

Value For Money Statement

2016



Introduction from the Chair of the Board and Chief Executive

At One Vision Housing Ltd (OVH) we strive to be one of the best registered providers in the country, offering excellent value for money (VFM) in the services we offer to our customers. VFM sits at the very heart of our activities, with our commitments to:

- Optimise the use of our assets and resources;
- Improve the health and economic well-being of our customers through our social, economic and environmental activities;
- Reinvest any additional capacity that we create to improve services, mitigate risk and increase the supply of new affordable homes;
- Maintain the very highest levels of customer service.

VFM is fully embedded within our organisational culture. It enables us to achieve our strategic aims and objectives, and enables us to meet the risks, challenges and opportunities that lie ahead.

To date we have developed and deployed a robust and challenging approach to the pursuit of VFM. Since 2006 we have made £68m of efficiency savings as well as delivering high quality services that meet our customers' expectations and improve our services to them. This can be demonstrated by our increases in customer satisfaction witnessed during 2016.

We have used our efficiency savings wisely and have invested over £414 million in our homes and communities since 2006. Our strong financial position and refinancing deal has underpinned our ambitious development programme, with 492 new units (completed or committed) for social rent, affordable rent and shared ownership. The board approved an increase in the programme to 637 units in June 2016. The redevelopment of our Hornby Flats in Litherland has been recognised nationally, after winning the 'Sustainable Project of the Year' category at the 2015 Builder and Engineer Awards.

As employers we are delighted to be recognised for our investment in our people by Great Places to Work, Best Companies and Investors in People.

We continue to be committed to our corporate social responsibilities - to maximise our social value, reduce our impact on the environment and use our position to make our neighbourhoods a positive place to live.

Details of our successes in all of these priority areas are found within this Value for Money Statement for 2015/16. In our view, this self- assessment does more than simply demonstrate our compliance with the HCA's Economic Standards in relation to VFM. We believe this self- assessment demonstrates that VFM sits at the heart of everything we do and is a key component of our continuing success.

What is Value for Money (VFM) at One Vision Housing Limited?

We are clear that for One Vision Housing Limited value for money is about:

- an excellent customer experience;
- clear outcomes directly linked to the way we spend our money; and
- using the innovative Sovini group business model to drive efficiency through our Sovini group partners.

Due to our clear strategic approach to VFM planning and transparency in reporting VFM to key stakeholders, we believe that the association is compliant with the HCA's Economic Standards relating to Value for Money.

What is our vision?

We have a vision "to be the best". The way we use our resources is a crucial foundation in our [Strategic Plan 2016 to 2021](#) that allows us to progress our corporate aims and objectives, and therefore this VFM Statement for 2015/16 is reported under our strategic objectives:

- Recruit, develop and retain excellent people;
- Provide homes that people want to live in;
- Deliver a development programme;
- Maintain safe, secure, and sustainable neighbourhoods;
- To deliver excellent services and value for money;
- Make a positive impact on our communities and the wider society.

We are clear that value and excellent customer service are closely entwined. We always aim to excel in the way we deliver services, which runs alongside our [Performance Management Framework](#) (PMF), which details the mechanisms for monitoring and reporting performance, costs and outcomes for our customers. We use our [Risk Management Framework](#) (RMF) to assess and calculate our risks and stress test our business plan.

Our value for money approach is applied from Sovini group level and directly links to the Sovini group mission "to create capacity for innovative housing solutions". The [VFM Strategy](#) sets out how the activities of the wider Sovini group partners (of which One Vision Housing Limited is one partner) will drive efficiency. The VFM Strategy was reviewed in 2015/16 and the VFM objectives as set out in our strategy are:

1. Maximising our social value
2. Best use of our assets and resources
3. Regulatory compliance and customer involvement
4. Cooperation and collaboration through self-delivery
5. Maximising opportunities through procurement
6. Excellent performance and customer service

We want to use the VFM savings we make to deliver the highest quality social housing services to our customers and to extend this offer to new customers by building new homes.

Planning our future

The need for a clear strategic approach to VFM that delivers positive outcomes has been brought into stark focus during 2015/16 following the 1% rent reduction announcement in July 2015. This will see a reduction in rental income of circa £18m between 2015 and 2020.

Our funders and business model are geared towards future business development. We have a fully funded 30 year business plan with our funders which, is delivered through our five year strategic Plan, with key milestones outlined in annual service delivery plans.

We are an evolving business, achieving sustainable growth through an innovative business model which incorporates the Sovini group structure of both commercial and not-for-profit organisations. This model allows profits to be gift aided to the not-for-profit partners for reinvestment in social businesses.

A further aspect of sustainability planning is our goal of creating safe and secure communities. Our impact in our neighbourhoods and communities is assessed through performance and intelligence at a local neighbourhood level, including direct feedback from customers. This intelligence helps to define future plans.

There is a defined process for allocating financial, physical and technological resources in support of strategy. These are identified and assessed as part of the strategic planning process and on a more regular basis through service reviews.

Our business plan, which details our income and expenditure forecasts, is reviewed and approved by board annually. This has more prudent assumptions and reflects our strategic risk mitigation.

Our annual base budget sets more stretching financial performance targets than the approved business plan. This is produced using zero based budgeting to ensure that our core operating costs are affordable and to determine what additional resources are available for growth and service improvement priorities as identified in our service delivery plans.

Going forward we intend to continue our successful record of outperforming our service, operational and financial targets.

Our local context

We are approaching our tenth anniversary and continue to build on our strong reputation as the leading provider of social housing in the North West. The last twelve months has seen us expand our areas of operation through our progressive development programme.

We manage the diversity of our stock profile via neighbourhood areas to reflect the geography of our operations.

The areas our homes are located in continue to be some of the most deprived in the country with well above average levels of benefit claimants, unemployment rates, poor health outcomes and educational attainments.

Although turnover growth as a result of welfare reform slowed in 2015/16 compared to 2014/15, our stock profile of two and three- bedroomed homes continue to present problems in relation to bedroom tax. In April 2013 the bedroom tax was introduced and initially affected 2,200 of our customers. However, following the intervention of our welfare reform group, the

number of tenants affected reduced to 1,698 by 31 March 2016. Our successful approach to addressing the impact of welfare reform has been managed through the following initiatives:

- Proactively Identifying those customers who under occupy their home by patch / Income Management Officer;
- Engaging with customers to ensure that they understand their obligations for paying rent;
- Completing Discretionary Housing Payment (DHP) applications with affected customers, prioritising those customers with rent arrears, a DHP application renewal and those customers paying bedroom tax with no rent arrears;
- If their DHP application expenditure outweighs their income we refer to the Local Authority;
- If their DHP is declined we would assess eligibility for access to our own DHP hardship fund;
- Arranging a direct debit for the customer's financial responsibility;
- Referring the customer for debt advice if required.

Of those customers affected by the bedroom tax, we have continued to collect 99.5% of rent due from those tenants during 2015/16.

In 2015/16 we started the year with 233 voids and throughout the year we have reduced this to 200 voids (107 management voids) by the 31 March 2016. The re-let time in 2015/16 was 25.8 days, in line with top quartile performance and it is anticipated that the re-let time will reduce beyond 25 days in 2016/17 as we continue to address and mitigate low demand risks.

The welfare reform measures have affected both our ability to collect rent and let our properties and will continue to be a challenge in 2016/17.

Managing our risks

Our [Risk Management Framework](#) is fully integrated into Covalent our Performance Management System. Our risks are logged, impacts assessed and prioritised for action and reported to our board monthly. This enables us to identify, assess and monitor risks on a continuous basis.

Through regular reviews, we have made improvements to our approach (for example, reviewing our framework annually to ensure that our approach to risk and appetite for it remains aligned to business priorities). Our risk register is updated upon identification of new or developing risks.

The board regularly stress test the business plan to understand the impact and likelihood of financial forecasts in less favourable operating conditions. Stress testing is undertaken as an integral part of our strategic planning to identify the potential impact of critical changes to the external environment. The board carried out a two day stress test exercise of the business plan in July 2015. Further testing was conducted by the board in June 2016.

Facilitating improvements to our services

Our [Performance Management Framework](#) (PMF) which was reviewed in 2015/16 enables us to deliver our vision and strategic aims by linking the key objectives to performance measures and targets that are regularly evaluated and reviewed.

The PMF ensures that the arrangement and monitoring of service delivery is undertaken consistently, in a measured way and that our operational objectives and the board's strategic priorities are aligned. Targets are set with key stakeholders and are reviewed annually to ensure that they continue to support the aims and objectives of our organisation and vision "to be the best".

Further evidence of successful service delivery and efficient business processes are the accreditations we currently hold which include:

- Customer Service Excellence;
- Investors in People Gold Standard;
- Quality Management System ISO 9001:2008;
- Environmental Management System ISO 14001:2004;
- Occupational Health and Safety Management System ISO 18001:2007;
- Contractors Health and Safety Assessment Scheme (CHAS);
- Information Security Management Standard ISO27001:2013;
- Customer Contact Centre Association Global Standard;
- TPAS Quality Assured Scrutiny, Landlord reaccreditation and Contractor reaccreditation;
- Housemark Anti-Social Behaviour Accreditation;
- Income Management Excellence Accreditation (HQN);
- Housemark Complaints Accreditation.

The central principle of our IT Strategy 2013 to 2018 (FLOW) is a radical reform of our medium to long term approach to IT system procurement and deployment, with emphasis on the design and build of a bespoke 'in house' core system. This is aimed at reducing duplication, increasing staff productivity, reducing licensing costs and improving the customer experience through more effective ways of working.

The first release of FLOW incorporated document management, a mobile working provision for smartphones and tablets, and a customer self-service portal for customers, was launched in June 2015.

A further phase of the FLOW programme, "FLOW knowledge", was rolled out in December 2015. This provides a container for all process, procedure and knowledge documents, these were formerly held in a costly 3rd party "Qpulse" system. Further releases, due in 2016/17, will include the delivery of new and improved process management and customer relationship management systems and FLOW "Income", which will eventually result in the replacement of our current externally developed housing management system.

These IT system updates and associated process improvements enable our staff to operate more efficiently, in turn improving our customer experience.

Our Board

The board drive VFM through the business planning process. They establish a budget and through regular review and scrutiny throughout the year they assess the quality of service and the performance against the budget. The board always make business decisions with VFM in mind alongside the strategic aims of the organisation. Below are some examples of decisions that the board have made that directly impact on VFM.

In 2015/16 the board secured additional borrowing facilities of £30m based on £15m long term fixed rate borrowing from M&G (an existing investor to the organisation), and £15m of funding via RBS. This is fundamental if the association is to continue to deliver growth and diversification of services to meet the needs of our stakeholders. It was agreed by the board that this decision was consistent with the existing borrowing strategy and most likely to promote the success of One Vision Housing Limited and its ambitious development plans.

During 2015/16, the board commissioned Arcus to carry out a full independent stock condition survey with the main aim being to assess the condition of the entire housing stock and quantify the main component investment requirements over the next 30 years, based on present day costs. The outcome of which was reported to board in October 2015.

One of our key objectives is to have sustainable neighbourhoods and to hold sufficient business intelligence that allows for a clear understanding of the needs of these neighbourhoods, so that sustainability can be maximised and that the organisation can respond (as necessary) to changes in a timely and effective manner. The outcomes of the stock condition survey concluded that:

- all stock was reasonably maintained;
- £809.4m projected investment needed over the next 30 years;
- £27m of efficiency savings would be realised through self-delivery of the investment programme, which would assist loan covenant targets to be met;
- Component lifecycles were reviewed and found to reflect company practice and that adopted in the wider housing sector;
- 845 potential Decent Homes failures were forecast in the next five years and this will be addressed via our 5-year investment programme;
- All properties that require Energy Performance Certificate band C awards by 2030.

Working with our stakeholders

The main stakeholder group for One Vision Housing Limited are our current and future customers, the people who drive demand for our service. However, we operate in a complex environment that means the wider list of stakeholders include:

- Our regulator the Homes and Communities Agency;
- The Government - both nationally and locally;
- Public Health providers;
- Police, Fire and Ambulance Services;
- Education and training providers that operate in our neighbourhoods;
- Third Sector organisations that deliver services in our neighbourhoods;
- Our funders, Royal Bank of Scotland, M&G, THFC and Orchardbrook;
- The taxpayer, through Housing Benefit payments.

We engage with stakeholders through formal and informal mechanisms to understand their needs and deliver services to meet those needs. We think that One Vision Housing Limited offers value, albeit differently, to each of our stakeholders by operating in a professional and transparent way in line with our corporate values.

During 2015/16 we assessed, through a wider stakeholder survey, how we are adding value to the communities in which we operate and how we impact on services and objectives. From this, our stakeholders have given feedback that One Vision Housing Limited has a positive impact in the area in which they operate (71% very positive and 29% fairly positive).

We have implemented a TPAS accredited [Customer Empowerment Strategy](#) that facilitates a range of engagement opportunities for customers. It allows them to influence standards of service delivery, review performance and suggest improvements through review and scrutiny.

Following a review of operational performance and customer feedback during 2015/16, scrutiny team members identified the following areas for review. Two reviews were undertaken in the following areas to identify further opportunities to improve VFM for our customers:

- Leaseholder service – in November 2015;
- Dealing with anti-social behaviour, and communication with customers – in March 2016.

Our Value for Money steering group includes two Chartered Institute of Purchasing and Supply (CIPS) qualified customers.

We publish an [Annual Report](#) that includes evidence of our compliance against the consumer standards for housing along with our performance for the year. We continue to develop this approach further with customers, allowing direct input, and each year it has been improved following review and feedback from staff and customers.

We manage our wider stakeholder relationships, actively promoting a no surprise culture and ensuring that our communication remains effective.

Recruit, develop and retain excellent people

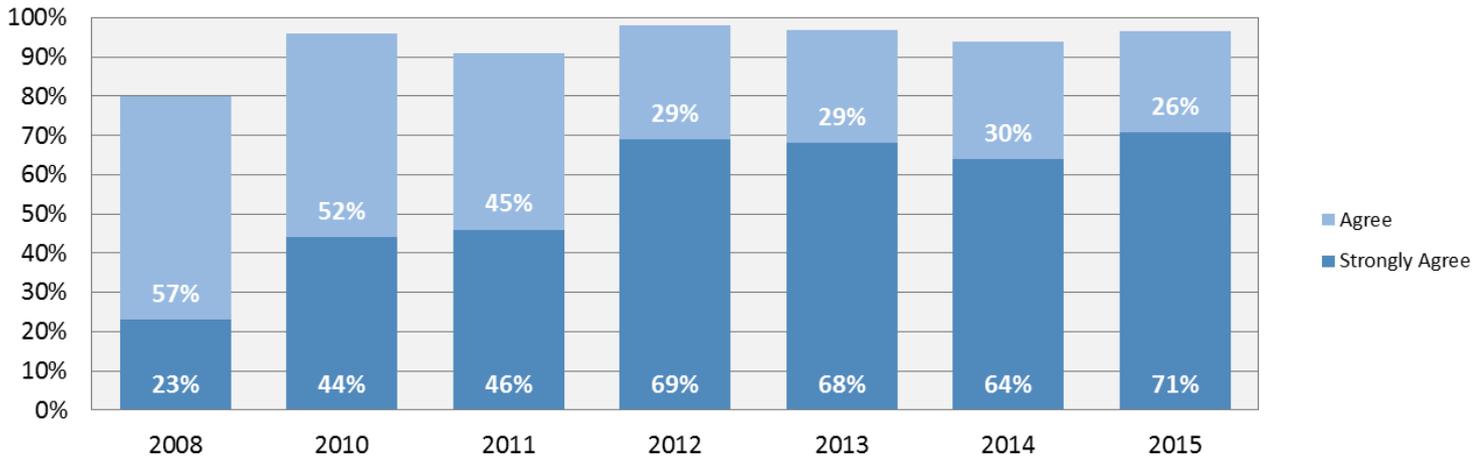
The recruitment and management of our staff is aligned to the organisational values to ensure we invest where it matters most. Our values are integrated into the recruitment process from identification of a resource requirement (to support the delivery of our strategic plan), through to advertisement of the vacancy and selection of the successful candidate. We assess candidates against the values of the organisation throughout the recruitment process and understand the importance of getting the 'right fit' with our culture. An innovative assessment centre has been designed to test potential candidates using team building activities and suitability exercises. Our process now ensures the best possible opportunity for candidates to show their suitability for us and their commitment to our values. We understand that we are only as good as our people and aim to recruit, retain and develop great people that deliver excellent services. Our achievements include:

External recognition:

- Gold Standard Accreditation (Investors in People);
- Health and Wellbeing Award (Investors in People);
- 2015 Great Places to Work (UK and European rankings);
- Investors in People Gold Standard;
- Positive About Disability Scheme.

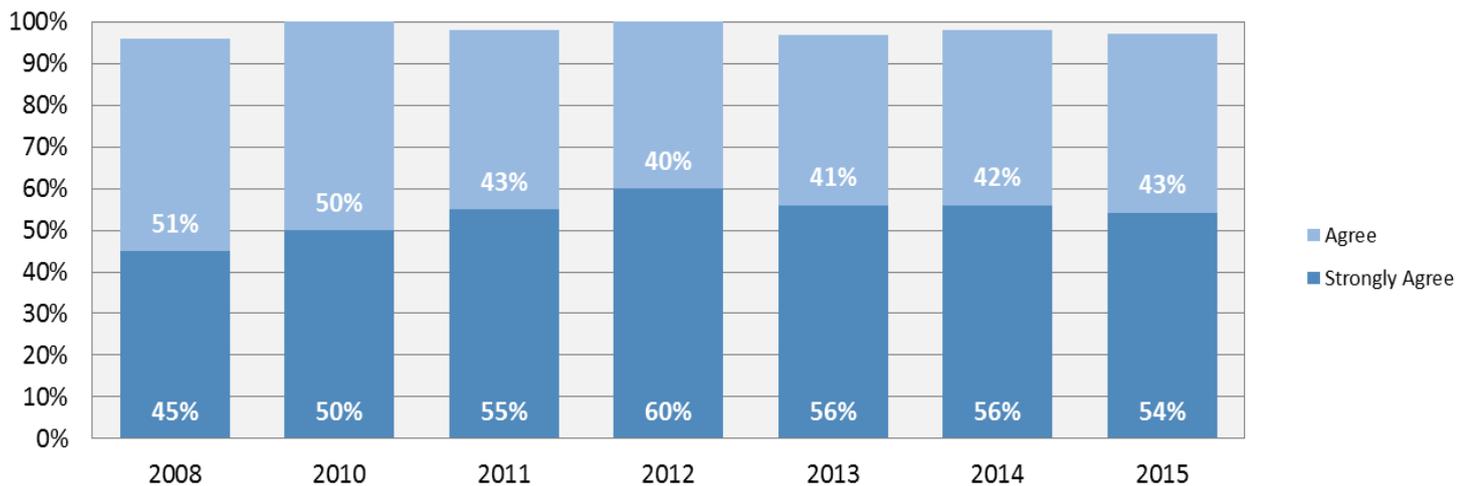
Our staff survey¹ results demonstrate our high staff engagement with VFM and the vision for the organisation, as well as their satisfaction with One Vision Housing Limited as an employer.

% staff that would recommend One Vision Housing Limited as an employer

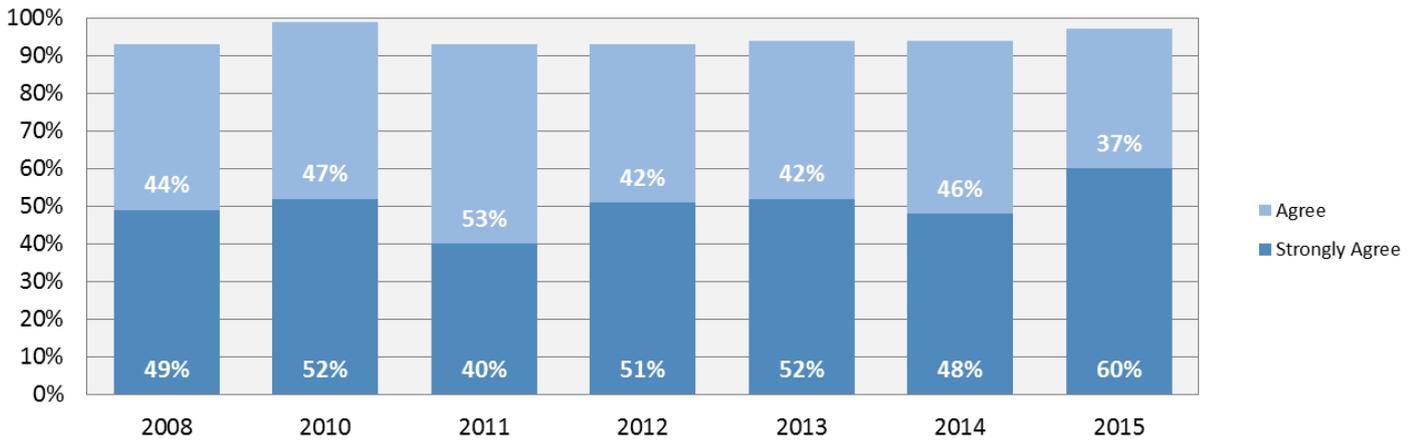


¹ Results taken from our internal staff survey, no survey was undertaken in 2009, hence the gap of a year. A further survey is planned for July 2016.

% staff aware of One Vision Housing Limited's principles and key objectives



% staff that understand the term Value for Money (VFM) and how it relates to their role



On the back of our success in the Sunday Times Best Companies, (No.1 in 2012 and 2013,) and the overall UK Winner of the UK Excellence Awards 2013, we were also first in the UK Great Workplaces Awards 2014 and second in 2015. We were also awarded one of the six special awards for corporate social responsibility.

We value the input of our staff and have a staff suggestion scheme that rewards staff that make suggestions that positively impact on value for money. During 2015/16 some of the best staff suggestions have been:

- Messages on self-service portal – this allows customers to check whether they have a gas service or tenancy visit that are due at their property. This will hopefully encourage customers to phone us to make an appointment.
- Promote green awareness to staff – this has helped to encourage staff to turn off equipment when not in use and has helped reduce our global footprint.
- Banners for apprenticeship events– this suggestion to make our banners aimed towards our target audience by including quotes from current and past apprentices will help us create more interest at these events.
- More TV screens in meeting rooms – meeting rooms with TV screens always get booked more quickly so this suggestion is to help the issue of struggling to find a meeting room with a TV screen.
- Neighbourhood team to have a supply of sympathy cards – this gives officers the chance to pass on their sympathy during tenancy visits.

Value for Money is a standard agenda item at all team meetings across the organisation.

We have annual performance appraisals and personal improvement plans for all staff which link to our values, strategic aims and objectives through the employee appraisal process. The appraisal process focuses on personal and professional competencies, delivery of targets, and identification of development needs aligned to the strategic plan.

Our homes

One Vision Housing Limited's stock numbers increased during 2015 following the amalgamation with Venture Housing Association. However, figures have dropped slightly through sales and disposals (demolition of two high rise blocks following an options appraisal undertaken with the board).

	March 2013	March 2014	March 2015	March 2016
General needs homes	9,519	10,088	11,224	10,999
Average rent for general needs home	£77.49	£81.42	£85.39	£87.57
Supported housing	1,519	912	1,078	1,067
Average rent for a supported home	£67.93	£70.32	£73.91	£76.02
Affordable rent homes	-	6	6	49
Leaseholder homes	561	566	573	586
Non-social rented homes	39	69	90	90
Low cost home ownership	-	-	-	29
Total homes owned	11,638	11,641	12,971	12,820

Source: Figures are taken from the SDR

As at 31 March 2016 the value of social housing property assets was £127m. This includes properties currently under the course of construction and is net of depreciation. In addition, the association holds investments properties of £8.1m (market rented homes) and £7.5m of office accommodation at Atlantic House and Boaler Street.

During 2015/2016, £16.8m was spent on committed development schemes against the approved £18m budget. The £1.6m underspend has been approved by the board to be carried forward to 2016/2017. Eighty six homes were completed in 2016 of which 29 were shared ownership homes, 19 were sold at the year end and the remaining 10 homes were at various stages of conveyancing. A further 551 homes are funded in our business plan and will be delivered in the next two to three years.

The board receive quarterly updates on the progress of the development programme, including completions, sales, building costs and average net costs per unit.

In the absence of grant funding for affordable rented schemes, a review of the current scheme approval process is being undertaken. This will ensure that appropriate stress testing (sales fluctuations / values, etc.) and risk can be factored into the scheme feasibility process.

The development programme will continue to be reviewed from a contractual / non-contractual perspective to assess cash flow and key risks, and available headroom.

Making the best use of our assets

We routinely assess the long term viability of assets where exceptional repairs are required or where emerging neighbourhood management issues call the sustainability of the asset into question. We finalised our 100% stock condition survey in January 2016. This has been reported to the board and is fully funded in the business plan.

Option appraisals are carried out that combines financial and non-financial information on a range of options; typically retention, demolition and disposal. This is presented to the executive management team for decision and is then used to make strategic recommendations to the board.

The appraisal includes:

- A 30 year Net Present Value (NPV) and discounted payback period assessment;
- Performance information (e.g. void turnover, rent arrears);
- Feedback from Neighbourhood Officers and other front line staff.

As part of our approach to asset management, we have developed a financial sustainability index that provides a clearer picture of how our assets are performing, supported by our [Asset Management Strategy](#). This is particularly important in light of the welfare reform agenda, the effect this is having on the demand for some of our properties and the ability of customers to financially sustain their tenancies.

The sustainability index has been developed using neighbourhood and asset performance and financial information to ensure it provides a true reflection of the costs and income associated with each individual asset. The index calculates the financial performance of each asset. This information can then be aggregated based on asset archetypes, customer profiles, geographic location or a combination of these. During 2016/17, the new stock condition survey information will be uploaded and used to influence the investment programme, development activity, stock rationalisation and our proactive approach to asset and neighbourhood management.

Where the drivers of poor performance can be controlled or influenced, and the cost of doing so delivers a positive NPV over 30 years, a plan to improve performance is developed. During 2015/16 we have identified six priority neighbourhoods that require intensive housing management. The plan is influenced in part by an analysis of high performing neighbourhoods to identify what makes them perform well. Plans will generally involve a mix of property improvements, environmental improvements and neighbourhood management interventions but may also include demolition, remodelling, tenure alteration, disposal and new development.

Where the drivers of poor performance cannot be controlled or influenced, or the cost of doing so does not deliver a positive NPV over 30 years, options to dispose of the assets will be assessed and reported to board. The disposal of assets that do not and cannot deliver value for money enables us to invest in high performing assets through acquisition and new development.

A second element of our strategic approach to asset management is the identification of properties with high open market values. The sale of such properties has the potential to generate funds for the development of new affordable homes, enabling us to meet demand and increase the number of high performing properties within our portfolio.

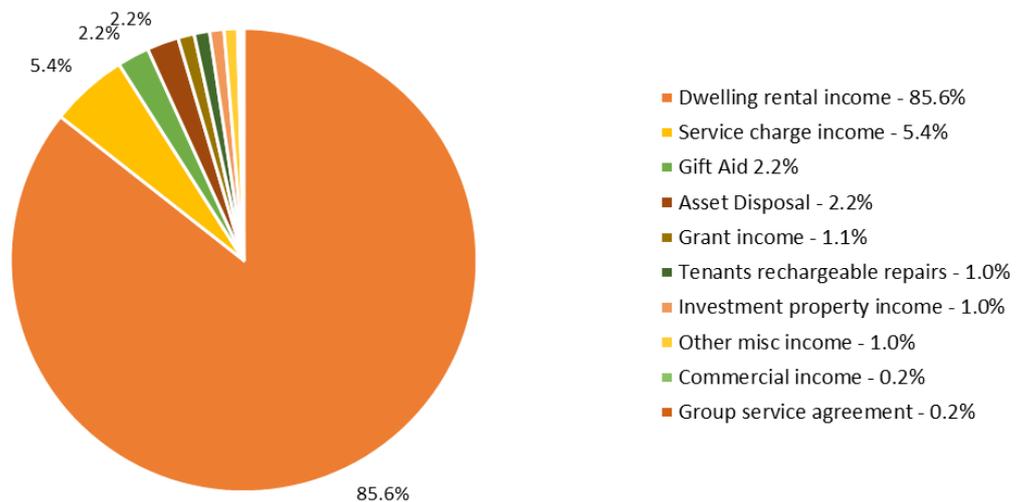
The following table² shows the return on assets analysis for our social housing stock. As the return on assets was negative at the point of transfer from Sefton Borough Council (October 2006), we have used Savills, our independent valuer, to produce our existing use values. This valuation is the figure that has been used in our analysis.

	Operating surplus £000s	Capital Deployed £000s	Return %
2013/14	8,437	225,010	3.70
2014/15	11,474	242,866	4.70
2015/16	15,458	261,792	5.90

Our annual income in 2015/16 was £63 million³, and the majority of this comes from rent and service charges as shown below. Smaller notable sources of income come from Sovini Property Services Limited, who gift aid us £1.4 million of their profits.

Making the best use of our money

Where Our Money Comes From

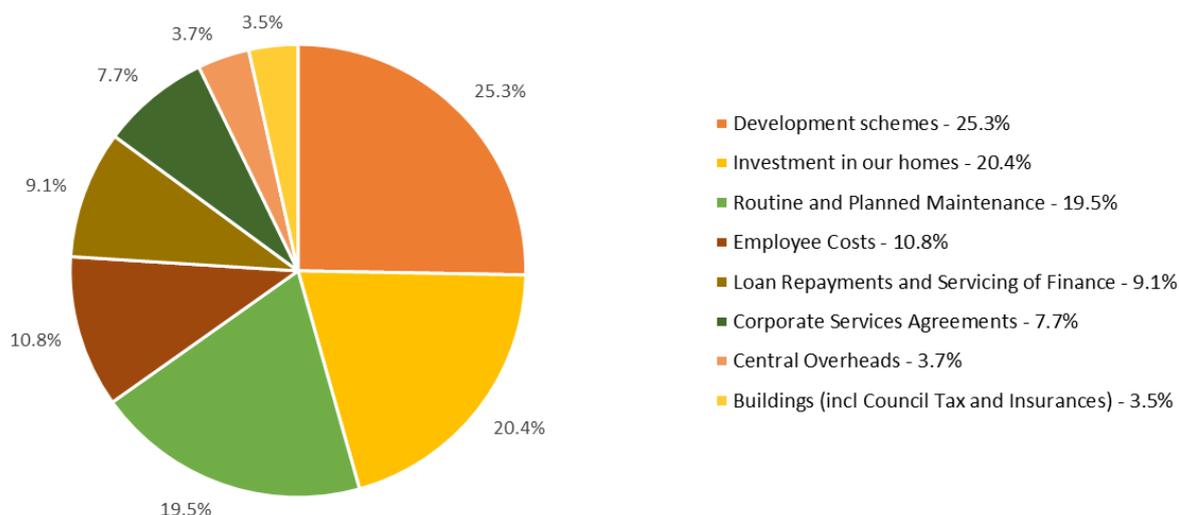


² Source: Outturn 2015/16

³ Source: Outturn 2015/16

Our annual expenditure in 2015/16 was nearly £65 million, and the chart below shows that almost over a quarter was spent on investments in our homes, and nearly 20% was spent on repairs. This relates directly to the two key priority services (repairs and quality homes) identified by our customers from the annual Survey of Tenants and Residents (STAR) results 2015/16. This demonstrates that we are prioritising our expenditure on the services that matter most to our customers in meeting their needs.

What we spend our money on



Efficiency Savings

In our VFM self-assessment last year, we said that we would generate £2.7m in efficiency savings, £1.5m cash releasing and £1.2m non- cash releasing and we actually achieved over £9m. This is largely due to property management savings, gift aid and management cost savings post-amalgamation. A full explanation is give in the table below.

Annual Efficiency Statement 2015/16 ⁵				
Service Area	Explanation	Savings		Total
		Cash £'000	Non Cash £'000	AES £'000
Management Cost	Salary vacancies, SLA and other management cost savings	1,538	199	1,737
Property Management Savings	Lower repair and void volumes/costs than in business plan	715	1,500	2,215
Investment	Release of contingency and tender costs	500	500	1,000
Treasury savings	Proactive treasury management of surplus	233	-	233
Partial Exemption Agreement	VAT Recovery not included in business plan	143	-	143
Development Programme	Less abortive costs than budgeted	62	-	62
Other Activities	Higher market rent income to business plan	72	-	72
HCA Development Grant and REECH ERDF grant	Not incorporated in business plan	1,134	709	1,843
One Vision Housing Total Annual Efficiency Savings		4,397	2,908	7,305
Sovini Property Services to OVH	Gift Aid of profits from SPS	1,400	-	1,400
Improved Rent Collection and Bad Debts	Out performance of core business plan assumptions	824	-	824
Total 2015/16 AES Gains		6,621	2,908	9,529

⁴ Source: Outturn 2015/16

⁵ Annual Efficiency Savings Tracker 2015/16 (savings against business plan assumptions)

Maximising savings through smart procurement

We have delivered the second year of our Procurement Strategy that again, has resulted in significant savings (circa 15% savings on tendering exercises during 2015/16). The procurement team follow the association's procurement guidelines and comply with OJEU (Official Journal of the European Union), as well as following the Social Value Act to help drive social, financial and environment impact through procurement. The following are the key procurement activities where savings have been made during 2015/16.

- Mobile device and mobile network tender
- Direct Debit
- Technology enabled care services
- Garage demolitions
- Insurance services tender

Our social return on investment

We are clear that social value is generated across the organisation as safe homes and communities are central to the quality of life for our customers, and we enhance this with community development and social inclusion activity. The main strands of our community development activity are targeted at youth diversionary activity and crime prevention, health and wellbeing, employment and training, and environmental improvements. We chose these priority areas as they reflect the needs of our customers and neighbourhoods and we have been clearly evaluating and recording the impact of the projects we have supported.

Our Social Value calculations are based on the recognised HACT social value toolkit and methodology. We have used the toolkit to reflect back over 2015/16 and see where our greatest impact on social value has been.

An assessment of the social value generated throughout 2015/16 has been undertaken showing that £21m of social value has been generated. This would give a £37 return on every £1 invested. Some of the key returns generated are:

- Debt advice £11m
- Decoration allowances £7m
- Job clubs £1m
- Employee training £700k
- Apprenticeship schemes £12k
- Youth club activities £31k
- IT for elders project £27k
- Community gardens £46k

The contents of our full social value accounts will be submitted to HACT for certification in July 2016 with the certified levels reported to board.

This is in addition to the social value generated during 2014/15 was certified by HACT in July 2015. They certified our application social value calculated and gave the assessment that we generated £13 for every £1 we invested and these results can be found on the value for money pages of our website: <http://ovh.org.uk/we-content/uploads/2015/10/Social-Value-Generated-in-2014-15-OVH-Final.pdf>

We also have an embedded approach to corporate social responsibility that positively embraces responsibility for our actions and encourages a positive impact through all our activities on the environment, communities and stakeholders. We believe that behaving ethically is fundamental to establishing and sustaining relationships with our partners and the development of our business. We won the Great Places to Work special award for Delivering Excellence in Corporate Social Responsibility in 2015 and this is a reflection of the work we are doing and its importance to the organisation.

We have adopted the ISO 26000:2010 Corporate Social Responsibility framework and supported by our corporate and social responsibility steering group, we developed an action plan for achievement during 2015/16. In addition, improvements in recycling and environmental activity resulting in the successful transition to the revised ISO14001: 2015 Environmental Management Systems.

During 2015/16 we have further reduced our impact on the environment by:

- Recycling almost 99% of our construction waste in comparison with WRAP best practice figures of 70-80%;
- Recycling over 122 tonnes of scrap metal with a monetary value of more than £35,000;
- Recycling almost 93% of all commercial/office waste compared to our target of 85%;
- The installation of the photovoltaic panels onto the roof of Atlantic House and energy efficient IT servers has resulted in a cost saving of almost £15,000 based on the invoices received for the year to date;
- Reducing our Carbon Footprint by 47% in comparison with the base years data from 2010/11;
- Reducing our carbon dioxide emissions per full time equivalent reduced from 9.3 tonnes per full time equivalent member of staff to 4.93 tonnes (National average is 9.8 tonnes);
- Reducing our electricity consumption by 13% from 4.2 million KWh to 3.4 million.

A more detailed report of our gains, achievements and outcomes in relation to our impact on the wider society is contained within our corporate and social responsibility annual report available on our website.

How our performance compares

We have used the HCA Global accounts data 2014/15 to compare our financial performance against other registered providers (RPs).

We have undertaken benchmarking against a group of RPs that are sized between 10,000 and 20,000 homes as this is the banding One Vision Housing Limited falls within. We have chosen to compare with both LSVTs and traditional housing associations as we are an LSVT but our group structure, acquisitions outside our main local authority area and aspiration make us increasingly similar to traditional RPs. This gives a peer group of 51 organisations, 25 LSVTs and 26 traditional RPs.

The table below shows that we compare favourably against the peer group of LSVTs and traditional RPs with all our costs below the group average, except for major repairs where we are recording unit costs at £170 greater than the peer group. We have undertaken an extensive programme of high rise refurbishment over the last few years and recorded expenditure of £2.2m in 2014/15, which has significantly contributed to this high level of major repairs unit cost. Omitting these non-recurring costs from the data would result in the unit cost reducing to £1,060 which falls more in line with the peer group.

Our management costs have fluctuated over the past three years as a result of service improvement spend. We have an IT Strategy that requires significant investment, however it is anticipated that this will have a positive outcome on reducing management costs further.

2014-15							
Entity	Closing social housing units managed	Headline social housing cost CPU £000's	Management CPU £000's	Service charge CPU £000's	Maintenance CPU £000's	Major repairs CPU £000's	Other social housing costs CPU £000's
One Vision Housing Limited	12,308	3.38	0.86	0.23	0.95	1.24	0.1
Sector Level Data							
Upper quartile		4.3	1.27	0.61	1.18	1.13	0.41
Median		3.55	0.95	0.36	0.98	0.8	0.2
Lower quartile		3.19	0.7	0.23	0.81	0.53	0.08
Other Comparative unit managed RPs (LSVT and Traditional) ⁶	712,756	3.93	1.06	0.46	1.04	1.07	0.3
Comparison to peer group		(0.54)	(0.20)	(0.23)	(0.09)	0.17	(0.19)

⁶ Source: HCA Global Accounts 2014-15

We have utilised the Global Account outputs to develop the table below which shows that we compare favourably with traditional RPs and LSVTs in both management and maintenance costs. Based on our closing stock data we are £72 per unit below the average LSVTs management unit costs, and £69 per unit below the average maintenance unit cost.

2014-15 ⁷				
Performance comparison	Associations	Closing social housing units managed	Management cost per unit £	Maintenance cost per unit £
One Vision Housing Limited	1	12,308	864	945
LSVTs Av.	25	343,295	936	1,004
Traditional Av.	26	369,461	1,176	1,071
All RPs Av.	332	2,647,395	1,034	1,017

As in previous years, we also use the Global Accounts to track our performance year on year. In order to ensure that we compare like for like, we have recalculated the cost per unit based on a weighted average unit level (11,208 units), rather than year end unit level (12,308 units). If we were to apply the calculation based on the year end unit level, the cost per unit would be understated, as the 2014-15 financial year saw a significant increase (12%) in housing units from February 2016 (two months prior to the year-end). This was due to the amalgamation with Venture Housing Association.

Despite the initial volatility to operational costs that can arise as a result of an amalgamation, we have managed to reduce all of our core costs per unit, with the exception of service charge costs. This was anticipated due to an increase in service chargeable units (2016: 38%, 2015: 35%) following the amalgamation.

As we look to counter the impact of the rent reduction, with as little impact on our customers as possible, specific consideration has been given throughout the year to efficiencies in management costs. Thus we are pleased to report a year on year reduction of £10 per unit. This reduction includes the impact of several large exceptional non-cash FRS102 adjustments that are not comparable to the prior year. The most significant being a £0.5m non-cash pension adjustment to contributions paid, reflecting an increased scheme deficit. If we were to exclude this, we would see that management costs have actually reduced by £60 per unit (-0.06 reduction).

Financial Year	Closing social housing units managed	Year-on-year comparison					
		Headline social housing	Management	Service charge	Maintenance	Major repairs	Other social housing costs
		CPU £'000	CPU £'000	CPU £'000	CPU £'000	CPU £'000	CPU £'000
2014-15 ⁸	12,308	3.38	0.86	0.23	0.95	1.24	0.10
2014-15 ⁹	11,208	3.71	0.95	0.25	1.04	1.36	0.12
2015-16	12,351	3.42	0.94	0.27	1.03	1.08	0.09
Annual Movement	1,143	(0.30) reduction	(0.01) reduction	0.02 increase	(0.01) reduction	(0.28) reduction	(0.02) reduction

We complete annual VFM assessments against all service areas using benchmarking information, we do this within our own teams and across services to identify areas for improvement and to implement change. Completing VFM assessments ensures that we are all aware of the costs and changes over time of our services.

⁷ Source: HCA Global Accounts 2014-15

⁸ Performance efficiency as per HCA Global Accounts (based on year end unit level)

⁹ Performance efficiency as per HCA Global Accounts - (restated for average properties in year, 10% increase in units Feb 2015)

We use a range of benchmarking clubs including:

- The Airport Group where we benchmark detailed service and operating costs
- Several local benchmarking groups including the Merseyside Welfare Reform Group, TIP TOP, the Merseyside and Cheshire Complaints forum and the Sheltered Network these clubs are service specific and help us to compare our approach and detailed service performance.
- Housemark core benchmarking and specialist benchmarking services
- Merseyside Registered Provider Benchmarking Group
- Housing Quality Network Excellence Groups (Rents/Repairs/Policy).

For our frontline service delivery we use the Housemark Core Benchmarking and we have a club with the following criteria:

- Stock of between 2,500 and 20,000 - this is to reflect our organisational size
- LSVTs and Traditional RPs - as referenced earlier we feel we can gain value from comparing with Traditional RPs as well as LSVTs
- RPs in the North and Midlands of England as the housing market and operating environment will be most similar to that of One Vision Housing Limited.

There are 26 members in our club for 2014/15 and this gives a robust and rounded group to compare with, which is included in the tables below.

The following benchmarked areas have been included within our statement as they have been identified as key priorities of our stakeholders. These icons are used to help explain the benchmarking results for each indicator.



- 1. Responsive repairs and void works
- 2. Rent arrears and collection
- 3. Anti-social behaviour
- 4. Major works and cyclical maintenance
- 5. Lettings
- 6. Tenancy management
- 7. Resident involvement
- 8. Estate services

Quartile 1 1	This means we are performing in the top quarter of all those organisations in our benchmarking club.
Quartile 2 2	This means we are performing above average but not in the top in the quarter of those organisations in our benchmarking club
Quartile 3 3	This means we are performing below average but not in the bottom quarter of those organisations in our benchmarking club.
Quartile 4 4	This means we are performing in the bottom quarter of all those organisations in our benchmarking club.

Voids and Lettings Service	2012/13	2013/14	2014/15
% of new tenants satisfied with the lettings and allocations process	99% 1	97% 1	98% 1
Direct cost per property of the lettings service	£39.86 1	£33.09 1	£46.77 2
Average relet time (excluding voids that needed major works)	20.9 days 1	33.3 days 3	33.2 days 3

The relet time in 2015/16 has improved significantly to 25.8 days, in line with top quartile performance and it is anticipated that the relet time will reduce beyond 25 days in 2016/17 as we continue to address and mitigate low demand risks.

Income Management Service	2012/13	2013/14	2014/15
Direct cost per property of the rent arrears and collection service	£63.66 2	£63.03 1	£73.53 1
Current tenant rent arrears (excluding unpaid Housing Benefit payments) as a % of rent due	1.70% 2	3.32% 2	4.78% 3
Rent collected from current and former tenants (excluding arrears brought forward)	99.00% 2	99.60% 1	98.18% 3

Rent collection was low in 2014/15 due to housing benefit payment cycles, however this has now increased to 98.33% in 2015/16.

Tenancy and Neighbourhood Management	2012/13	2013/14	2014/15
% of tenants who are satisfied with the services provided by One Vision Housing Limited	87% 3	93% 1	92% 1
Direct cost per property of the tenancy management service	£51.82 2	£51.58 2	£47.55 1
% of tenancies that are terminated within a 12 month period	11.20% 4	11.80% 4	11.70% 4

The high levels of tenancy termination are a result of several issues: firstly, we have experienced low demand in some property types due to Welfare Reform; secondly, we have neighbourhoods where demand is low so we are using intensive neighbourhood management techniques to make these areas more desirable; thirdly, we have an ageing tenant profile so we experienced increased levels of turnover in relation to death and moving to receive care.

Anti-Social Behaviour Service	2012/13	2013/14	2014/15
% of tenants who are satisfied with the way their case of ASB was handled by One Vision Housing	87% 1	88% 3	93% 2
Direct cost per property of the anti-social behaviour service	£39.82 2	£38.60 2	£46.28 3
Number of successfully closed ASB cases per 1,000 homes	100 1	No data	No data

We have had issues with the software system we use to record ASB cases, during 2015/16 we implemented a new recording system called ReAct and reporting of performance in relation to ASB will be more accurate going forward.

Customer Empowerment	2012/13	2013/14	2014/15
% of tenants that are satisfied that their views are being listened to and acted upon	67% 3	76% 2	82% 1
Direct cost per property of the resident involvement service	£32.24 2	£24.57 1	£23.67 1
Number of tenants receiving training in resident involvement as a % of homes	1.55% 2	0.41% 4	No data

Response Repairs Service	2012/13	2013/14	2014/15
% of tenants that are satisfied with the repairs and maintenance service	96% 1	97% 1	96% 2
Total cost per property of the response repairs service	£330 1	£332 1	£313 1
Average number of days to complete a repair	5 1	4 1	6 3

The number of days to complete a repair increased slightly following an increase of 1,300 units in the number of stock facilitated, however customer satisfaction levels with repairs remain high during 2015/16 at 97.3%.

Void Repairs Service	2012/13	2013/14	2014/15
Average cost of a void repair	£2,295 2	£2,386 2	£2,470 2
Total cost per property of the void repairs service	£256 3	£310 4	£289 3

Improvement Work and Cyclical Maintenance Service	2012/13	2013/14	2014/15
% of tenants that are satisfied with the quality of their home	86% 3	93% 1	91% 1
Total cost per property of the improvement work and cyclical maintenance service	£2,215 3	£2,066 4	£2,112 4
Average SAP rating of our homes	72 2	72 2	68 4

All our homes achieve decent homes status and have done so since 23 December 2010. Where costs are high for improvement work and cyclical maintenance, this has been taken as a business decisions to improve the quality of our stock. During 2015/16 we undertook a full stock condition survey to validate our data and to plan our future investment programme.

Customer Service Centre	2012/13	2013/14	2014/15
% of tenants satisfied with the way their call was handled	95% No data	97% No data	98% No data
Total cost per property of the service centre	£61 No data	£59 No data	£69 No data
Average number of seconds to answer a call	13 2	8 1	12 1

Our detailed benchmarking report is available on our [website performance pages](#), and will be updated with 2015/16 results as soon as they become available (anticipated autumn 2016).

We use our benchmarking information with managers and teams, to identify good practice and to learn from our peers. Benchmarking information informs our strategic and Business Planning processes. We share our results with our stakeholders, to allow them to challenge performance standards and understand good performance. Our benchmarking results inform the work of our scrutiny panel, and are used by our executive management team and board to direct service reviews and deliver continuous improvement. We think benchmarking is a crucial part of being an organisation that delivers customer excellence.

What's next?

We have worked with our board members, Sovini group business assurance committee, customers, Sovini partners, HCA and our funders to identify the following Value for Money priorities.

- Using Sustainability and Profitability Index, along with the findings of our demand study a reconfiguration of how we deliver our housing management services will take place during 2016/17. This will improve the cost effectiveness and performance of our approach to neighbourhoods and asset management across our 13,000 units.
- Further Sustainability and Profitability assessment of One Vision Housing Limited's assets following the upload of the new stock condition survey data.
- Following the recent demolition of 116 units in two high rise blocks, we plan to demolish a further 91 high rise units (Mersey House) in 2016. Following a full options appraisal by the board it has been agreed to use £3.2m of investment resources to build new homes, to address demand issues within the area.
- Completion of the VFM Assessment of service areas, using 2015/16 Housemark benchmark data due to be completed by October 2016.
- Compare OVH costs against the revised operating cost index to be released early 2016/17 to ensure how we deliver services demonstrates efficiency in comparison to similar organisations. This will entail a review of our management costs to ensure that they continue to evidence VFM.
- Certify our social accounts for 2015/16 in line with the HACT social value calculator.
- Implement further procurement savings with an objective to achieve between 2-5% savings on the following contracts:
 - Out of hours emergency service
 - Asbestos surveying
 - Ground Maintenance Contract
 - Furnished property packages
 - Assistive technology for our Independent Living service - lifeline
 - Cleaning contract.
- Further implementation of our IT Strategy (FLOW) to reduce duplication, increase mobile working and deliver customer self-service.

- Identification of continuous improvement initiatives and VFM suggestions made through our VFM Incentive Scheme.

We have forecast the AES for 2016/17 in the table below. This excludes grant income and detailed assessments of post-amalgamation efficiency savings.

Annual Efficiency Saving Forecast for 2017/18		
£000's 'Non Cash Releasing' allocated efficiencies	£000's 'Cash Releasing' unallocated efficiencies	£000's Total AES
2,400	1,000	3,400

The board will continue to prioritise the services that matter most to our customers, whilst ensuring that as an organisation we continue to manage our income and investment to ensure we remain a viable and well governed organisation.

The content of OVH's VFM self-assessment is aligned and assessed against the HCA's VFM standard and therefore OVH board have certified compliance with the VFM standard at the June 2016 board meeting.