

22/23

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Governance Self-Evaluation



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Contents

Purpose of the Evaluation	4
Board Overview	6
RS1 – Strategy & Governance	8
RS2 – Risk Management	26
Summary	36
Board Member Bios.....	37



OUR COMMITMENT TO YOU...

We will always aim to deliver...

the right outcomes as effectively as we can
for the people and communities of West Wales

Purpose of this Governance evaluation

The Welsh Government updated its Regulatory Framework in January 2022. The Framework operates on a co-regulation basis and focuses on nine performance standards. During 2022 the Welsh Government carried out a Transitional Regulatory Review of our compliance against the nine standards with the following outcome:

- **Governance** (including tenant services): Compliant - Green
- **Financial Viability** Compliant - Green

The full judgement is available on our website www.atebgroup.co.uk

The 9 regulatory standards are:

- **RS1** - The organisation has effective strategic leadership and governance arrangements which enable it to achieve its purpose and objectives.
- **RS2** - Robust risk management and assurance arrangements are in place.
- **RS3** - High quality services are delivered to tenants.
- **RS4** - Tenants are empowered and supported to influence the design and delivery of services.
- **RS5** - Rents and service charges are affordable for current and future tenants.
- **RS6** - The organisation has a strategic approach to value for money which informs all its plans and activities.
- **RS7** - Financial planning and management is robust and effective.
- **RS8** - Assets and liabilities are well managed.
- **RS9** - The organisation provides high quality accommodation.

This review evaluates the quality of our organisation's governance by giving an overview of our governance arrangements and changes made throughout the year, as well as demonstrating how well we are delivering on the following Welsh Government Regulatory Standards:

- **RS1** - The organisation has effective strategic leadership and governance arrangements which enable it to achieve its purpose and objectives
- **RS2** - Robust risk management and assurance arrangements are in place

The governance evaluation forms part of the following suite of self-evaluation documents which each cover a few of the standards and collectively detail how we meet the Regulatory Standards:

- **Governance** – RS1, RS2
- **Performance** – RS3, RS4, RS5 and RS9
- **Financial** – RS6, RS7 and RS8
- **Improvement Plan**



The above documents will provide an evaluation of our organisation's governance by demonstrating how...

- the Board knows how the organisation complies with each regulatory standard, including reference to key performance data and sources of assurance
- we comply with the Code of Governance that the organisation has adopted
- we have used the principal evidence which has been relied upon in conducting the evaluation
- the process of evaluation has been robust
- the needs and views of tenants have been understood and considered as part of the self-evaluation
- we have identified our key strategic risks and associated controls, or signposted to other documentation where the key risks are articulated
- our continuous improvement plan identifies any gaps or areas for improvement and shows how these will be addressed



A Financial overview of 22/23

Welcome to our reflection on the last year's performance against the Regulatory Standards relating to governance. As the regulatory framework updates were introduced during 2022, we have obviously been continuing to develop and refine our approach and work on the improvement areas we identified last year.

It's been a busy year governance wise with 3 new Board members joining us bringing experience, skills and enthusiasm from the legal, human resource and housing association sectors. Their engagement and insight has already been well received, especially given the pressures and challenges being faced by all. There have been a lot of regulation changes in the year with Renting Homes Wales Act being a significant change event for customers and the team. The new Act gives a great platform for customers to be assured they receive the right homes and services to support their needs both now and in the future. It wasn't only on the ateb Board where we saw changes, both Mill Bay Homes and West Wales Care & Repair saw enhancements and realignment of skills to align with our future plans.

As a Board we are constantly seeking to ensure that we perform for our customers, we can be assured we are managing risk and we are setting a stretching, but achievable, strategy for improvement. The last year has probably seen more pressures on housing associations than ever before due to a range of different factors, meaning the role of governance has never been more important. As a Board we have worked closely with the team to optimise the balance between the needs of today with the ideas of tomorrow. This has involved changing some of our regular Board meetings into 'spotlight sessions' where agendas are stripped back and our operational teams are invited to come in to talk

through their issues and their views on how we are doing. We have also progressed in terms of our Equality, Diversity and Inclusion planning and are developing greater interaction of customer expectations into service design.

With legacy concerns around customer safety in their homes and the additional more recent focus on damp and mould, the Board has continued to concentrate on H&S compliance. This oversight has been replicated by the Welsh Regulator who oversees a quarterly return of information to assess progress with housing associations' key landlord responsibility to keep customers safe in their homes. Progress has been good but more can always be achieved, significant new investment was secured in the year from the Welsh Government to support fire safety improvements and ateb committed to new investment to alleviate concerns around damp and mould.

Many thanks to all our Boards and Committees for their work over the year, it's been tough with many big issues to debate but we believe we have helped to govern positively across a volatile year of operations.

David Birch
Chair of ateb
Group Limited



■ RS1

The organisation has effective strategic leadership and governance arrangements which enable it to achieve its purpose and objectives

ateb Group has developed the ateb Vision that guides our approach to being as good as we can be. The Vision has the following sections:

ateb Vision

- **#1 Purpose**
Creating better living solutions
- **#2 DNA (Our values)**
Trust; Togetherness; Empowerment...
'Get things done'
- **#3 Strategic Aims**
Improve Customer Service; Serve More Customers; Increase Business Effectiveness
- **#4 Deliver**
(Operational Delivery framework)
The right customer outcomes as effectively as we can
- **#5 Assurance Framework**
Understand Risks; Manage with controls; Test the controls are working
- **#6 Improve**
Improvement is the day job





Group Structure

ateb Group Limited is the parent organisation and the affordable and social housing business. Mill Bay Homes Limited (MBH) is the property development business, building new homes for sale. West Wales Care and Repair (WWCR) provides support services to older clients, enabling them to continue living in their own homes. The remaining entity in the Group structure is a dormant company – Effective Building Solutions Limited (EBS).



Board Structure

The Boards have a responsibility to ensure that the Vision objectives are the focus of our work. Our Boards consisted of the following Board Members and Directors at the end of FY 22/23:

ateb Group Limited Board of Management



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The Group Board can comprise of up to fifteen members, which includes the option to have a maximum of three co-opted members. Board members are drawn from a wide background bringing together a diverse skillset. The primary role of the Board is to focus on strategic direction, growth, investment and risk. The Board meets formally ten times a year for regular business, and at other times to discuss strategic issues.

- **David Birch (Chair)**
Property & Facilities Management – In both public and private sectors
- **Hugh Watchman**
Procurement & Supply Chain Management – In the domestic electricals industry currently running a local leisure related business
- **Owen Jones**
Planning – A chartered town and county planning consultant
- **Sharron Lusher**
Further Education – Former Principal of Pembrokeshire College
- **Jackie Leonard**
Housing & Maintenance – Housing professional
- **Jade Francis**
Independent Mortgage Broker/ Manager – Willcox Financial Limited
- **Anthony James**
Finance – Accountancy/Financial Management Welsh Government
- **Nisha Harichandran**
Business Owner – communication, legal and governance experience, providing operational and strategic solutions
- **Julia Ashley**
Business Development Director –strategy and risk, housing, development and care
- **Chris Townsend**
Senior HR Director– facilities management and support services
- **Nick Hampshire**
Chief Executive – Co-opted member

Mill Bay Homes (MBH) Limited

Board of Management

MBH's Directors are registered directors at Companies House. The Chair is independent of the main Board due to Welsh Government regulations; members are recruited for their skills and experience relating to for sale housing development. The primary role of the Board is to focus on strategic direction, growth, investment and risk. The Board meets formally four times a year for regular business, and at other times to discuss strategic issues.

- **Mike Westerman**
(Independent Chair) - Marketing - Consultant in fundraising specialising in the not-for-profit sector
- **Andrea Gardner**
Sales Consultant - Property development and housing sales
- **Nick Christofides**
Property professional and business owner - Property development and housing sales
- **Tim Richens**
Managing Director - Development and construction
- **Nick Hampshire**
Chief Executive - ateb Group Limited
- **Alex Jenkins**
Executive Director for Finance - ateb Group Limited

Wales Care & Repair Limited

Board of Management



West Wales Care and Repair
Gofal a Thrwsio Gorllewin Cymru

The WWCRC Board can comprise of up to fifteen members. Board members are drawn primarily from community, health, local enterprise development and the third sector. The primary role of the Board is to focus on strategic direction, growth, investment and risk. The Board meets formally four times a year for regular business, and at other times to discuss strategic issues.

- **Elaine Lorton**
Health (Chair) - Service Director at Cwm Taf Morgannwg University Health Board
- **Hugh Watchman**
Parent Board Appointee
- **Jackie Leonard**
Parent Board Appointee
- **Cllr Hugh Hughes**
Ceredigion County Council - Borth Ward
- **Cllr Matthew Vaux**
Ceredigion County Council - New Quay & Llanllwchaerarn wards
- **Avril Wilson**
Former Executive Director for Health and Social Care in West Sussex
- **Luke Lenton**
Complaints Manager at Hywel Dda Health Board

The Group Board is supported by two committees with specific responsibilities as follows;

People and Remuneration Committee

Ad hoc committee responsible for policy on remuneration and terms and conditions of employment, as well as matters relating to grievances and related appeals. The members are:

- **Chris Townsend**
(Chair) - ateb Board member
- **Hugh Watchman**
ateb Board member
- **Sharron Lusher**
ateb Board member

Assurance Committee

Responsible for setting and reviewing the assurance framework including appointment of internal auditors, internal audit plan and external audit services. The Committee meets four times a year to review and test whether we can be assured we are meeting our ateb Vision. The framework consists of the risks that will prevent us from achieving our Vision, the controls that manage or mitigate those risks and the tests we will apply to those controls to make sure the controls are doing what they should. The Assurance Committee reports to the parent Board and consists of the following members:

- **Hugh Watchman**
(Chair) - ateb Board member
- **Owen Jones**
ateb Board member
- **Mike Westerman**
MBH Board member
- **Sharron Lusher**
ateb Board member
- **Anthony James**
ateb Board member
- **Avril Wilson**
WWCR Board member

Changes to the Boards in FY 22/23

The following changes were made to the Boards in the last FY:

RETIREMENTS	RECRUITMENT
<p>ateb Group Limited</p> <ul style="list-style-type: none"> ● Hannah Belton Work Commitments 	<p>West Wales Care and Repair</p> <ul style="list-style-type: none"> ● Cllr Hugh Hughes ● Cllr Matthew Vaux Joined in November 2022
<p>Mill Bay Homes</p> <ul style="list-style-type: none"> ● Jim Leighton Board realignment 	<p>ateb Group Ltd</p> <ul style="list-style-type: none"> ● Julia Ashley ● Nisha Harichandran ● Chris Townsend Joined September 2022
<p>West Wales Care & Repair</p> <ul style="list-style-type: none"> ● Cllr Dafydd Edwards Change of portfolio 	<p>Mill Bay Homes</p> <ul style="list-style-type: none"> ● Andrea Gardner ● Nick Christofides ● Tim Richens Joined September 2022



Board Remuneration

The Group Board has taken the principal decision to remunerate ateb Group Board Members and MBH Directors. WWCR are not receiving remuneration due to the nature of their business and funding/grants they receive.

Remuneration of Boards in 2022/23 was as follows:

ateb Group Limited	Time Commitment (Hrs)	Remuneration
Board Member	92.5	£2,960
Additional allowances		
Chair of Board	20	£640
People & Remuneration Member	6	£192
Assurance Committee Member	24	£768
MBH Limited		
Board Member	27	£2,000
Chair of Board	34	£2,500

All remunerated Board Members/Directors enter a Deed of Agreement for Services that details their obligations in return for payment for their time.

We remain committed to improving our gender, diversity and age balance on our Boards, but recognise that skills and competencies must always be the first requirement.



Executive Team

The EMT is supported by a Managers' Group

- **Nick Hampshire**
Chief Executive (2017)
- **Mark Lewis**
Executive Director for Customer (2018)
- **Alex Jenkins**
Executive Director for Finance (2020)
- **Will Lloyd Davies**
Executive Director for Development (2020)



From left to right: Nick, Will, Alex and Mark

Company Secretary

To all Boards:

- **Ceri Morgan**
Company Secretary
- **Alex Jenkins**
Deputy Company Secretary

Legal Status & Governance Framework Changes

Here is a summary of the key changes in FY 22/23:

- **No significant changes to report**

Constitutional Framework

ateb Group has a constitutional framework. Each entity has its own terms of reference and other control documents to ensure that our governance remains effective, apart from the Boards and Committees detailed above, the framework has been updated for FY 23/24 and now consists of the following:

Leadership Group	Executive and senior members that meet quarterly to review strategic, leadership and governance issues, reporting to the Boards
Business Review	Executive, senior and team members meet monthly to review performance, risk and improvement planning among other operational management issues
Assure Team	Senior managers chaired by the Head of Corporate Services that meet quarterly to review the Group's sixteen strategic risks and related operational risks. Reports to Business Review and Assurance Committee
Safety Team	Team members meet monthly to review our safety performance and improvement plans. Chaired by the Head of Corporate Services and reports to Business Review and all Boards and Assurance Committees
Customer Forum	A customer representative group that meets monthly to review governance issues, performance and e2i activity
Engage 2 Improve (e2i)	Customer led improvement priorities. Meet around 10 times a year to set, monitor and review customer improvement needs
Involve 2 Improve (i2i)	Team forum meeting with senior managers around 6 times a year to understand, monitor and review team improvement needs
Directorate Team Meetings	A range of management, delivery and service area team meetings across the 4 directorates to ensure 2-way communication between strategic direction and customer demand/satisfaction

Strategic Planning

We have completed the first year of our current 3-year strategy. Our separate report, Improvement Plan 23/24 looks at how we did against our objectives in year 1. This is our executive summary of the strategy outturn:

FY 22/23 was the first year of our 3-year strategy with the strategic aims of:

- **Improve Customer Service**
- **Serve More People**
- **Increase Business Effectiveness**

The operating environment in FY 22/23 was difficult due to, economic turmoil, supply chain issues impacting materials and contractors, introduction of new housing legislation and challenges with recruiting to roles.

Despite this backdrop, our team have still delivered improvements focused on our objectives of:

- **New regulations**
- **Affordability**
- **Decarbonisation**
- **Collaboration**
- **Slicker systems**

The operating environment in FY 22/23 was difficult due to, economic turmoil, supply chain issues impacting materials and contractors, introduction of new housing legislation and challenges with recruiting to roles.

Out of the 43 improvement actions identified in our directorate improvement plans:

- **Improve Customer Service**
6 completed with 3 in progress and 1 pending
- **Serve More People**
2 completed with 5 in progress and 1 pending, 1 removed.
- **Increase Business Effectiveness**
4 completed with 20 in progress.

The challenging environment impacted on our ability to deliver all the improvements planned in FY 22/23 as we were reacting to the change in economic conditions. However, our team have still delivered improvements and added to our strategic aims.



Customer Governance Engagement

The Board reviews customer facing performance data at every Board meeting. e2i provides improvement areas throughout the year based on their priorities following customer interaction. In the last year, the following e2i activities have been undertaken:

- **April – May 22**
Does ateb Listen to you?
- **July - August 22**
The annual Customer Engagement Review
- **Oct – Nov 22**
Maintenance- External Contractors
- **January 23**
Communal Cleaning

Equality, Diversity, and Inclusion (ED&I)

The ateb Board reviews ED&I data twice a year to establish areas where access to our services or employment could be improved.

Our Boards have the following compositions:



Of the 11 members, 6 are male and 5 are female. 10 identify as white British, with one identifying as Asian with 10 of our members falling between the ages of 30 - 64 and 1 member over 65.



Of the 6 members, 5 are male with 1 female. All 6 identify as white British with 5 of the 6 members falling between the ages 45-64 and 1 member is over 65.



West Wales Care and Repair
Gofal a Thrwsio Gorllewin Cymru

Of the 7 members, 4 are male with 3 female. All 7 members identify as white British, with all members falling between the ages of 45 – 64.

In February 2022 the ateb Board approved our Group delivery plan to improve equality diversity and inclusion practices across the Group and our commitment to being inclusive with our:

- **Customers and communities**
- **People**
- **Partners**

Our delivery plan includes the commitments we made when signing the Tai Pawb Deeds Not Words Pledge and our commitment to take action to make Wales an anti-racist nation.

#AccessAllAreas is part of our DNA and we know that to achieve our strategic aims of improving our customer service, serving more people and increasing our business effectiveness we must be inclusive in everything we do as diversity of background, experiences, skills and views enrich our communities, services and the work that we do.

Code of Governance

The Group uses the following codes of governance:

- **ateb Group Limited**
CHC Code of Governance 2018
 - **Mill Bay Homes**
CHC Code of Governance 2018
 - **West Wales Care & Repair**
CHC Code of Governance 2018
- As part of our governance improvements in FY23/24 our Board(s) will be adopting the CHC Code of Governance 2021.

Effective Strategic Leadership Assessment

We believe the above demonstrates that we do have effective strategic leadership and governance across the Group. Please note the following:

ateb Group Board meetings	10
Mill Bay Homes meetings	4
West Wales Care & Repair meetings	4
Assurance Committee meetings	4
Planning days	2
AGM/SGM/EGM (across Group)	2
Board training events	0
Meetings that were deemed non quorate	0

All Board meetings consider:

- Performance data
- H&S issues
- Subsidiary framework reports – subsidiary boards
- Customer forum / e2i feedback where available

Periodically, Board considers:

- Financial progress
- Strategy/improvement progress
- Risk
- Policy reviews
- Board decision items

In FY 23/24, 3 of our Board meetings will follow a new format focused on strategic review with customer and team interaction and engagement. These meetings will enhance our Board’s connection with our customer, team and partners.

Code of Governance Pillars

We comply with the Code of Governance that each organisation has adopted. Our codes have the following pillars:

1 Organisational Purpose

The Board is clear about the organisation's aims and ensures that these are being delivered effectively and sustainably.

2 Leadership

Every organisation is led by an effective Board that provides strategic leadership in line with the organisation's aims and values.

3 Integrity

The Board acts with integrity, adopting values and creating a culture which helps achieve the organisation's purposes. The Board is aware of the importance of the public's confidence and trust and Board members undertake their duties accordingly.

4 Decision-Making, Risk & Control

The Board makes sure that its decision-making processes are informed, rigorous and timely and that effective delegation, control, risk assessment and management systems are set up and monitored.

5 Board Effectiveness

The Board works as an effective team, using the appropriate balance of skills, experience, backgrounds and knowledge to make informed decisions.

6 Diversity

The Board's approach to diversity supports its effectiveness, leadership and decision-making.

7 Openness & Accountability

The Board leads the organisation in being transparent and accountable. The organisation is open in its work, unless there is good reason for it not to be.

The code is embedded into our Board Members' Deed of Agreement for Services and is reviewed as part of our Board appraisal process. Our ateb Vision captures the essence of the code and enshrines its principles in our strategic and operational planning.

CHC Code of Governance

"There are seven principles which make up this Code. These seven principles build on the assumption that an organisation is meeting its legal and regulatory responsibilities as a foundation."



Robust Self-Evaluation process

The Assurance Committee reviews our ongoing compliance status with the Regulatory Standards at each meeting considering our assure reporting, regulatory improvement plan progress and regulatory survey return.

The Boards and Assurance Committee have full access to internal audit and validation processes, to test whether regulatory standards are being met.

In relation to each of the standards reviewed in our self-evaluation process:.

1	The Board knows the organisation complies with each regulatory standard, including reference to key performance data and sources of assurance	The Assurance Committee reporting feeds into the Board’s assessment process and Board looks at the data and information relating to each standard to assess whether the Group meets the standard.
2	We comply with the Code of Governance that the organisation has adopted	The approved Code of Governance is enshrined in our Board Deed of Agreement for Services and appraisal process. The code was used to inform the ateb Vision that provides the framework for the strategic and operational planning and delivery of the Group. Our constitutional and policy framework enforce the code across the Group. This self-evaluation demonstrates this requirement.
3	We have used the principal evidence which has been relied upon in conducting the evaluation	The Group has developed a comprehensive set of controls, documents, monitoring, reporting and evidence to allow us to make the conclusions we have within our self-evaluation returns. Please see Governance, Performance and Financial self-evaluations to demonstrate this requirement.
4	The process of evaluation has been robust	We believe we have demonstrated a multi-layered assessment of the regulatory standards using several data sources from different perspectives to robustly draw our conclusions from across the year and across our 4 Directorates. Please see Governance, Performance and Financial self-evaluations to demonstrate this requirement.

5	The needs and views of tenants have been understood and considered as part of the self-evaluation	As shown in our self-evaluations, we have sought, understood and used customer views, feedback and prioritisation of improvement to guide the direction of our Group and our services development. Please specifically see Governance and Performance self-evaluations to demonstrate this requirement.
6	Key strategic risks and associated controls, or signpost to other documentation where the key risks are articulated	Our Assurance Committee and Assure team monitor and report to Board on strategic and operational risks from across the Group throughout the year using the Board's risk appetite framework. We use this process to confirm that we have been robust in evaluating the standards. This self-evaluation demonstrates this requirement.
7	A continuous improvement plan which identifies any gaps or areas for improvement and shows how these will be addressed (this replaces the Regulatory Assurance Plan)	#6 Improve forms part of our ateb Vision. In FY 22/23 we identified 43 improvement actions against the regulatory standards. We have assessed progress against these and identified actions for the year ahead in our improvement plan review. Please see Improvement Plan Summary 22/23.

Summary

The ateb Boards believe they do have an appropriate framework for effective strategic leadership and governance, and our self-evaluations demonstrate its effectiveness. We believe our self-evaluations have been undertaken in accordance with the Regulator's requirements and showcase how we meet the 9 regulatory standards and the 7 requirements that demonstrate a robust self-evaluation has taken place.



■ RS1 – FY 22/23

EVALUATION CHECK

“The organisation has effective strategic leadership and governance arrangements which enable it to achieve its purpose and objectives”

We have made the following evaluation:

Our Board has reviewed our analysis and evidence and consider we are compliant with this performance standard.

	Evaluation Check	The Board has concluded that:
1	Does the Board know it meets this standard	With our ateb Group Vision and its 6 core supporting documents, we have developed a comprehensive strategic framework centred on what good looks like for the ateb Group (ateb, MBH, WWCR). At its centre we have the purpose of creating better living solutions for the people and communities of West Wales, by ensuring we deliver the right customer outcomes as effectively as we can. We then link our strategic intent to our operational delivery by employing customer outcome management principles to our 38 internal and external service areas. We use our Assure framework to establish whether we are controlling our strategic risks effectively. Annually, we aim to Improve Customer Service; Serve More People and Increase Business Effectiveness.
2	Does the Group comply with its code of governance	Yes. We believe this governance self-evaluation review demonstrates our compliance. Our code is embedded throughout our governance framework and is annually used to appraise our Board performance and effectiveness. We undertake a 3 yearly external review of our effectiveness against the code through a governance review exercise.
3	What was the principal evidence used to evaluate this standard	<p>The following evidences this standard:</p> <ul style="list-style-type: none"> • ateb Vision – Purpose; DNA; Plan; Deliver; Assure; Improve • Board skills assessment • Deed of Agreement for Services • Board appraisal process • Board recruitment process • Constitutional framework • Board/Committee papers and related governance processes • Regulator Update Notices • Policy Framework – particularly ED&I; Customer Feedback; Board membership • Internal Audit programme and annual opinion • WG survey returns – diversity; performance • Performance Data and Information • DNA and Wellbeing surveys

4	Has the evaluation been robust?	This governance self-evaluation review demonstrates our compliance. We have a range of mechanisms throughout the year that we use to establish whether we are robustly challenging our delivery of the standards, and identifying the right improvement actions.
5	Were the needs & views of tenants considered?	Concluded that this governance self-evaluation review demonstrates our compliance. We have created a range of opportunities for our customers to lead the improvement agenda of the Group to ensure we remain customer outcome focused at all times. We have planned improvements in 23/24 to engage customers directly in the evaluation process.
6	Were the strategic risks understood?	This governance self-evaluation review demonstrates our compliance. Our Assure framework sets the appropriate template for the business to appraise, understand and manage its risks strategically and operationally. Our framework is aligned to our ateb Vision that sets out what good looks like for ateb and our risks ensure we safeguard against those events that could impact us achieving our vision.
7	Is there improvement planning in place?	<p>Our Improvement Plan includes the following improvement actions for FY 23/24:</p> <ul style="list-style-type: none"> • IP/01 - Plan A - Save costs by lowering carbon in our operations. We will review our operations and identify the areas we can reduce carbon over the next 5 - 10 years. (Corporate) • IP/08 - Develop a core & enhanced L&D programme for team (Corporate) • IP/16 - Develop partnership opportunities to deliver new housing. (Development) • IP/32 - Adopt the 2021 Code of Governance (Corporate) • IP/34 - Continue our working @ ateb improvement programme. (Corporate) • IP/35 - Implement our communications strategy to ensure we engage with our stakeholders and raise awareness of the services/support we offer. (Corporate) • IP/37 - Further develop our H&S communication, awareness and monitoring programmes. (Corporate) • IP/44 - establish clear processes and links between customer voice and strategic decision making

■ RS2

Robust risk management and assurance arrangements are in place

Section 5 of our ateb Vision details our assurance framework called ‘Assure’. Using our risk appetite, our Boards manage our strategic risks through a series of controls with our delivery teams using the same controls to manage operational risks across their service areas.

Risk Appetite

The Group has adopted the following risk appetite:

Compliance	We have no appetite for knowingly breaking any rules or regulations whilst going about our business
Financial	We will accept financial risk dependent on the rewards of taking the decision being commensurate with our purpose/aims, that there are clear controls/plans in place to manage/mitigate ongoing financial risk and the decision does not breach the safety margins agreed by Board in respect to financial decision making, nor have an adverse effect to the agreed business plan and budget
Reputational	We will accept an impact to our reputation on the basis that the impact is time limited, managed, marginal or generally commensurate to the rewards of taking the decision
Performance	We will accept an impact to our performance on the basis that the impact is time limited, managed, marginal or generally commensurate to the rewards of taking the decision and that no other agreed or planned proposal will be unknowingly affected as a consequence

Strategic Risks and Controls

The Board and Assurance Committee work with the Group to monitor and control events, circumstances or activities impacting the following 16 strategic risks:

1	Customer Expectations: We fail to deliver the groups purpose to the customers and communities we serve
2	Employer Status: We fail to attract and retain the right team members and supply chain partners
3	Investment Management: We fail to make and deliver the right investment decisions
4	Treasury Management: We fail to manage our treasury investments effectively
5	Operational Cost Management: We fail to manage our operational costs effectively
6	Income Management: We fail to manage our income streams effectively
7	Engagement Management: We fail to deal with our customer and communities issues effectively
8	Service Quality: We fail to supply the right levels of service or product delivery
9	H&S Compliance: We fail to meet H&S legislation and regulatory requirements
10	Employer/Landlord Compliance: We fail to met employer and landlord legislative and regulatory requirements
11	Regulatory Framework: We fail to operate within our regulatory framework
12	Lender Covenants: We fail to manage our lender covenants effectively
13	We fail to deliver on our contractual obligations
14	Governance: We fail to apply effective governance and decision making across the group
15	Performance Management: We fail to understand our performance
16	Improvement Management: We fail to deliver effective improvement

Our strategic control framework centres on the following:

- Law
- Regulations
- Company/Governance rules
- Key Contractual arrangements
- Strategic Documents
- Strategic Plans
- Policies
- Terms of Reference

Strategic risk heat map

As at the end of March 23, our strategic risk heat map was as follows:

COMPLIANCE		FINANCIAL	
SR/09 H&S Compliance	SR/10 Emp/Landlord Compliance	SR/03 Investment Management	SR/14 Treasury Management
SR/11 Regulatory Framework	SR/12 Lenders Covenants	SR/05 Operational Cost Management	SR/06 Income Management
SR/13 Contract Compliance	SR/14 Governance	SR/01 Customer Expectations	SR/02 Employer Status
SR/15 Performance Management	SR/16 Improvement Management	SR/07 Engagement Management	SR/08 Service Quality
PERFORMANCE		REPUTATION	

Risk Status	Description
Materialised	Risk has materialised
High	There is a high probability of the risk occurring
Increased	There is an increased probability of the risk occurring
Normal	The probability of the risk occurring is considered normal
Low Relevance	The risk may no longer be relevant
Redundant	The risk should be removed or restructured

Eight of our sixteen strategic risks statuses are reporting above normal with seven raised to increased and one to high. This is reflective of the challenging operating environment in FY 22/23 and the pressure the Group has been under.

Our heightened risk is around management of operational costs. This was raised in Q1 of the financial year due to increases in cost of living impacting all goods and services and remained increased as this continued throughout year, impacting our ability to forecast costs. Tight budget control and spend management is needed for FY ahead.

Our increased risk issues relate to impact of new housing legislation across the business, pressure in development around land shortages, increased competition and higher prices across construction process, contractor shortages in repairs, planned and development, recruitment challenges to speciality roles to include support services and trades, cost of living crisis for customers, pressure on lender covenants and weaknesses found in H&S procedure controls.

Throughout the year our Assurance Committee reviewed the risk controls of the raised risks, any auditing activities undertaken and agreed ongoing mitigation actions.

Operational Risks

Linked to the strategic risks, our delivery teams manage and report on operational risk identification and management against each of our 37 service areas. Our operational control framework centres on whether the following day to day issues are impacting our strategic risks:

- **People**
e.g. resourcing levels, skills gaps etc.
- **Processes**
e.g. something is going wrong or is not understood.
- **Resources**
e.g. something is not right with the infrastructure supporting our service delivery.
- **External**
e.g. something outside our Group impacting services that we may or may not be able to influence or control.

In FY 22/23 our external customer facing delivery teams faced recruitment challenges and contractor shortages which put pressure on delivery of key landlord services. These people challenges, coupled with the changes in housing legislation, made it a difficult operating environment for these teams. Recruitment challenges to specialist roles were faced by various delivery teams across the year impacting performance and leading to these issues impacting our overall strategic risk profile.

Risk Management – ateb Group Assure framework

In line with the Welsh Government regulatory framework and their supporting ‘The Right Stuff’ publication, ateb Group has developed an approach to assurance management called Assure.

Assure makes sure that we are delivering the ateb Vision i.e., we are achieving our purpose; have the right DNA; have the right long-term plan; our services deliver the right customer outcomes as effectively as we can; we operate within our required boundaries, and we are improving.

- **Step 1**
What strategic risks will stop us achieving our Vision?
- **Step 2**
What strategic controls will help us control, influence or minimise those risks?
- **Step 3**
What tests do we need to undertake to know the risks are being controlled?
- **Step 4**
Evidencing that we have undertaken the tests and responded to their results

The Assurance Committee will set the risks, controls and tests required to deliver the six sections of the Vision and then receive quarterly reports to monitor our progress.



Internal Audit

As part of our Assure framework, and to meet regulatory standards, we undertake an annual internal audit programme.

Mazars Internal Audit Services were appointed to undertake our internal audit programme for FY 22/23. Mazars have been appointed as our Internal Auditors for FY 23/24

The following is the executive summary of their internal audit opinion for FY 22/23:

On the basis of our internal audit work, our opinion on the framework of governance, risk management, and control is Moderate in its overall adequacy and effectiveness.

We noted some areas in which the control environment could be improved, for instance we raised Highly Important recommendations as part of the Equality, Diversity and Inclusion; H&S Risk Assessments; and two KCHC reviews. Of the nine strategic audits conducted in 2022/23 it was noted there were no reports with Limited assurance or where critical recommendations were raised.

This and all other matters have been discussed with management, to whom we have made several recommendations. All of these have been, or are in the process of being addressed, as detailed in our individual reports.

Effective Risk Management and Assurance Assessment

The Group has undertaken the following risk and assurance activities in the year:

- Governance Team 121 meetings – Quarterly 121 meetings with HOS to review operational risks and impacts to strategic assure framework ahead of each assure report to Assurance Committee
- Assure Team – 4 meetings reviewing 16 strategic risks
- EMT – review of Assure Team reports
- Assurance Committee – Quarterly review of assure framework and proposal of any actions
- Each Board receives the quarterly Assure reports
- The 16 strategic risks, their controls and the tests we undertake to ensure they are working are recorded and updated in individual registers within a dedicated MS Teams environment
- We look at specific risk events and their impacts on the Group through the year
- We have a Business Continuity plan with action templates for particular events
- We have a financial recovery plan that is updated annually

The Assurance Committee has considered the 16 strategic risks at their meetings as follows:

Strategic Risks		Q1	Q2	Q3	Q4
Compliance (12 Reviews)	SR/09 - H&S Compliance: We fail to meet H&S legislation and regulatory requirements	✓	✓	✓	✓
	SR/10 - Employer/Landlord Compliance: We fail to met employer and landlord legislative and regulatory requirements	✓		✓	
	SR/11 - Regulatory Framework: We fail to operate within our regulatory framework		✓		✓
	SR/12 - Lender Covenants: We fail to manage our lender covenants effectively	✓		✓	
	SR/13 - Contract Compliance: We fail to deliver on our contractual obligations		✓		
	SR/14 - Governance: We fail to apply effective governance and decision making across the group			✓	

Strategic Risks		Q1	Q2	Q3	Q4
Financial (5 Reviews)	SR/03 - Investment Management: We fail to make and deliver the right investment decisions			✓	
	SR/04 - Treasury Management: We fail to manage our treasury investments effectively	✓			
	SR/05 - Operational Cost Management: We fail to manage our operational costs effectively	✓		✓	
	SR/06 - Income Management: We fail to manage our income streams effectively				✓
Reputational (5 Reviews)	SR/01 - Customer Expectations: We fail to deliver the groups purpose to the customers and communities we serve		✓		
	SR/02 - Employer Status: We fail to attract and retain the right team members and supply chain partners		✓		
	SR/07 - Engagement Management: We fail to deal with our customer and communities issues effectively		✓		
	SR/08 - Service Quality: We fail to supply the right levels of service or product delivery	✓			✓
Performance (2 Reviews)	SR/15 - Performance Management: We fail to understand our performance				✓
	SR/16 - Improvement Management: We fail to deliver effective improvement				✓





The Committee receives the following information at each Committee meeting:

- Summary and risk status of each strategic risk under review
- Details of third-party tests undertaken on the strategic risks under review
- Additional risks identified that quarter
- Detailed assessment of each strategic risk under review

Summary

A comprehensive approach has been taken to identify and managing our strategic and operational risks across the Group. We have also sought to test those controls to establish where we can improve our approach.

On an annual basis the Assurance Committee proposes to the Boards:

- The control framework needs for the Group
- The tests required to be undertaken to establish whether we can be assured we are managing our risks
- The internal audit opinion for the Group



■ RS2 – FY 22/23 EVALUATION CHECK

“Robust risk management and assurance arrangements are in place”

We have made the following evaluation:

Our Board has reviewed our analysis and evidence and consider we are compliant with this performance standard.

	Evaluation Check	The Board has Concluded that:
1	Does the Board know it meets this standard	The Group Assurance Framework, #5 Assure, tests whether we are achieving the principles detailed in our Vision and identifies the strategic risks that will prevent us from achieving our Vision and what good looks like for ateb. Under our framework, we have identified 16 Group strategic risks relating to compliance, finance, performance and reputation, and throughout the year carry out reviews of these risks, which include testing of the controls, discussing external and internal issues, to include any heightened operational risks and any new mitigation measures needed, to provide assurance to our Group Assurance Committee and Boards that the strategic risks are being managed effectively
2	What was the principal evidence used to evaluate this standard	The following evidences this standard: <ul style="list-style-type: none"> • Assure Framework • Internal Audit & other specialist quality/audit reports • Internal Audit Opinion • Sector risk analysis 2022 – mapped to Assure framework • Performance data and information • Policy framework – particularly H&S; data protection and landlord related policy controls • Business Continuity plan • Financial recovery plan • Risk mitigation triggers
3	Is there improvement planning in place	Our improvement plan includes the following improvement actions for FY 23/24: <ul style="list-style-type: none"> • IP/33 – Evolve our Constitutional Framework to adapt to our growing business needs. (Corporate) • IP/39 - Review our Business Continuity Planning approach post Covid experience. (Corporate)

Governance Self Evaluation Summary FY 21/22

Having evaluated the Group's response to regulatory standards RS1 & RS2 throughout the year, we believe we remain compliant with these standards. However, we recognise that there is always room for improvement and evolution of our governance and risk systems.

The past year has been a challenging operating environment with an almost perfect storm of issues impacting the delivery of services in recruitment challenges, contractor shortages and material price increases, coupled with a cost-of-living crisis. These issues have put pressure on our teams to maintain our performance standards and deliver our customer outcomes. Our governance, strategy and risk frameworks have enabled us to identify risk issues and the actions needed to maintain service delivery at an early stage so we could continue to deliver for our customers.

Despite this backdrop, our team have still delivered improvements focused on our strategic objectives. Delivery has been slower than anticipated but to be expected given the operating environment. We have reprioritised our improvements for the year ahead to focus on those that will deliver the best outcomes for our customers.

We've recruited new Board Members across our 3 Group boards in FY 22/23 strengthening the diversity of skills and experience leading our Group.

Our budget and business planning for the 23/24 financial year ahead has been challenging and the new Board (s) have helped in the refinement of these plans to focus on our strategic priorities. We are increasing our governance monitoring in these areas and will be adjusting our plans as new risk and opportunities arise.

Please contact us if you would like more information on the detail raised in this evaluation.

Nick Hampshire
Chief Executive



ateb

Board Members / Director Bios

Creating
better
Living Solutions



David Birch

David has vast experience in both the private and public sectors. David started his career as an Electrical Engineer Draughtsman and then moved to become a Facilities Manager with BT and gained a post-graduate Management Studies qualification. David joined the NHS in 1994 as the Director of Facilities in Gwent, moving to a role as Head of Contract Services a few years later. In 2004, David became the Director of Support Services for Powys Teaching Health Board and retired in 2010. David has experience in the housing sector having served as a Vice-Chair and then Chair of a Housing Association in Cardiff for 6 years prior to joining ateb.



Hugh Watchman

Hugh is an experienced Board level Manager working at a strategic level on an international basis with major blue-chip FTSE 100 companies in the key areas of Sales, Marketing, IT, Procurement and Logistics. Hugh is educated to post graduate level and was a Commissioned Army officer having served in both the Australian and British Army.



Sharron Lusher

Sharron has vast experience of working at a strategic level for Pembrokeshire's largest provider of post-16 education. Sharron was Principal of Pembrokeshire College from 2012 to 2018. Since her retirement, she has remained actively involved in education and training in Wales, and currently chairs the Independent Welsh Pay Review Body, and the Vocational Review of Qualifications in Wales.



Jackie Leonard

Jackie is a consultant and has worked within the housing sector for over 20 years at Director level. Jackie's expertise and skills have been used in various service roles across the sector with a focus on planning, budgetary management, contract management and service delivery.



Owen Jones

Owen is a director of an independent town planning consultancy that operates within England and Wales. Owen has extensive experience of planning and development and is a Chartered Town Planner and a Member of the Royal Town Planning Institute. Owen's current work comprises of working with private developers and landowners on a range of strategic development schemes which includes major mixed use development sites, development plan promotion, planning applications, EIA and public enquires. Owen is educated to Masters Level and holds an MSc in Residential Development. Owen is also a Practitioner Member of the Institute of Environmental Management and Assessment Member of the Institute of Environmental Management and Assessment.



Jade Francis

Jade is the Independent Mortgage Broker/Manager at Willcox Financial Limited and has worked at a senior level within the banking sector for the majority of her career. Jade has extensive experience in providing financial advice to clients and has a Diploma in Retail Banking Conduct of Business.



Anthony James

Anthony is an Senior Finance Manager at Welsh Government. He has over 15 years financial experience, having held positions within the materials and construction industries and prior to this practice experience of corporate, audit, sole traders, partnerships, business development and tax. Anthony is a Fellow of the Association of Chartered and Certified Accountants.



Julia Ashely

Julia is a Business Development Director for an English Housing Group. She has over 25 years of working at Executive Director and Chief Executive level with vast experience in strategy, change management, housing services, development and care.



Nisha Harichandran

Nisha is Business owner of Bohem Notes a communications platform for wellbeing as well as a Communications Specialist for an anti-financial crime support agency. She has a varied background having held a Director of Governance role for a large telecommunications company based in Asia and is also a qualified barrister in both the UK and India.



Chris Townsend

Chris is a Senior HR Director with comprehensive experience across a wide range of sectors to include, media and technology, manufacturing, outsourced services and facilities, in the UK, Northern Europe and Middle East. Chris is also a mentor for the CIPD providing support to aspiring HR Directors.

MILL BAY
HOMES

Board Members / Director Bios



Mike Westerman

Mike is an experienced Chair, with a proven track record of achievement, having operated with success at Board level in the public, private and voluntary sectors. Mike has a particular interest in housing and has mentored and advised Shelter, Cardinal Hume Centre, and CHAS. He has helped create the international charity ActionAid, and continues to act as consultant to both the voluntary and business sectors. Mike holds the following qualifications MinstF, Fellow IDM, ISP Mem Dip.



Alex Jenkins

Alex is a Fellow of the Institute of Chartered Accountants in England and Wales. He has a first-class BSc in Maths from Bristol University. Prior to joining ateb, Alex held a number of senior Finance positions and has worked in a variety of sectors, such as Construction and Food manufacture. His training and early career was carried out at Arthur Anderson, an international audit and advisory consultancy, where he gained his professional qualification and audit experience.



Nick Hampshire

Nick is Chief Executive of the ateb Group, Board member of ateb Group Limited and Director of EBS (Dormant Group entity). Please see ateb Group Board members for full bio.



Andrea Gardner

Andrea is the founder and Director of Two Can Properties & Estates. She has over 25 years of experience in the property development and residential sales working from Sales Executive to Director. Andrea is passionate about supporting small and medium builders to sell homes in line with consumer codes protecting both them and their clients.

Nick Christofides

Nick is a Director of The Greenroom Estate Agency. He has over 20 years' experience in property development and residential sales. Nick's experience extends from buying land for property developers and managing multi-million pound projects to selling homes and providing specialist advice to developers across the region.

Tim Richens

Tim is Managing Director of Aequus Group a local authority wholly owned company developing, delivering and managing property for both the rental and private sales market. Tim has extensive experience at strategic level leading business plans, major projects, and transformation programmes.



West Wales Care and Repair
Gofal a Thrwsio Gorllewin Cymru

Board Members / Director Bios





Elaine Lorton

Elaine is Service Director for MH&LD with Cwm Taf Morgannwg University Health Board and has over 20 years' experience in the health, social and not-for-profit sector. Elaine has a passion for staff, stakeholder and public engagement to empower and develop sustainable and continuous improvement in quality and productivity.



Luke Lenton

Luke is the regional Health Board's Complaints Manager and has worked in Housing, Social Care and Health for the past 18 years, gaining expertise in customer service, business management and complaints resolution. Luke has a post graduate qualification in management and as a qualified coach, continues to help develop other managers within public sector services.



Avril Wilson

Avril has worked in the private, public and voluntary sectors. She trained as a lawyer before entering local government as a Housing Manager. More latterly, she has worked as an Executive Director in both adult and children's services, with an emphasis on systems change.



Jackie Leonard

Jackie is on both ateb Group and West Wales Care and Repair Boards. Please see ateb Group Board members for full bio.



Cllr Hugh Hughes

Ceredigion County Council – Borth Ward

Hugh is a retired Thames Valley Police Detective with MSc in Forensic & Legal Psychology.



Cllr Matthew Vaux

Ceredigion County Council – New Quay & Llanllwchaerarn wards

Matthew is an appointed cabinet member having a portfolio that covers housing, legal and governance, people and organisation and public protection.

Assurance Committee

- Hugh Watchman
- Sharron Lusher
- Mike Westerman
- Anthony James
- Owen Jones
- Avril Wilson

People & Remuneration Committee

- Chris Townsend
- Hugh Watchman
- Sharron Lusher

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