

RHA

2023/24

CHAIR AND CEO ANNUAL GENERAL MEETING INTRODUCTION



/ Chairman's Review

Last year's review dwelt on the ongoing challenges presented by doggedly high inflation, the resulting higher interest rate environment amidst dangerous levels of worldwide tensions (which haven't eased – witness events in the Middle East). With UK political instability added to the mix it has certainly been a testing time.

Whilst domestically we have witnessed inflation revert broadly to its 2% target, nevertheless the confidence of policy makers remains quite fragile with the Bank of England yet to move decisively in the direction of lower rates. With Britain now transitioning to a new Government it has been pleasing to see an emphasis on new house building as the centrepiece of its growth strategy acknowledging many barriers – not least industry capacity and planning constraints – will take time to address.

Last Autumn saw the launch of the updated Welsh Housing Quality Standard. We aspire to provide the highest quality, most energy efficient and safest homes for our tenants and the latest standard sets a high bar. We have already begun to phase in many elements to our financial plans and in the coming term will evaluate more scientifically what needs to be done, how much it will cost and the best means of funding it. Make no mistake this will present a big challenge for the sector.

Our financial results over the last term remain very solid with all key measures met. This despite the cost / interest rate pressures from which no one is immune – not least our tenants and communities which have endured several very testing years since the onset of COVID. Our medium / long term plans however remain very robust but last year I flagged the board would continue to face into challenging decisions. Within this remit and consistent with the CHC code of governance it requires the board to consider whether its purpose and service to tenants can be improved e.g. via means of different partnerships or through merger.

As a result of this, last Autumn we opened a dialogue with Coastal Housing Group ("Coastal") whose Head Office is based in Swansea but with homes (6500 in total) in adjoining Local Authority areas of Carmarthenshire, Neath Port Talbot, and Bridgend. Our discussions cemented our early view that Coastal shared a compatible purpose, ambition, and values with RHA and similarly prioritised delivering first class services to its tenants.

We believe that by coming together and the creation of a new body – through a merger of equals - we will deepen our resilience both in terms of our colleagues, and our resources. In turn we are confident this will leave us better placed to invest more in our existing homes, improve services to tenants, and build more houses. At this stage colleagues from both sides and advisors are working hard on the “art of the possible” and if the board are indeed satisfied this will enable us to “do better” we will return to our stakeholders with a fully rounded case to seek the requisite approvals and assurances.

It would be easy against this background for our colleagues to be deflected from our day job and anchor purpose. In this respect I am pleased to report it has been anything but. During the year we have continued to hear our tenants voice loud and clear within the boardroom and through other means. It was fitting that the work of our involved tenants and our teams has been rewarded via 2 CIH awards – the first for Excellence in Health and Wellbeing (Hapus and BeActive RHA) and second for Positive Placemaking (The Little Shed).

My sincere thanks to all involved in these initiatives which are making a genuine difference to so many within our communities. The variety of activities and workgroups taking place in The Little Shed is quite remarkable. Just across the road in Tonypany we have now opened out our Big Shed development and it has been pleasing to witness our construction partner – Willis – embrace the work we have invested in “Men’s Sheds” – again a concept we truly believe in.

For our colleagues we recognise this remains a challenging time. To their great credit they continue to strive to deliver the services our tenants deserve and I have on many occasions during the year been able to see first-hand how passionate they are in fulfilling their roles. Colleague satisfaction remains very high and I pay tribute to the work of our Executive in how they lead the team and exemplify the organisational values. Understandably colleagues around the Board table have also invested considerably more of their time during the year and haven’t flinched from the additional demands – discharging their duties responsibly and sensitively. I appreciate their support.

I can’t believe how quickly my first 3 year term has come round and some of the events we have witnessed during that period both domestically and globally. In both of my previous reviews I have looked forward with optimism and despite the uncertainties that abound I remain of that view. There will be tough choices ahead but if those decisions are made on the basis of “what is right for our tenants” I am confident they will be the right ones.

Peter Hughes
Chair, RHA Wales

CEO Introduction

I look back on the past 12 months with great satisfaction, despite the challenges that we continue to navigate. As Peter outlines, the global political and financial headwinds have continued but the resilience and determination to continue to deliver excellent services to our tenants has remained front and centre of our thinking and I am proud of the continued efforts of everyone involved at RHA. Despite the external turbulence that has existed we have created a number of opportunities to continue to strengthen our offer to our tenants and stakeholders. I would like to thank all of our colleagues across RHA and the fantastic partners we work with who have worked so hard to deliver so many impactful outcomes during this time.

Our potential merger with Coastal Housing Group is something we have of course considered in great depth and I am confident that this is entirely the right option for RHA to explore. The shared values and objectives we both have make this an exciting partnership and importantly one which I think can deliver great outcomes for our tenants and communities in the future. By coming together we want to create an even stronger organisation that is fit for the future and can continue to not only meet the challenges ahead but to think more creatively and innovatively about how to deliver the best possible services to tenants in the future. We will of course keep you updated as this project progresses.

Our performance has remained strong. Despite the external economic challenges we have continued to deliver a solid financial position. Our operating margin and other key financial performance matrices have all performed solidly against sector benchmarking and previous year's performance. This is credit to the continued work of our colleagues across all of the business who ensure we manage our resources effectively and deliver value for money for our tenants. There are many other areas across all operations where performance and delivery are very pleasing to look back on. A number of new homes have commenced on site or have been delivered, investment in current homes remains a key priority and we have also continued to support and work closely with tenants to provide financial advice and assistance in these challenging times. Our operations are complex and varied which is why it is critical that we remain focused on delivering good quality safe homes for our tenants. We have continued to invest in our fire safety measures and have also reviewed and improved further our approach to managing the safety of our homes during the past year.

As you will see from this report and introduction, there is a great deal of activity both inside and outside of RHA at present. This year is my 10th year with RHA, and I have thoroughly enjoyed my time here and look forward to what lies ahead. We have seen significant change and progress in many areas during this time and we have had to navigate some of the most significant external factors in decades. Despite this we have continued to demonstrate an unwavering commitment to doing the best by our tenants and communities. It is for this reason that I have a huge amount of optimism about the coming months and years ahead and I am excited by what we can deliver for our tenants and stakeholders.

Luke Takeuchi
Chief Executive, RHA Wales



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