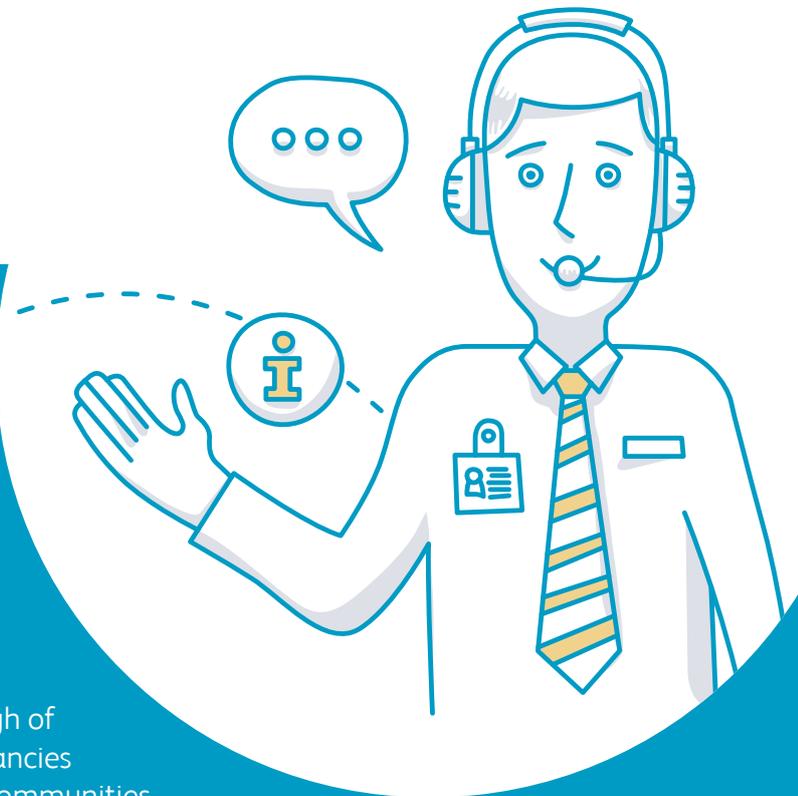
In March 1989, we had 513 units in management and through targeting acquisitions and rehabilitation had considerably improved the fabric of communities such as Dowlais. Since 1989 and the advent of mixed funding we have continued developing primarily new buildings on infill sites and as at March 2022 we manage 1,184 units.

In keeping with our strong sense of history and community we have developed several landmark schemes which have assisted in the preservation of historic buildings. Two examples of these are the elderly persons scheme at Dowlais Stables and Taibach Cottages in Pentrebach.

In developing new buildings, we are very conscious of the existing environment and seek to complement existing buildings and enhance the community.

We are proud of our regeneration projects including;

- Redhouse Old Town Hall: Hen Neuadd y Dref;
- Flooks, and;
- 115 High Street.



## What's Important – How We Do Things

### Our Purpose is:

- Working with people to improve their lives.

### Our Vision is:

- We will work with people within the borough of Merthyr Tydfil and provide sustainable tenancies in quality accommodation within vibrant communities.

Our values identify what is important to us. These values influence behaviour and attitudes and should be reflected in how we behave to our stakeholders.

We believe that it is important to be:

- Accountable
- Caring
- Efficient
- Knowledgeable
- Respectful
- Innovative

A Performance Management Framework is in place. It contains our Key Performance Indicators (KPIs) and Performance Indicators (PIs) and is used to monitor progress and delivery of the outcomes.

## Engagement and Communication

Engagement, communication and consultation with all stakeholders is essential to achieving the outcomes of our Corporate Plan. The aims of engagement and communication is to increase stakeholder involvement and improve a two-way understanding of the way we work. This improved understanding will inform all of our work.

We aim to be a listening organisation, both internally and externally. We will develop mechanisms to listen to key stakeholders, deliver and take action when appropriate. We will also feedback to stakeholders to ensure that they feel involved in the process and the outcome. We have a Communication Policy to ensure effective engagement will all key stakeholders.

## Commitment to Stakeholders

- *Tenants:* We are committed to hearing the voice of our tenants. Tenants are enabled and supported to influence our strategic decision making and help shape service delivery. We are focused on delivering high quality services to all of our tenants.
- *Suppliers:* We will be proactive in working with suppliers to identify innovative solutions to challenges and opportunities. We will continue to work with local suppliers to support the local economy and to secure added social value.
- *Lenders:* We will be results focused ensuring that we are doing the right things and doing them effectively. We will continue to deliver strong financial performance results to protect our funders' investments and assets.
- *Government:* Through regulatory and legislative compliance we will be accountable to our tenants, funders and other stakeholders. We will ensure sound governance and strong financial performance demonstrating affordability and value for money in our activities.
- *Our People:* Our people are who we are; we value and support each other. We will create and sustain a culture/working environment that seeks to support and improve the health and wellbeing of staff, Board and volunteers. We value diversity and encourage opportunities for everyone.
- *Community:* We bring people together to build better communities. We will learn from, plan, collaborate and deliver services with other individuals, groups and organisations.
- *The Environment:* Welsh Government has declared a climate emergency. We are committed to playing our part in cutting emissions, increasing the energy efficiency of our properties and helping to educate our tenants and their children, to ensure that they also take an active part in achieving our objectives.
- *Partner Agencies:* We work in partnership with the Cwm Taf Morgannwg Health Board and partner agencies including the Police, Local Authority and voluntary organisations to improve the lives of our tenants.

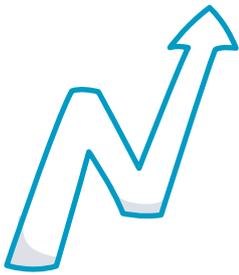


# Our Strategies

This Corporate Plan is focused on delivering against four strategies that will be used to take us forward, achieve our vision and sets out the key outcomes for each strategy.

We will progress each of our four strategic priorities: Growth, Improving and Maintaining Services, People and Culture and Decarbonisation.

Each strategy details the outcomes (what we want to achieve) and will be supported by actions (how we will achieve the outcomes).



## Growth

We will ensure that our development programme supports the social and economic regeneration of the communities in which we live and promotes sustainability. As part of our vision, we say that we will *provide quality accommodation within vibrant communities*. This growth strategy supports the achievement of our vision both directly and indirectly.

The indicators used to monitor our performance will include:

- Interest Cover will not fall below 150 %
- Gearing Levels will not exceed 55 %
- All new developments to provide a positive NPV return based on the MTHA Standard Appraisal Model using the grant rates from the WG Standard Viability Model
- Number of homes in development

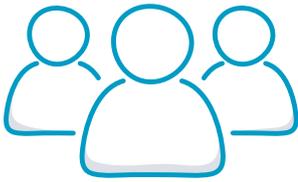


## Improving and Maintaining Services

MTHA exists for the provision of affordable housing in the Merthyr area and has done so for nearly 45 years. The provision of quality core services is key to this. The housing sector is facing many challenges and opportunities in a complex and constantly changing environment. We should ensure that we can adapt to external change in a planned and efficient way and this strategy outlines our commitment to meeting these future challenges.

The indicators used to monitor our performance will include:

- Tenant Rent Arrears
- Void Rental Loss
- Operating surplus will fall no lower than 22 %
- Liquidity and secured funding meets the forward 18-month expenditure requirements (capital and revenue)
- Life Safe Services: Gas Safety, Electrical Inspections, Legionella, Asbestos, Fire Safety, Lift Inspections
- Percentage of properties occupied
- Number of lettings
- Total Number of Units in Management
- Number of new business opportunities taken forward
- Tenant Satisfaction



### People and Culture

We recognise that as an organisation we are only as good as our people. Due to the challenges facing the sector and Association we need to ensure that we have the right quality and quantity of staff to adapt and deliver our vision.

The indicators used to monitor our performance will include:

- Average Days lost per employee
- Staff Satisfaction



### Decarbonisation

We are committed to playing our part in cutting emissions, increasing the energy efficiency of our properties and helping to educate our tenants and their children, to ensure that they also take an active part in achieving our objectives. This strategy will enable us to move towards achieving our objectives and vision whilst learning and adapting our processes continuously to the benefit of our tenants and the organisation.

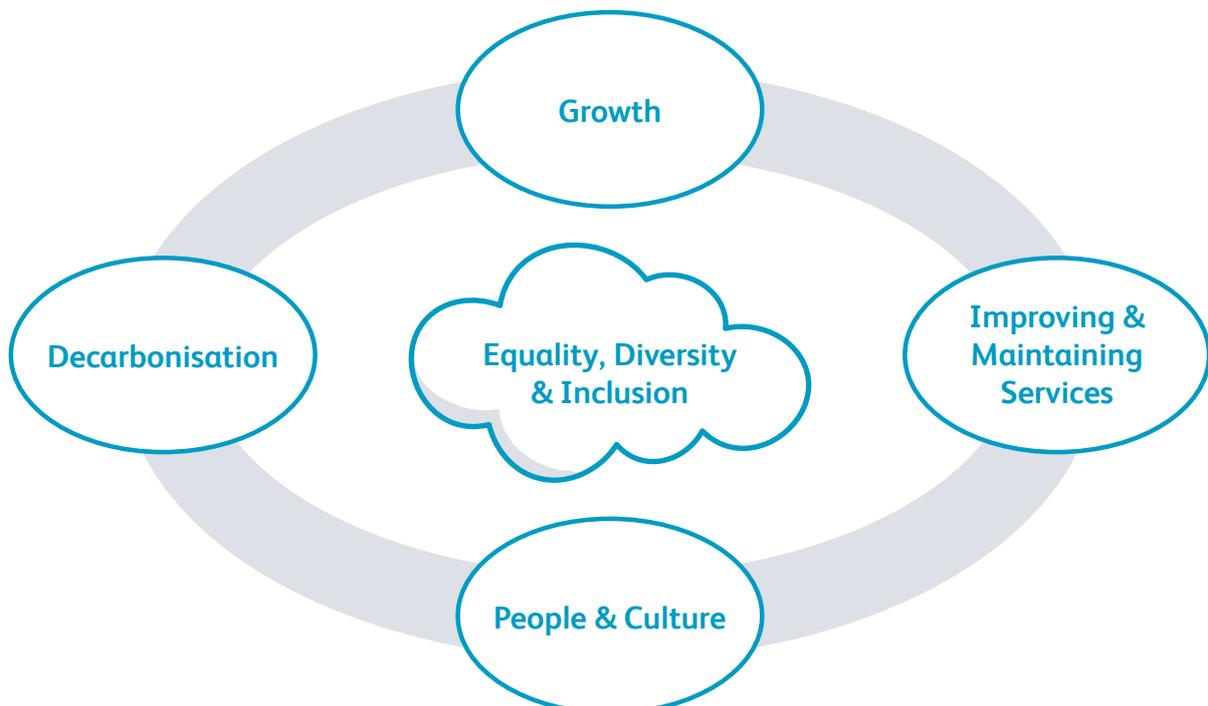
The indicators used to monitor our performance will include:

- Decrease number of properties with SAP rating lower than 65



### Equality, Diversity & Inclusion

As a customer focused business, we are committed to meeting our tenants' evolving needs and preferences through improving services and building quality affordable homes where people want to live. Our Equality & Diversity Policy aims to create a cohesive approach to embed equality into the day-to-day work of the Association and to value equality, diversity and inclusion. This applies to all services provided by the organisation, to employment practices and across all areas of our work including contractors and consultants who work for us. We are continuing to invest in our stock and working to improve communication processes.



# PESTLE Analysis

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We must be aware of the external factors that will affect our business operations going forward. We will take action to align our activities to react and respond to challenges and position ourselves to take advantage of opportunities arising.

## Political

We will be aware of how UK and Welsh Governments' regulations, law and policy will affect our ability to be profitable and successful. Some areas of housing legislation are devolved to the Welsh Government (WG) which provides the housing sector with an opportunity to shape policy changes through consultations and lobbying by Community Housing Cymru (CHC). Our Growth strategy will see additional homes developed which contributes to the WG target of 20,000 new low carbon social homes by 2026 and the longer-term ambition of 75,000 new homes by 2036.

As an Association we solely provide homes within the county borough of Merthyr Tydfil, consequently we work closely with the Local Authority. We will be a key partner in the delivery of their Economic Vision for 2020-2035. One of the seven pillars of that vision is "Modern Homes and Great Places", and we are keen to continue to play our part in improving the lives of the communities of Merthyr Tydfil.

One of the key challenges facing the area is the increase in homelessness. Working with our partners we will be an integral part of the Housing Rapid Response. We will continue to work with our tenants and other stakeholders to minimise any incidents of eviction into homelessness, whilst balancing the needs of the business and the wider community.

## Economic

The world has changed in the last few years with the impact of the UK's withdrawal from the European Union and the Covid-19 pandemic still being felt daily.

We will ensure that we take advantage of funding streams and grant opportunities to enable us to continue our capital development and regeneration programme. We aim to work with local contractors to ensure that all our activities support the local area as much as possible.

Our 30-year business plan is robust and includes scenario modelling to test our stability in reacting to changes in income levels, inflation, interest rates and other factors. We will consider mitigation analysis and opportunities to strengthen resilience. The sector, and society, is facing increased costs. This includes the costs of materials, wage inflation, supply chain issues and fuel and energy price rises. We are aware that these have resulted in increased living costs for our tenants and are keen to ensure that as well as the Association staying financially viable our rents remain affordable for tenants. Therefore, we will continue to use the Joseph Rowntree Foundation Livings Rents model to sense check our rent levels. We are looking to develop a money advice service to better help our tenants.

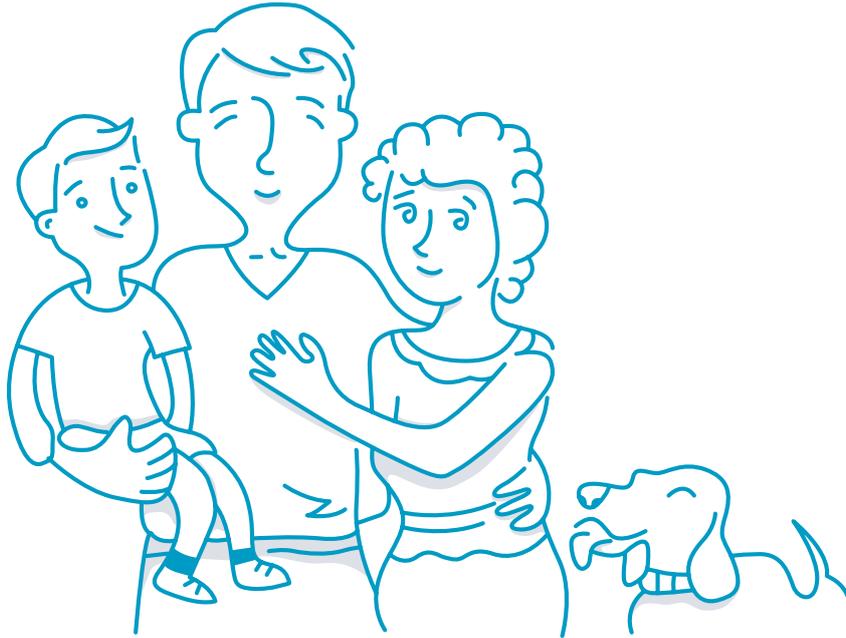
We will operate in line with our Value for Money (VfM) Strategy. We acknowledge that VfM is achieved by being economic, efficient, effective and equitable in the pursuit of social objectives that benefit a range of stakeholders.



## Social

We will work to understand our tenants' needs and align our service delivery to support the changes that will impact them. Welfare Reform has seen changes in benefit payments for claimants and a shift to direct payments for tenants. Our rent policy must be affordable whilst ensuring financial viability for our business. We will work in partnership with the Local Authority to house and deliver additional housing for those in need, in a place where they want to live.

Food poverty remains a prime concern of ours and we will work to improve community access to low-cost food provision. This includes Ty Pantri, a community project based in Troedyrhiw which sells food sourced through FareShare. We will also expand our Fit and Fed project across the borough to help children and families through the school holidays.



It is imperative that we listen to the views of our tenants and ensure that they are involved in our decision-making processes as well as shaping our service delivery. This will help us to better understand our impact on tenants' lives. We will work to ensure that a wide range of views reflecting the whole of our tenant population are heard and acted upon. If we are unable to meet those demands, then we will explain why. This is particularly important following the pandemic where people's expectations and needs from their homes have changed, for example better access to outside space or a dedicated workspace.

## Technological

We will have knowledge and understanding of technological advancements, the life cycle of our current technology, the role of the internet and social media and how technology impacts on our tenants. A good technical infrastructure will allow us to manage our operations efficiently and effectively. We will consider how generational shifts within our tenant base, and their related technological expectations, are likely to affect those who will use our services.

We will explore the use of a tenant portal allowing increased access to the Association in ways and at times that are suitable for tenants. We will work with partners to reduce the number of tenants that are digitally excluded and help to upskill tenants and staff.

We will consider installing smart technology and broadband capability in our new homes to ensure that tenants are not disadvantaged.

## Legislative/Regulatory

### Legal

There are several legislative changes coming over the next few years that are going to impact the way in which we work and the services we provide to our tenants. In particular, the Renting Homes Act which will change our relationship with our tenants and the Building Safety and Fire Safety Acts which will implement some of the findings of the review into the Grenfell fire. The implementation of these pieces of legislation will have a financial impact on the Association.

The Association is facing increasing legal action through evictions and costs as tenants struggle with austerity. We are impacted by several disrepair claims, where these are justified, we will apologise and compensate accordingly, however, we will dispute speculative claims.

The climate emergency will lead to changes in law which we will implement to benefit the environment and our tenants.

### Regulatory

The regulatory environment has changed with Welsh Government publishing a new Social Housing Regulatory Framework in 2022. This framework places more emphasis on outcomes and ensuring that the tenants' voice is heard throughout the organisation.

We will work with our staff to make sure that our policies and procedures are followed and understood. This will help to provide a consistent service to our tenants and stakeholders.

As an Association we value complaints as they are a way of improving our services. Consequently, we will work with the Public Services Ombudsman for Wales to implement any policy changes they develop.



## Environmental

We have developed a strategic approach to the decarbonisation of our homes and the reduction of our carbon footprint. We have trained staff in Carbon Literacy, and this will be rolled out to all our staff.

We will be mindful of the Wellbeing of Future Generations Act and work towards ensuring that future generations have at least the same quality of life as now. We will play our part in improving the social, economic, environmental, and cultural wellbeing of Wales.

As climate change impacts us more and weather patterns alter, we will look to work with Natural Resources Wales and other partners to undertake flood risk assessments, as required, to ensure that our homes and tenants remain safe. Where appropriate we will support flood remediation works.

Fuel poverty remains a prime concern of ours and we will work to improve the energy efficiency of our new homes as well as retrofitting our older properties, where possible. We will continue to explore differential rent levels based on Energy Performance Certificate (EPC) ratings to assist with affordability.

# SWOT Analysis

We must be aware of the internal factors that will affect our business operations going forward. We will take action to align our activities to react and respond to challenges and position ourselves to take advantage of opportunities arising.

## Strengths

- We have a locally based office with good local and tenant knowledge
- We have a history in the area
- We have a dedicated staff team
- Staff are empowered and there are clear targets and KPIs for teams and individuals
- We have a track record in community regeneration
- We are in a strong financial position having completed a refinancing deal
- We have a record of attracting grant funding
- Our Board is active and involved. New members are recruited to fill skills gaps
- We have a Board member who is a tenant, and we have strong links with our Tenant Service Standards Group (TSSG)
- We have a proven history of developing good quality new homes
- We work collaboratively with neighbouring housing associations for the good of our tenants and the borough
- We are a small organisation so can adapt quickly
- We embrace change
- We have strong governance and receive the highest regulatory judgements

## Opportunities

- We will continue to develop and deliver new homes
- We have new financing in place
- We will adopt new technologies and increase our use of them internally and externally. For example, the development of a tenant portal
- We will continue to develop the skills of our Board Members and staff
- We will explore more ways of working in partnership with a wide range of stakeholders
- We will improve the effectiveness of partnership working
- We will implement our Communications Policy and Action Plan
- We will implement our IT Strategy
- We will access funding through the Green Agenda and Transforming Towns
- We will increase engagement with the wider tenant base
- We will implement a talent management and retention strategy which will help us with succession planning for key roles
- We will put in place a hybrid working policy which will ensure that service delivery is not affected by home working.

## Weaknesses

- As a small organisation our staff ratio costs are high due to lower stock numbers
- We have an overstretched and small staff team – operations and budgets are impacted by absences and skills shortages
- Recruitment can be a challenge making it difficult to future-proof the organisation
- Retaining Board members for longer than one term can be a challenge
- Board member induction has been a challenge due to the pandemic and the lack of face-to-face contact

## Threats

- There are local elections in May 2022 so new relationships could need to be developed with local councillors
- Merthyr Tydfil is a small borough
- There is an aging population and changes in demographics
- The regulatory environment is constantly changing
- Arrears and the cost of voids are increasing; and tenant satisfaction is decreasing
- Anti-social behaviour is increasing as are the associated costs
- Increasing salary levels in the jobs market which as a small association we cannot afford to match
- General economic pressures such as increased material costs, supply chain issues, general inflation, and material shortages
- Changes in health and safety legislation
- New technology – we need to ensure that it is embraced by staff and tenants
- The increasing amount of homelessness cases
- The homelessness agenda; no evictions into homelessness and the lack of suitable homes
- Rising unemployment levels
- Welfare reform, particularly more tenants transitioning onto Universal Credit
- Tenants' expectations of us as a landlord
- Ongoing risks from the continuing pandemic
- Emergence from the pandemic – helping to rebuild people's lives
- Safeguarding issues are increasing
- Energy costs are rising and the impact on affordability
- Poverty agenda
- Age and nature of some of our stock
- Cost of the decarbonisation agenda – we need to learn and understand our buildings and the best method of retrofitting
- Global warming/climate change

## Staff and Board

To achieve our outcomes, we will rely on the skills, expertise and performance of all staff and the Board. It is recognised that an efficient and effective organisation is reliant on high performing staff. Our staffing structure will look to optimise performance by ensuring that staff are trained, skilled and motivated through a fair pay and reward package. We aspire to have a trainee position within each team to facilitate career development and succession planning.

Board recruitment and succession planning will be managed in line with the nine-year rule. Board members will be recruited based on an initial assessment of any skills gap (via annual self-appraisal).

The Investors in People standard has played an important role in helping to shape the culture and people processes within the Association. The relevance of this Standard will be kept under review. We achieved silver accreditation in June 2019 and are being reassessed in 2022.

We are committed to the health and wellbeing of our staff and as such will support activities that promote this aim.

# Hearing the Tenants' Voice

Tenants' needs and interests are vitally important to us. We will be further developing our tenant engagement activities to ensure that the tenants' voice:

- Influences strategic decision-making
- Shapes service delivery
- Drives service improvement

We regularly survey our tenants to assess their satisfaction with the services we provide. The results of those surveys drive business improvements to continually enhance our services and processes for the benefit of our tenants.

## Tenant Service Standards Group

The Tenant Service Standards Group (TSSG) meet monthly and present views, ideas and feedback from a tenant's perspective.

We will engage deeper with TSSG and continue to hold an annual TSSG and Board Away Day to better establish the link between tenants and the strategic focus of the Association. Board members also attend TSSG meetings to relay information and update on strategic decisions taken at Board meetings. TSSG members will be encouraged and supported to attend specific strategy focused Board sessions.



# Business Development

We will take forward the implementation of ideas and solutions to deliver against the Corporate Plan. We will:

- Pursue innovation and business opportunities
- Progress collaboration with like-minded partners
- Drive performance improvement
- Review efficiency metrics and performance indicators and ensure value for money.



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