



**Building** Independence  
**Adeiladu** Annibyniaeth

# FIRST CHOICE HOUSING ASSOCIATION

## Self Evaluation



# Self-Evaluation – FCHA

This is the FCHA self-evaluation with a detailed, referenced list of evidence aligned to the Regulatory Performance Standards. It includes evidence of strategic, corporate planning and an evaluation of how we feel FCHA is performing against our business plan and the delivery of outcomes for tenants and service users. Each standard states whether we feel we comply with the regulatory standards which is a key element of the Regulatory Framework and assessment process.

There have been no material changes since the last judgement was issued to governance, financial viability or service delivery.

The Board have a comprehensive oversight of the self-evaluation. Board received this in September 2022 and an updated version was uploaded to decision time in August 2024 in line with the new format. Within the self-evaluation the Board can gain assurance around how FCHA complies with each regulatory standard including references to key performance data and sources of assurance. The Board is fully involved in the assessment of FCHA's compliance with the Code of Governance that the organisation has adopted, this code has been included within the submission of evidence and was last reviewed by Board in October 2023.

There is a detailed list of all the principal evidence which has been relied upon in conducting the evaluation and is available at the Regulation Managers request, as agreed.

This document along with the Code of Governance demonstrates a robust process of self -evaluation.

As FCHA is a specialist organisation providing housing for people with learning disabilities and other complex needs, the way in which we engage with tenants differs to that of a traditional RSL. We tailor our services to meet the unique needs of tenants and have demonstrated this in the evidence included within the self-evaluation. In 2024 to ensure meaningful engagement with tenants and ensure their views are considered in the decision making and planning of the Association at a Board level, we introduced the Tenant Advisory Group. The Terms of Reference are included as part of the evidence clearly demonstrating the role the group plays in the Governance of the Association. For the first time they will be having meaningful and detailed scrutiny of the self-evaluation at September's meeting where we will be tested on how we say we have met the WG Regulatory standards.

The Association identifies key strategic risks and associated controls, this information is hosted on One Advanced (formerly Decision time) and other evidence related to our risk management has been included within the supporting evidence. The strategic risks are discussed by the Board on a quarterly basis along with assurance arrangements around these risks.

The Association has submitted a continuous improvement plan (CIP) which identifies any gaps or areas for improvement and shows how these will be addressed.

RS1 The organisation has effective strategic leadership and governance arrangements which enable it to meet its purpose and objectives

**RS1 A Has a strategy which reflects its vision, culture and values and sets out how the organisation will achieve its core purpose as a social landlord.**

FCHA's mission is

*“To deliver homes that support independence and help people feel part of a community.”*

This new Mission Statement was created by our Tenant Advisory Group in July 2024 (Ev1) and is much simpler and much more focused on what our tenants feel is our core purpose. We are a values-based organisation, and our tenants recently redesigned our values in line with our mission statement. Our new values are

- Partnership & Working Together,
- Open & Honest,
- Equal & Fair
- Hard Working

These were chosen by our tenants as they feel they represent how the association and its employees should behave. Our culture is closely aligned to our values and underpinning principles. We have a new 5-year organisational strategy (Ev2) and rolling 5-year business plan (Ev3) which is approved annually by Board. We have spent the last 12 months reflecting on our strategic focus, listening to our tenants and ensuring that our strategy is aligned to both our tenants' views and our core purpose. FCHA considers itself compliant with this standard, however we have added regular reporting to our Board on progress against our strategy to our CIP.

**CIP Actions – Report to the Board against the progress of FCHA's strategy.**

**RS1B Complies with its own governing documents and meets the requirements of an appropriate Code of Governance.**

FCHA is compliant with the CHC code of Governance and meets the needs of all governing documents. The board measures themselves (Ev4) on their performance against the code. The governance structures at FCHA in terms of Board and Committee are laid out in accordance with standing orders and our rules. These were adapted following the governance review undertaken in 2023. This helped ensure that Board are effective, leading on strategy and monitoring performance of the Association's critical areas of business through papers presented by Executive staff. The comprehensive 3 yearly Governance Review (Ev5) also recommended we review the Terms of Reference for our Board, reserved Board matters and Committee structures. This and all other actions have now been completed. Board monitored the completion of these actions via regular updates. (Ev6) Returns are submitted to WG LGDU in a timely manner, and we communicate with the regulator on any material issues that may impact on compliance. The board is actively involved in the Self Evaluation of the Association. In recognition of the fact, we have now completed the

actions from the recommendations in the Governance review we consider ourselves fully compliant with the code

### **CIP Actions Self-evaluation process to be completed again July 2025**

**RS1C** Sets and delivers measurable, evidence-based commitments across all areas of its business in relation to equality, diversity and inclusion (including anti-racism and tackling hate crime) reflecting the diversity of the communities it works in and with.

In 2022 we embarked on our QED journey with Tai Pawb reflecting the diversity of the communities we work in and were delighted to achieved QED accreditation in March 2023. We have additionally signed up to 'Deeds not Words' and both include clear and demonstrable commitments to Equality, Diversity & Inclusion across the Association. We have a specific EDI risk on our Strategic Risk register with appropriate controls and the Tai Pawb work operating as an assurance source for Board. We were pleased with our year 1 report which concluded that “FCHA have continued to ensure that EDI remains an important focus in terms of governance and their Board.” (Ev7) To improve diversity within our Board all positions are now advertised via Race Council Wales and Tai Pawb. We hope to become involved in Pathway to Board this year.

We established a Welsh Language Action group with the Board and a member of the Exec team and have developed a plan to further promote the use of the Welsh language. Several staff have developed their Welsh language skills and we have several fluent Welsh speakers. All staff and Board have received training in hate crime and we adhere to an anti-racism policy which is contained within the Associations website. We deal with any allegations of hate crime immediately against tenants, linking in with support providers and neighbours to ensure that appropriate action is taken. All staff are treated equally, and the staff focus group work to ensure staff feel included in decision making processes regardless of protected characteristics. Due to the nature of our specialist housing we work across all communities to ensure properties are tailored to the individual needs of each tenant, ensuring their disability doesn't prevent them from living as independently as possible. FCHA considers itself compliant to this standard.

### **CIP Actions – Complete QED year two action plan**

#### **CIP Actions - - Complete work on joining Pathway to Board**

**RS1D** Has a diverse Board, reflecting the communities the RSL works in and with, and has the skills and knowledge required to be effective.

We have a skilled Board with the relevant knowledge to ensure strong governance. Whilst we acknowledge we are underrepresented in some areas of diversity we have signed up to the deeds not words pledge and will seek to recruit from a broader area in future to address these gaps. We are currently positively promoting Board positions via Race Council Wales to address under representation from people from ethnic minority groups. The board receive training annually and attend several sector training events and conferences to maintain an up-to-date knowledge. All Board members received Diversity training in 2022. We have a skills matrix, compiled externally during our last governance review following our comprehensive skills audit, covering a broad range of skills and expertise and have a mixture of technical, legal, HR, Accountancy,

Health & social care, funding H&S and housing experience on our board. FCHA considers itself compliant to this standard but will continue to work towards improving diversity.

### **CIP Actions - - Complete work on joining Pathway to Board & diversity work**

**RS1E** Makes logical decisions based on clear, good quality information which includes assessment of risk and, where appropriate, the views of tenants.

Board papers were extensively reviewed as part of our Governance Review in 2023, and a realignment of committee structures implemented in August 23. Board Papers include significant information around tenant impact/view, risk & mitigation, financial implications and any legal or regulatory considerations. Our Development Scheme approvals have a separate risk analysis undertaken (Ev8) and presented to the Board so they can understand the risks associated with these. Our governance review provided additional recommendations for further improvements on the information and assessment of risk. The risks module has now been added to One Advanced and the Board received training in August 2023 with further training planned for October 2024. The Governance review was undertaken by an independent firm, Campbell Tickell in line with good governance. FCHA considers itself compliant to this standard.

### **CIP Action – Complete further risk training for the Board**

### **CIP Action - Complete 'blank page' risk exercise with the Board**

**RS1F** Enables and supports tenants to influence strategic decision making.

Our 2024-2029 strategy & strategic planning process commenced with asking our tenants what they wanted to see from us as an association. Wellbeing was important to them as were repairs to their homes. These now feature prominently in our new strategy. We also wanted to review our Vision Statement, Mission Statement and Values at the same time and involved our tenants in this through our Tenant Advisory Group so that our Mission Statement is truly tenant led. This in turn helps to ensure our activities are truly tenant led. To better support in this area the Association recruited a Tenant Engagement Co-Ordinator who comes with a background in participation events for adults with a learning disability. Their role will be in part to support tenants to have a stronger voice a Board level.

Following the work with tenants we then asked staff as part of a development day to complete a SWOT analysis and identify opportunities and threats in particular which needed to be reflected in our strategy. Our Board then reviewed this information (Ev9) and over two Board Strategy Days created the main strategic themes ensuring tenant views were front and center. In Terms of regular engagement, the Board attend Tenant Advisory Groups to hear what matters to tenants on influencing the future strategic direction of the Association. They also receive feedback via surveys to enable this to be considered when setting strategic objectives with the Executive Team. We have attempted to have tenants present at meetings, but this has not proved meaningful due to issues of mental capacity. FCHA considers itself compliant to this standard.

### **CIP Actions – hold further strategic discussion with Board around tenant voice**

**RS1G** Complies with all relevant legislation, regulatory requirements and statutory guidance and communicates in a timely manner with the regulator, including on material issues that relate to actual or potential non-compliance.

FCHA complies with all relevant legislation and statutory guidance. Returns are submitted to WG LGDU in a timely manner, and we communicate with the regulator on any material issues that may impact on compliance. FCHA submit all RSL Business Continuity Surveys in a timely manner and enjoy positive engagement with our regulation manager ensuring that all changes to service delivery are communicated. We have excellent compliance rates as highlighted in our CE reports to Board and standing orders are followed in accordance with rules. We adhere to the Welsh model rules.

FCHA were impacted by the EICR matter ongoing within the housing sector. This is predominantly down to interpretation of what constitutes a certificate being 'delivered' for FCHA. We were prompt and upfront with lenders and the regulator and are monitoring the situation.

FCHA considers itself compliant to this standard.

**CIP Actions – Monitor ongoing EICR issue for any statutory impact.**

**RS2** Robust risk management and assurance arrangements are in place.

**RS2A** Has an effective framework for risk management, internal controls and assurance that enables it to successfully identify and manage existing and emerging risks which threaten delivery of its strategy or compliance with legislative or regulatory requirements.

FCHA has an effective framework for risk management, internal controls and assurance. We operate in accordance with our risk management policy. (Ev10) The Risk Management policy has been reviewed and was approved in September 2023. It includes clear responsibilities for Board, ARC, Chief Executive and Managers in line with good practice and Internal Audit Recommendations. The Policy also details assurance arrangements, and the Association now has a comprehensive rolling 3-year Programme of Assurance (Ev11) which is aligned to Internal Audit Programme. This area of our work has grown significantly in recent years and as a result we have moved our risk map onto the One Advanced risk module.

We have aligned our risk map with the WG sector risks document and Inside Housing's Top Ten risks for RSLs which in turn aligns those risks to performance standards. The board review strategic risks on a quarterly basis (Ev12) and ARC completes a detailed review of all risks also on a quarterly basis. Emerging risks together with health & safety compliance and wider employer Health & Safety are reported to the Board via CEx (Ev13) and HSAM reports. (Ev14) All Board papers and development feasibilities have a risk evaluation incorporated allowing for an up-to-date risk assessment for each development so that Board may be alerted to changes in risk and ensure the scheme fits within the Associations risk appetite. Astari last audited our risk and assurance arrangements in March 2023 and returned an opinion of substantial assurance. (Ev14)

They completed a further Risk Maturity Audit in May 2024 concluding that FCHA was risk mature, (Ev15) albeit with recommendations to further improve risk management within the Association. We consider ourselves compliant however we have added the risk maturity recommendations to our C.I.P.

### **CIP Actions – Risk maturity internal audit recommendations to be completed.**

#### **RS2B Does not put social housing assets or tenants at undue risk.**

We assess our capacity to take on new development opportunities via financial feasibility studies and consider risks and manage them to protect our core housing activity. We utilise exit strategies for all new developments, which identify key risks at each stage allowing early exit to minimise abortive costs, ensuring any new liabilities consider the impact on current and future business.

We operate in accordance with a business decision model. (Ev16) This forecasts asset performance at the asset level, a full year of our development Programme and the full 5-year Programme. This way our Board are better informed of the individual business risk of schemes together with the aggregated risk, ensuring that we do not put our business plan at risk. We adhere to a treasury management policy to ensure we have financial capacity to deliver all schemes within the Programme. We do not take unnecessary risks that may put tenants or assets at risk and understand the implications of our rent policy undertaking sensitivity analysis on future potential risks including the impact of legislative change, cost of living crisis and fuel poverty.

We have implemented a tenant hardship fund this year to support those most at risk of food and fuel poverty and to support any potential risks in increased rent arrears. To protect tenant data, we adhere to the GDPR guidelines laid out in the Data Protection Act 2018, we regularly audit our information asset register and ensure access to only those who require it. Our IT department has implemented training to ensure staff are aware of malware and ransomware attacks and have applied two factor authentication to access systems from home and office. We have additionally gone through the Cyber Essentials plus accreditation process so that Board has external assurance in addition to our Internal Audit on IT security and data management. FCHA considers itself compliant to this standard.

### **CIP Actions - none**

#### **RS2C Maintains accessible and up-to-date business continuity, contingency and disaster recovery plans.**

We have an up-to-date business continuity; contingency and disaster recovery plan (Ev17) which has been comprehensively reviewed following an Internal Audit in October 2022. All directors have hard copies of this. This is subject to an internal audit biannually. In addition to this it is currently the subject of a deep dive by our ARC. In August 2024 (Ev18) they discussed scenarios for the management team to implement and report back on it in terms of results. FCHA considers itself compliant in this standard however have added to completion of disaster and business continuity scenarios to our CIP.

## **CIP Actions – complete and report back on disaster recovery and business continuity testing scenarios.**

**RS3** High quality services are delivered to tenants.

**RS3A** Keeps tenants safe in their homes and promptly identifies and corrects any under-performance or non-compliance on landlord health and safety matters

All newly constructed homes are built to Welsh Development Quality Review standards (refurbished schemes to WHQS) and in line with building regulations, Secure by Design and Lifetime Homes Standards. The Association is compliant to the previous WHQS standards, and we ensure we continuously meet these standards through stock condition programmes. Our WHQS compliance policy is currently being drafted in line with WG recommendations and timescales (March 2025) and we are currently aligning our policy and Asset Management Strategy (Ev19) with the 2023 Standards.

All tenants are issued with occupation contracts and the relevant documentation i.e. EICR and other certification prior to letting a new property including a Health and Safety file in accordance with the Renting Homes (Wales) Act. New properties are managed and maintained through an ongoing process of asset management. We undertake detailed property inspections (including fire and legionella risk assessments) every two years and stock condition & WHQS compliance surveys every five years. All surveys and risk assessments are completed electronically and filed on each property folder allowing for ease of access and referral. Completed risk assessments are sent to each property following the surveys.

We have a designated Compliance Officer who manages the Landlord Health & Safety Compliance across all compliance areas. They in turn report to our Health and Safety Assurance manager who reports directly to the Chief Executive and Board. This has been designed to ensure that issues get raised quickly to senior level and a clear line of sight for the Board. We report on our landlord compliance on a quarterly basis to our Board and our Health & Assurance Manager also details any other H&S matters in the same report. (Ev20) We have an extensive programme of external assurance in place around our Landlord Health & Safety and it is part of our annual Internal Audit schedule. FCHA considers itself compliant to this standard.

## **CIP Actions – Finalise & take Asset Management Strategy forward for approval**

**RS3B** Delivers services which meet the diverse needs of tenants.

We tailor services to meet the diverse needs of our tenants with input from the tenant's advisory group which feeds back to Board and at Tenants Talk groups. A board member is always in attendance at this. In 2021 we recruited a wellbeing coordinator following feedback from tenants on the importance of wellbeing to them and in 2024 recruited a tenant engagement officer to further strengthen engagement.



By undertaking tenant profiling, we tailor our communication strategy to ensure that we communicate in an appropriate format suitable to tenant needs. To ensure that tenants' needs continue to be met, we survey them annually to ensure their property & services continues to meet their needs. The latest survey completed in 2023 indicated that 97.5% of tenants felt their home was suitable for their physical needs. Furthermore 99% of tenants were happy with the overall services provided by FCHA. (Ev21) Following our work on diversity we now break down satisfaction by some protected characteristics to ensure that we aren't missing the needs of any one tenant group. Tai Pawb recognised this as good practice through the QED process.

We operate a lettings policy for our ex armed forces homes but for most of our properties the LA have 100% nomination rights. We work in partnership with local authorities to ensure we meet local housing needs and maintain relationships with 20 of the 22 Local Authorities in Wales to alleviate specialist housing demands. We work with over 30 support providers who provide the care and support to tenants, working via a tri-partite agreement with us, Support provider and LA. Whilst we do not directly employ care staff we acknowledge that staffing for these agencies is increasingly difficult and via collaboration at an early stage ensure that care services are commissioned alongside new developments with partnership working with LA's and other stakeholders i.e. family, OTs etc. FCHA considers itself compliant in this area.

### **CIP Actions - none**

### **RS3C Achieves and maintains high levels of tenant satisfaction with services.**

FCHA has 96% satisfaction with services. The Board receive a comprehensive suite of metrics with which to measure current service performance via the Chief Executives Update, (Ev13) this includes a newly agreed suite of metrics relating to Damp & Mould. The purpose of this is to give Board clear line of sight of every area of the Associations performance so that they can be assured of tenant satisfaction and enable deep dives to both manage risk and drive continuous improvement.

A Director independent of the development process undertakes face-face quality assurance meetings with new tenants to seek their views with the satisfaction with their new home ensuring we deliver all future homes to consistently high standards to meet tenant's needs. In the latest Tenant Survey FCHA scored well across a range of tenant satisfaction metrics including with the quality of homes and services. FCHA considers itself compliant in this area.

### **CIP Actions - none**

### **RS3D Makes landlord performance information available to tenants.**

We are accountable to tenants by providing information about the business in an accessible format which is open, honest and transparent. This is achieved through a range of ways including via tenants via, satisfaction survey results, the Tenants' Voice newsletter, Tenants Talk meetings and our Annual Report. (Ev22)

**CIP Actions – work with the Tenant Advisory group to ensure information is appropriate.**

RS4 Tenants are empowered and supported to influence the design and delivery of services

**RS4A** Creates a culture which values and promotes tenant involvement.

FCHA have created a culture which values and promotes tenant involvement via a wide-ranging Tenant Participation Strategy and tailored events. These include is facilitated by Tenants Talk sessions, Newsletter groups and tenant surveys and gateway events (See 1f above.) In 2023 we developed a Tenant Advisory Group which feeds directly into our Board of Management. In addition to this, tenants fed directly into our Health & wellbeing strategy by telling us what matters to them most in this area. We have seen a change in the way tenants are taking forward what matters to them at the most senior level. (Ev1 & 9) We have worked hard together with our new co-ordinator to further improve our approach and now have tenants involved in activities like staff recruitment helping to ensure that the new staff have the appropriate values base.

Our Year 1 QED report recognised this (Ev7) concluding that

“Throughout QED to date it was evident that FCHA is deeply committed to promoting equality, diversity, and inclusion (EDI) within their tenant participation activities and broader practices.”

FCHA considers itself compliant in this area.

**CIP Actions – Continue the outworking of QED actions relating to Tenant participation and equality**

**CIP Action - hold further strategic discussion with Board around tenant voice**

**RS4B** Enables tenants to understand the organisation’s approach to tenant involvement, how they can get involved and how the organisation will listen to and act on tenants’ feedback and learns from complaints.

FCHA enables tenants to understand our approach to tenant involvement by actively promoting it through our newsletter and via direct communication to them. An example of this is the formation of our Tenant Advisory Group. We run a wide range of activities for tenants to get involved in beside this and promote all of them actively to our tenant base. The efficacy of this approach is demonstrated by the satisfaction results we have had in 2023. (Ev21)

We have a comprehensive complaints policy and a dedicated complaints officer to ensure that all complaints are dealt with appropriately. The Chief Executive feeds back to the Board quarterly on all complaints, resolution, response times and specifics of the complaints to ensure that Board are fully aware of the nature of complaints coming into FCHA. This allows for trend identification and gives Board assurance over issues such as Disrepair. In 2023 we were an early adopter of the PSOW standards and

report to them on a quarterly basis. In the 2023 DCA survey, 100% of our Domiciliary Care Agency partners felt that First Choice deals appropriately with complaints. FCHA considers itself compliant in this area.

**CIP Actions – Continue the outworking of QED actions relating to Tenant participation and equality**

**CIP Action - hold further strategic discussion with Board around tenant voice**

**RS4C** Provides opportunities for tenants to be involved, can demonstrate that tenants are satisfied with them and can demonstrate the difference involvement is making.

FCHA have an up-to-date Tenant Participation Strategy which details our approach to involving tenants. We engage with tenants through a range of means as previously identified, including surveys, asking several questions about the services provided and suitability of their home, taking appropriate action to address feedback. Senior managers seek opportunities to speak directly with tenants about our services via quality visits. See 1f above for the impact that tenant involvement has had on FCHA strategy. 97% of respondents to our annual survey in 2023 (Ev21) indicated that they were happy with the opportunities to participate in how services are run and communicate with FCHA. FCHA considers itself compliant in this area.

**CIP Actions – Continue the outworking of QED actions relating to Tenant participation and equality**

**CIP Action - hold further strategic discussion with Board around tenant voice**

**RS4D** Can demonstrate diverse tenant views and expectations inform the development and review of housing and related services, and the response to any under-performance.

All new properties are designed with the location, specification and layout of proposed developments agreed with the local authority commissioning team and are based on pen pictures of proposed tenants and occupational therapist reports.

The future needs of tenants are considered at the design stage via a person-centred approach and built-in where possible. In our complex health schemes officers link in with clinical teams including specialist behavioural teams to assess individuals' environmental briefs. Recently the Association has incorporated new innovative assistive technology designed around individuals needs resulting in improved independence for our tenant's. Positive feedback has been received in terms of the tenant's care and support.

The creation and development of our wellbeing work is a good example of where we have listened directly to tenants and where their views have informed housing and related services. Not only did tenants request that we focus on this area of work, but we also had wide ranging input into how they would like it to be delivered. This led directly to the creation of our new Tenant Wellbeing strategy.

FCHA considers itself compliant in this area.

**CIP Actions – Continue the outworking of QED actions relating to Tenant participation and equality**  
**CIP Action - hold further strategic discussion with Board around tenant voice**

RS5 Rents and service charges are affordable for current and future tenants.

**RS5a** Ensures all applicable rules and statutory guidance (including the current rent agreement) are complied with.

Specialist supported housing which makes up more than 98% of our tenant base is exempt from the rent agreement / policy however FCHA adheres to the WG rent settlement here in terms of rent increases. We utilise a JRF based model to ensure rents are affordable on our non-supported accommodation and all rent increases are fully scrutinised and approved by Board of Management (Ev23) and in line with WG Rent Agreement. We balance the need to ensure affordability alongside the need to ensure we have capacity to maintain existing as well as deliver new homes. Affordability assessments are undertaken on all new non-supported tenants and rent setting is robustly challenged at Senior Management level to ensure rent and service charge levels are affordable. We manage out service charges where possible and calculate affordability with service charges included. We operate in accordance with our rent policy approved by Board. This has led to several schemes having rents frozen in the past few years despite the below inflation rent increases.

We meet all rules and guidance operating in accordance with legislation, policy and statutory guidance. We ensure data is submitted via our compliance calendar (Ev24) checklist and measure our achievement against CHC Code of Governance and Regulatory performance standards. We have a robust suite of policies to ensure we follow all statutory guidance. We are now part of a consortium preparing for the impact of WHQS 2023 and are using this to save time and resource while also ensuring a standard approach across smaller south Wales community landlords.

**CIP Actions – Continue consortium approach to WHQS**

RS6 The organisation has a strategic approach to value for money which informs all its plans and activities

**RS6A** Determines its strategic approach to value for money, ensuring the approach relates to its social purpose, and makes strategic and operational decisions in line with it.

The Association has developed a strategic approach to Value for Money in line with regulatory expectations and good practice guidance developed by CHC & Housemark. Our Value for Money Strategy was approved by Board in September 2021 (Ev25) and describes both how we will achieve, monitor and report on Value for Money. Our 2023 Internal Audit on Value for Money concluded substantial assurance (Ev26) In line with the recommendations of our Internal Auditors we now take a Value for Money report

to our Board on an annual basis. (Ev27) This includes the Welsh Government performance metrics for this area.

Our aim is to improve our VFM performance while ensuring that stakeholder satisfaction and social value elements do not decline, in other words that we do not cut cost at the expense of the tenants, their properties or our staffing. This year we have recruited a Value for Money and Data Integrity Manager. this role was designed recognising the importance of both aspects of governance and will be taking forward key VFM Projects for us. FCHA considers itself compliant in this area however we have added the monitoring of the impact of this role to our CIP.

**CIP Actions – Monitor the impact of the new role to ensure it is effective**  
**CIP Actions – Review our Value for Money Strategy later this year**

**RS6B Can demonstrate to stakeholders, including tenants, that it achieves value for money in delivering its strategy and services.**

Performance is reviewed by Board on an annual basis as outlined above. In order to be transparent, we host this report on our website. Included within the report is tenants' views of whether they feel FCHA deliver Value for Money and a breakdown of where their money is spent is sent to tenants annually to support this. In addition to this in year savings are added by staff to enable us to accurately record savings in specific areas and is an agenda at management team meeting so that a culture of value for money is achieved. 98.5% of tenants were satisfied that their rent provides value for money.

The Association had its procurement strategy (Ev28) approved in May 2022. This strategy sets a framework for FCHA to ensure the effective use of resources to not only deliver its aims and objectives but to maximise the positive impact that can be achieved through effective procurement activities to enable tenants to live as independently as possible. FCHA considers itself compliant in this area.

**CIP Actions – Monitor the impact of the new role to ensure it is effective**  
**CIP Actions – Review our Value for Money Strategy later this year**

**RS7 Financial Planning and management is robust and effective**

**RS7A Sets financial plans which enable it to deliver its strategy and achieve its social purpose, and there is appropriate reporting to the Board against these plans.**

An annual budget (Ev29) is created in line with our overall organisational strategy including our development ambitions and taken to the Board for approval ahead of each new financial year. This is done in conjunction with our 5-year development programme (Ev30) so that Board can gain assurance over financial commitment and capacity.

Quarterly management accounts (Ev31) are then presented to our Board for approval together with a Treasury Report. (Ev32) Together these keep the Board apprised of

the financial position of the Association over the course of a financial year. These show actual results against the budget. In addition to this an annual rolling-5-year business plan (Ev3) is created and approved by the Board. FCHA considers itself compliant in this area.

### **CIP Actions – Continue Board level monitoring of financial position**

**RS7B** Is financially viable in the short, medium and longer-term, and maintains sufficient funding and liquidity to support this.

In addition to our annual budget and 5-year business plan referred to above FCHA also utilise a treasury strategy (Ev33) and treasury management policy (Ev34) which ensure appropriate treasury planning and sufficient funds are in place to deliver the business plan in the short and medium term. This is supported through our retained treasury service with Centrus (Ev35) so that Board gains external assurance on this vital area of our work. A 30-year financial (Ev36) plan ensures long term treasury strategy and financial stress testing is assessed and agreed by the Board each year.

Our Scenario Testing & mitigation proposals are also reviewed externally by Centrus as treasury advisors so that Board can gain assurance over their chosen scenarios together with business plan assumptions etc ensuring that our work is 'benchmarked' against the wider sector, and we are not missing any relevant/key information. All required documents are submitted to the regulator within the required timeframes. FCHA considers itself compliant in this area.

### **CIP Actions – Treasury Strategy to be reviewed and refreshed September 2024**

**RS7C** Monitors, reports on and complies with all covenants it has agreed with funders.

Loan covenant compliance is forecast in the annual budget (Ev29) and 30-year financial plan (Ev36), and actual covenant compliance results are reported quarterly within the management accounts to our Board. (Ev31) The actual covenant compliance results are reported to funders at the end of each financial year against the legally agreed limits. FCHA considers itself compliant in this area.

### **CIP Actions - none**

**RS7D** Identifies and effectively manages risks to the delivery of financial plans including appropriate stress testing, scenario planning and use of internal thresholds.

As above an annual 30-year financial plan is produced based pre agreed assumptions and stress test scenarios formulated by the Board. (Ev36) External assurance/advice is provided to the Board by our treasury advisors. Our Treasury report (Ev32) contains our Golden Rules and we report quarterly to our Board on compliance with these. FCHA considers itself compliant in this area.

### **CIP Actions - none**

### **RS7E Has an effective treasury management strategy and associated processes.**

The treasury strategy and the treasury management policy are reviewed and approved each year by the Board. FCHA has a treasury urgency group that is responsible for agreeing any required treasury changes through the year as set out in the treasury management policy. FCHA considers itself compliant in this area.

### **CIP Actions – Treasury position to be reviewed in September 2024 regarding new funding requirements.**

### **RS8 Assets and liabilities are well managed**

### **RS8A Has an accurate and up to date understanding of its assets and liabilities.**

The Association holds comprehensive stock condition data. Surveys are undertaken by our in-house team on a 2 yearly basis and incorporates 100% internal and external surveys. This data is utilised to inform our future major repair and component replacement programmes and informs our WHQS compliance and focuses on planned preventative maintenance. The stock condition component data and quantifying expenditure has recently been aligned for budget purposes with the cost increases resulting from material and labour increase and inflationary costs impact. FCHA also maintains an asset and liability register updated (Ev37) quarterly. FCHA considers itself compliant in this area.

### **CIP Actions – Continue to monitor impact of inflationary pressure regarding components.**

### **RS8B Maximises the use of assets to achieve its social purpose and the objectives of the organisation.**

The Association has a comprehensive Asset Management Strategy which aligns to our new Strategic Objectives. The Strategy is currently being realigned with targeted actions that will positively impact on both tenants and service users' well-being whilst ensuring compliance with WHQS 2023. The re-aligned Asset Management Strategy (Ev19) will be presented to September 2023 Board.

We can demonstrate the use of assets to achieve social purpose through our repurposing of commissioned schemes into accessible housing for families when they are decommissioned. From a financial perspective it would often make more sense to dispose of these properties however FCHA have instead chosen to repurpose them for families stuck on the accessible housing lists. We have completed schemes of this nature in multiple authorities now. FCHA considers itself compliant in this area.

### **CIP Actions – Take Asset Management Strategy to Board for Approval**

### **RS8C Uses accurate information about assets and liabilities to inform strategic and financial decisions.**

The annual statutory accounts contain the financial statements reporting the actual financial position and performance of the Association. These are externally audited by an approved audit firm. It provides the starting financial position that the annual budget, 5-year business plan and 30-year financial plans are based upon. In addition to this the Association maintains a live assets and liabilities register. FCHA considers itself compliant in this area.

## **CIP Actions - none**

### **RS9 The organisation provides high quality accommodation**

**RS9A Ensures publicly funded homes meet all applicable standards, rules and statutory guidance issued in connection with quality of accommodation, including the current Welsh Housing Quality Standard.**

The Association currently maintains 100% compliance with previous WHQS guidance and will continue to meet the standard through the Associations major repair, component replacement and revenue improvement and Decarbonisation works budgets. The WHQS Compliance Policy is to be re-aligned as per the WHQS (2023) guidance by the 31st March 2025 and will be presented to Board prior to this date.

The WHQS compliance policy will include the following and will be reviewed annually by the Board.

- Approach to WHQS, reflecting local resources and circumstances.
- Database/asset management software
- Tenant engagement.
- Independent verification.
- Compliance statements for new tenants
- Elements not measured, to be covered by detailed explanatory statements.
- Cost prohibitive activity.
- Target Energy Pathways Narrative.
- Redevelopment, demolition and carbon.
- Community benefits.

The Association has worked with the wider sector to ensure the Association is meeting its responsibilities under Part 4 of Renting Homes (Wales) Act 2016. The Association has reviewed its procedures and inspection regime with regards to the Fitness for Human Habitation (FFHH) with most areas being covered in the Associations Compliance Policy. The Association has always carried out a 2 yearly visit to each property to inspect and maintain, this has been taken further and by developing a procedure to proactively seek out repairs and building issues such as damp & mould in the interim period of these biennial visits.

The Association sets out specific guidelines in its Compliance Policy which enables us to ensure compliance with our legislative responsibilities in relation to all aspects of landlord duties, this ensures all areas of compliance are identified, inspected, tested and maintained at appropriate frequencies to minimise risk of fire, injury and/ or death



and building loss. The Association monitors compliance driving a live compliance status that is monitored daily by a Compliance Officer, weekly by the Management Team and any reports arising directly informing the Executive Team. Officers are in the process of developing a communication database to further improve the record keeping and action management of all comms relating to compliance areas and FFHH.

The Association is ambitious in its plans to meet net Zero targets and has been successful in obtaining both full and part funding grant investment that will help 211 of the Associations homes to access solar PV including battery storage. We are growing our property knowledge further by completing PAS 2035 surveys that will direct the scope of works needed to develop the Associations Target Energy Pathways (TEP's). The Association has very ambitious WHQS targets presented in our current strategy.

The Association currently develops its stock to WDQR and WHQS 2023 minimum standards. We have recently introduced a new target for new rehab purchased schemes. Targeting achievement of a minimum EPC B at handover. The revised Development scheme appraisal Board paper demonstrates measures and anticipated costings to achieve EPC B. FCHA considers itself compliant in this area.

For FCHA the new WHQS 2023 guidance is a welcome continuation of a journey we have been on for some years to improve our tenant's homes. It also aligns perfectly with the feedback from our tenants that their top priority is that we maintain high quality, warm and safe homes for them to live in. With the recent increases in energy costs FCHA have become acutely aware of the impact of energy performance on fuel poverty and the impact of fuel poverty on the customer experience of tenants in our properties. We have decided that we need to focus on this area of our work. Officers are in the process of re-aligning the Associations Asset Management Strategy (Ev19) and set targeted actions that will positively impact on both tenants and service users' well-being and help FCHA achieve compliance with (WHQS) 2023.

FCHA recognise that our stock requires investment to achieve an EPC C (SAP75) in every home by March 31st, 2030, and net zero carbon neutrality by 2030. To achieve carbon neutrality, we will continue to offset at our current rate 10% year on year, this is aligned to our strategic objectives set by our Board of Management. We will take a risk-based approach aligned to PAS 2035 to upgrading and improving our homes. We estimate it will cost around £4m to decarbonise our homes, and we have set aside that amount of investment in our 30-year financial plan.

We will target £2.85m grant funding via the Optimised retrofit funding (ORP) and new WHQS 2023 funding streams provided by the Welsh government to assist with the delivery of our WHQS (2023) compliance programme.

**CIP Actions – Complete WHQS Compliance Policy and take forward for approval**



**Building Independence**  
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