

# Value For Money Self-Assessment

2018/19

## Introduction from the Chair of the Board and Chief Executive

At One Vision Housing Ltd (OVH), Value for Money (VFM) sits at the very heart of everything we do. Ever since our inception in 2006 we have strived 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. Our strategic approach to VFM is intertwined into all of our service planning and delivery – this can be demonstrated via our VFM objectives that are strategically linked to the overarching objectives of OVH. This VFM self-assessment, provides a year-end position statement for 2018/19 in achieving the following VFM objectives for OVH:

- Maximising our social value
- Best use of our assets and resources
- Cooperation and collaboration through self-delivery
- Regulatory compliance and customer involvement
- Maximising opportunities through procurement
- Excellent performance and customer satisfaction

To date we have developed and deployed a robust and challenging approach to the pursuit of VFM. Since 2006 we have made over £100m of efficiency savings (£15.2m in 2018/19) 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 2018.

Our strong financial position and refinancing deal has underpinned our ambitious development programme, with £133.9m committed to deliver new homes. During 2018/19 194 homes were developed against a forecast of 139 homes in the year. Of the 194 new homes, 129 have been developed for social rent, affordable rent and shared ownership.

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.

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. VFM is fully embedded within our organisational culture, with 100% of OVH staff agreeing that they understand how VFM relates to their role. This helps us to achieve our strategic aims and objectives, and enables us to meet the risks, challenges and opportunities that lie ahead.

Details of the outcomes achieved in delivering our VFM Objectives are found within this Value for Money self-assessment for 2018/19. In our view, this self- assessment does more than simply demonstrate our compliance with the Regulator of Social Housings (RSH) VFM Standard. 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?

We are clear that for One Vision Housing 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 Regulator of Social Housing's (RSH) Standard for Value for Money.

## What is our vision?

Our vision is "Thriving inclusive communities'. The way we use our resources is a crucial foundation in our Strategic Plan 2018 to 2023 that allows us to progress our corporate aims and objectives, and therefore this VFM self-assessment for 2018/19 is reported under our strategic aims:

- Provide the environment to deliver business success
- Provide homes that meet demand, in safe, secure and sustainable neighbourhoods
- Provide excellent services that meet or exceed customer and stakeholder expectations
- Make a positive impact in the communities in which we operate

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 OVH VFM Strategy sets out how the organisation will drive efficiency. The VFM objectives as set out in our strategy are:

1. Maximising our social value
2. Best use of our assets and resources
3. Cooperation and collaboration through self-delivery
4. Regulatory compliance and customer involvement
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.

## Our Board

Our approach to VFM is driven from the very top, with the Board strategically leading the organisation through the implementation of an OVH specific VFM Strategy. The board direct VFM through their 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. This is supported by a robust business plan that the Board have stress tested during 2018/19 to ensure it continues to meet the needs of the business and is robust enough to take into account any emerging risks. The board always make business decisions with VFM in mind alongside the strategic aims of the organisation.

Our vision is to have 'Thriving inclusive communities' and this is delivered through sustainable neighbourhoods, supported by quality services meeting the needs of our customers. The Board regularly receive business intelligence that allows them to understand and deliver to 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 2018/19 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.

The OVH VFM Strategy has been approved by Board and the VFM Objectives are linked through to OVH's overall Strategic Objectives within the 2018-2023 Strategic Plan.

The Board receive 6 monthly VFM reports which provides an update on achieving the VFM Objectives linked to the overarching Strategic Objectives. They also receive 6 monthly Service Deliver Plan updates, and Quarterly Key Performance Indicator Reports again linked to delivering the Strategic Objectives.

## VFM Objective - Maximising our Social Value

OVH measures its impact on society and the social value it has generated via HACTs Social Value Calculator. This information is reported to Board in detail and certified on an annual basis.

Our pre-certification of the activities below has shown that we have generated just over 16 million pounds of social value for the 2018/19 year, which gives a £15.30 return on every £1 invested. A summary of these activities can be found in **Table One**.

Please note, as these figures have not been certified by HACT, they are subject to change.

**Table One** – Social Value Activity (HACT definition) 2018/19

Description of activity	Budget for this activity	Number of beneficiaries	Social value generated	Social value return
Clear Rent Accounts - Able to pay for housing	£831,350	803	£4,805,533	1 : 5.78
OVH Home Contents Insurance Scheme	£3,000	534	£1,837,900	1 : 612.63
Financial Inclusion service - Relief from debt	£70,000	829	£7,438,645	1 : 106.27
Decoration Allowance - Afford to keep house maintained	£56,000	81	£393,004	1 : 7.02
Providing Housing for Homeless Tenants	£9,000	54	£1,352,268	1 : 150.25
Next Steps into Work	£50,000	25	£169,284	1 : 3.39
Jubilee Debt Advice	£13,200	29	£44,048	1 : 3.34
OVH Involved Tenants – Active tenant groups	£36,000	80	£333,719	1 : 9.27
OVH Employee Training	TBC	TBC	TBC	TBC

The details of the final, certified activities and figures will be reported via OVH's Annual Report, which will be published to all stakeholders in September 2019. Full details will also be included on the OVH website.

## VFM Objective - Making the best use of our assets

As at 31st March 2018 the total value of OVH's housing assets, including market rent investment units, is £206.4m, up from £170.2m on the 31<sup>st</sup> March 2019. This reflects an increase in the asset value. Other fixed assets (Atlantic House and Boaler Street HQ) are valued at £6.7m.

OVH's stock numbers increased during 2018/19 following the implementation of the OVH Development Strategy, which saw 129 social housing units completed. There are less General Needs and Supported homes due to Right to Buy sales to tenants.

**Table Two:** OVH Stock figures and changes during 2018/19

### Low Cost (Social) Rental Accommodation

Stock type	2015	2016	2017	2018	2019	Change from 2018 to 2019
General Needs	11,230	10,999	10,945	10,915	10,907	-8 units
Intermediate Rent	-	-	14	14	70	+56 units
Affordable Rent	6	49	194	293	319	+34 units
Supported Housing	1,076	1,067	1,060	1,035	1,041	-2 units
<b>Total low cost social housing</b>	<b>12,312</b>	<b>12,115</b>	<b>12,213</b>	<b>12,257</b>	<b>12,337</b>	<b>+80 units</b>

### Low Cost Home Ownership and Leasehold

Stock Type	2015	2016	2017	2018	2019	Change from 2018 to 2019
Shared Ownership	-	29	119	142	204	+62 units
Leasehold	575	586	594	604	601	+3 units
<b>Total non-social housing</b>	<b>575</b>	<b>615</b>	<b>713</b>	<b>746</b>	<b>805</b>	<b>+59 units</b>

Source: Figures are taken from the OVH SDR

Thirty nine RTB sales were completed during 2018/19 with £0.8m paid to Sefton MBC under the terms of the RTB Sharing Agreement. Six RTA sales occurred generating £428k of sales proceeds, and four market sales generating £104k.

During 2018/19, 194 new homes were developed (129 social housing homes), two more than budgeted. In the year, 40 first tranche shared ownership sales occurred generating £2.45m of income and these contributed £298k to net surplus. The average first tranche sale was 35% (5% higher). Five stair casing sales (100% ownership) also occurred generating £536k in sales receipts which, contributed £181k to the surplus on disposal. Of the total sale surpluses £98k has been set aside to be recycled (Section 106 requirement).

At 31st March 2019, there were 39 unsold properties, six of which have been unsold for more than six months. Five are sale agreed and the remaining home is a show home, which has been released for sale in April 2019.

Development fees (“in house” development team and back office support costs) were contained at £780k (2.2% of the overall programme cost). Comparing this to an average 4% fee, programme savings of £657k have been generated which, is the equivalent value of six new homes.

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

OVH’s Asset Management Strategy sets out the approach taken to maximise the long term sustainability of its stock, focusing particularly on the financial and social returns they generate now and in the future. The OVH Sustainability Index has been a fundamental part of the Asset Management Strategy, which was approved by Board in October 2015, as it enables financial evaluation to be undertaken at property level. It enables us to monitor the long term performance of OVH’s property portfolio by establishing the 30 year net present value (NPV) of the income and expenditure relating to the housing stock. The methodology has been externally audited by BDO and their recommendations were incorporated into the model.

The Sustainability Index currently contains 12,228 properties with a calculated NPV of £249m (average of £20.4k per property), 10,665 properties (87%) have a positive NPV and 1,563 properties (13%) have a negative NPV.

The poorest 500 performing properties are reviewed by the Asset Management Team to determine improvement actions. The results were reviewed by relevant managers to understand viability and full option appraisals were carried out on properties that are not financially viable. This process of information based appraisal and review is key to understanding our stock base and making sure it is sustainable over the next 30 years. The sustainability index is due to be updated in Quarter One 2019/20, and will undergo analysis and review by the Asset Management Steering Group.

An “in year” review of void processes was undertaken during 2018/19 which, resulted in reduced relet times and improved tenancy sustainability; reducing overall void repair volumes. During 2018/19, 146 (11%) less voids were repaired, generating a £294k underspend. Also a number of high value void were completed increasing the underlying average void cost.

OVH continues to maximise its income and manage its resources effectively through improved operational performance and proactive budget management and review throughout the year. Rent collection performance was 99.6% for the year and 1.57% (£880k) above the profiled collection rate of 98.03%. The business plan prudently reflects 98% (2% recurring bad debts) and a further 3.2% (£1.7m) contingency to offset the impact of Welfare Reform. Particularly; UC digital roll out. Gross rent arrears at 31st March 2019 were £5.54m.

Improved overall operational performance has resulted in efficiency savings exceeding the 2018/19 targets, which forecast that OVH would achieve £1.5m of operating cash efficiency savings by year-end 2018/19. In fact £4.1m of operating cash efficiency savings have been achieved during 2018/19.

The following table details the actual AES achieved during 2018/19 (provisional outturn). Performance during 2018/19 is detailed in **Table Three** and this shows that savings of £4.1M of operating cash efficiency savings have been achieved, and £15.2m of efficiency savings in total.

**Table Three:** 2018/19 year-end position statement of Annual Efficiency Savings for OVH (provisional outturn)

<b>Service Area</b>	<b>How Achieved</b>	<b>Cash Re- leasing</b>	<b>Non Cash</b>	<b>Total</b>
		<b>£0</b>	<b>£0</b>	<b>£0 AES</b>
Net Rental Income	Improved rent collection and void loss compared to Business Plan assumptions	2,852	0	2,852
Management Cost	Vacancy Management, Pension Bond and other savings	340	489	829
Property Management	Saving in delivery of planned preventative maintenance and asbestos management	390	0	390
Investment Programme	Miscellaneous work streams	66	0	66
Development Programme	Less Development Fees and abortive costs	164	0	164
Other Activities	Higher Market Rent to budget	35	0	35
Reorganisation Costs	Lower costs compared to Business Plan assumptions	44	0	44
Treasury Savings	Lower funding costs at year-end	210	0	210
<b>Operating Activity Gains</b>		<b>4,101</b>	<b>489</b>	<b>4,590</b>
Gift Aid	Request to SDL/Sovini Board	100	0	100
Other Activities	Lower TRB/RTA sales, higher stair casing and other asset sales	24	0	24
Sale of Share in SPS	Final Tranche Payment from Sovini Commercial (March 2019)	0	2,074	2,074
Development/Other Grant	Year-end Grant	8,428	0	8,428
<b>Other Activities Gains</b>		<b>8,552</b>	<b>2,074</b>	<b>10,626</b>
<b>Total 2018/19 AES Gains</b>		<b>12,663</b>	<b>2,563</b>	<b>15,216</b>

Source: OVH 2018/19 Provisional Outturn Financial Statement

## **VFM Objective - Maximising opportunities through procurement**

The plan is in line with the objectives specified within the Procurement Strategy (2016-19) which was approved by Board on the 19th September 2016. At the start of the 2018/19 plan a target of £169K savings was set for OVH, based on 5% of annual contract spend £3.2M. At year-end £169k savings was delivered for OVH, activities are listed in **Table Four**, below. In total 25 OVH procurement actions were reviewed during 2018/19 in which 20 were completed and 5 deferred to the new 2019/20 Procurement Plan.

**Table Four:** OVH Procurement Savings (2018/19)

2018/19 Project/Activity	Savings
Provision of Legionella Services	£11,000
Lift Servicing and Maintenance (excludes installation)	£56,000
Sun Financial system (Licence and Maintenance Agreement)	£40,210
Lift Installation and replacement (Fernley Grange)	£30,778
Provision of OVH website	£5,070
Careline Monitoring Services	£6,656
Delta e-sourcing savings	£26,794
<b>Total</b>	<b>£169,853</b>

Source: OVH Procurement tracker

It is worth noting that further OVH actions were added to the procurement plan such as the Housing Management System. Such activities in terms of contract value were not added to the annual contract spend of £3.2M which dictated the targeted savings at the start of the 2018/19 financial year.

The Procurement team had streamlined efficiencies during 2018/19 by introducing a number of new online ordering portals that included stationery, clothing. These efficiencies continue to add value in 2018/19 as a result of re-engineering processes by taking out unnecessary steps and operational costs in raising a purchase order through to payment.

The Delta e-sourcing portal continues to be utilised for all procurements in line with the financial regulations set out within the Procurement Strategy and financial management plan. The portal provides a compliant, transparent and accessible tendering tool for all staff and suppliers. The portal also holds the contract register and the approved supplier list for OVH which continues to be managed and maintained throughout the financial year.

Procurement activities from 2017/18 continued to be monitored and as a result further savings in year 2018/19 of £71,000 predominately in relation to Careline Services and Asbestos Surveying. The savings listed in **Table Five** will continue to generate savings during the course of the contract duration.

**Table Five** – Procurement Savings in 2018/19 from previous year’s actions

Previous Contracts Awarded	Savings
Careline Monitoring Services	£20,515
Asbestos Surveying	£51,399
<b>Total</b>	<b>£71,914</b>

Source: OVH Procurement tracker

## VFM Objective - Cooperation and collaboration through self-delivery

### Sovini Property Services (SPS) delivery to OVH

Prior to the awarding of the Asset Management Contract, Asset Management Services were delivered to OVH via a Service Level Agreement with SPS. In September 2018 SPS undertook a benchmarking exercise of the services provided via Housemark using 2017/18 data. The exercise includes detailed cost, performance and productivity measures. SPS were the top performer in the repairs category and the operational performance category. The key results for SPS from 2017/18 were that:

- the average repair cost was mid-range
- the time taken to complete the repair was the shortest at 6.8 days
- tenant satisfaction with the quality of the repair was the highest 98%
- tenant satisfaction with the end to end repairs transactions was also the highest at 90%
- time a void is with the contractor was lowest at 6.8 days
- 98% of appointments are made and kept – top quartile performance

The benchmarking exercise will be updated using 2018/19 performance data via Housemark with the benchmark report available in September 2019.

### Property Pool Plus Contract

We have retained the contract to be the lead provider and administrator of Property Pool Plus in Sefton. We regularly attend Board meetings and have trained staff to make sure the system works to both the benefit of our customers and us.

### Carroll Group

OVH continue to use the Carroll Group for a range of services including investment works, cleaning, waste management, asbestos removal, scaffolding and grounds maintenance services. Customer satisfaction for these services has improved since 2017/18, indicating a high quality service is being received.

## VFM Objective - Regulatory Compliance and Customer Involvement

At the end of each Quarter during 2018/19 a self-assessment was undertaken on compliance with the regulatory standards. This included an assessment against the criteria within the VFM Standard. Full compliance during the year has been assessed and a detailed full assessment of compliance against all the standards and this will be brought to board for approval at the Board meeting of the 17<sup>th</sup> June 2019.

In November 2018 a stability check was undertaken by the regulator which demonstrated that OVH had retained its 'G1' and 'V1' rating from the RSH.

A review of the Corporate Governance Framework for OVH took place during 2018/19 and the outcome was approved by Board on the 4<sup>th</sup> February 2019. This was to ensure that the framework continued to meet the revised VFM Standard alongside the current regulatory requirements and those of the adopted code of governance (the 2015 NHF Code of Governance).

In November 2018 we conducted an Annual Health Check (TPAS Smart Review) which assessed our Engagement Action Plan and Key Engagement Documents. It highlighted our key achievements and the resulting recommendations have been included in the Service Delivery Plan for 2019/20, to enhance our engagement activities going forward.

## VFM Objective - Excellent Performance and Customer Satisfaction

During 2018/19 OVH has continued to see improvements in performance with 5 out of 8 benchmarked KPI's achieving Top Quartile Performance compared to our peers (see specific Performance Report presented to this meeting).

Overall Satisfaction with services is currently 95% taken from the 2017/18 STAR Survey, compared to Top Quartile Performance of 91%. Satisfaction that rent provides VFM has improved from 95% to 96.7%, again taken from the 2017/18 STAR Survey. Cumulative satisfaction from the transactional surveys in 2018/19 was 96.8%, above the 95% target (see **Table Six** below). This is a significant increase when compared to 2017/18, when the cumulative satisfaction figure was 95.1%. Also, nine out of the twelve surveys achieved their top quartile target, which is another improvement when compared to the previous year (when 7 surveys either met or exceeded the target at year end).

**Table Six** – Transactional Survey Performance 2018/19

	2018/19	Target	Performance
% of tenants satisfied with repairs	98.4%	95%	
% of tenants satisfied with their gas service	99.6%	98%	
% tenants satisfied with their gas repair	98.8%	96%	
% of tenants satisfied with the adaptations service	98.7%	97%	
% of tenants satisfied with improvement works	99.0%	96%	
% of tenants satisfied with communal cleaning	91.9%	92%	
% of tenants satisfied with grounds maintenance	89.6%	92%	
% of complainants satisfied with ASB case handling	92.3%	87.9%	
% of customers satisfied with the complaints process	71.9%	80%	
% of customers satisfied with the CAC	99.6%	95%	
% of customers satisfied with the CSC	99.2%	95%	
% of tenants satisfied with the lettings process	98.8%	97.6%	
<b>Overall Satisfaction</b>	<b>96.80%</b>	<b>95%</b>	

The provisional performance within the OVH VFM scorecard is detailed in **Table Seven** of this report. It details performance for 2018/19 measured against the indicators comparing performance with 2017/18 and OVH Value for Money Self-Assessment 2018/19

2019/20 forecasts, as well as National and Housemark Top Quartile positions where applicable. It also provides detailed commentary on the outputs for each of the 18 measurements for review by Board Members to satisfy themselves that this meets Value for Money.

**Table Seven** – OVH VFM Performance 2018/19

The following is an analysis of the 2018/19 outputs in relation to each of the 18 metrics, with reference to

Indicator		National TQ 2017	Prior year Actual 2017-18	Current year Actual 2018-19	Next year Forecast 2019-20
1	Reinvestment %	8.6%	13.49%	23.32%	19.55%
2 (a)	Operating margin	36%	23.26%	23.26%	1.55%
2 (b)	Operating margin (Social Housing Lettings)	N/A	16.75%	22.17%	1.49%
3	EBITDA MRI (as a percentage of interest)	278.0%	157.6%	133.5%	22.9%
4	Units developed (Social Housing units)	N/A	136	194	132
5	Units developed (as a percentage of units owed)	2.2%	1.5%	1.5%	1.0%
6	Gearing	54.8%	71.97%	71.97%	88.49%
7	Customers satisfied that their rent provides value for money	N/A	96.10%	96.10%	96.00%
8	£'s invested for every £ generated from operations in communities	N/A	£0.04	£0.04	£0.04
9	Return on capital employed (ROCE)	5.6%	5.53%	5.53%	0.39%
10	Ratio of responsive repairs to planned maintenance spend	N/A	0.15	0.16	0.11
11	Headline social housing cost per unit	£2,960.00	3,736	3,663	4,511
12	Management Cost Per Unit	N/A	1,005	968	1,214
13	Service Charge Cost Per unit	N/A	257	219	0
14	Maintenance Cost Per Unit	N/A	948	1,046	1,147
15	Major Repairs Cost Per Unit	N/A	1,468	1,385	2,104
16	Other Costs per Unit	N/A	58	46	46
17	Headline CPU	N/A	3,736	3,663	4,511
18	Rent collected	N/A	99.4%	99.6%	100.0%

previous year's performance the national sector medians and forecasts for 2019/20. This information has been shared with and approved by OVH Board as part of the VFM update report on the 13th May 2019.

- 1 Reinvestment reflects the impact of the recladding and fire safety works to the high rise, additional compliance works (£1.8m increase on last year) and an additional £22.5m of development expenditure compared with 17/18 spend
- 2(a) & 2(b) Operating surplus achieved was £2.8m ahead of budget at £13.3m whilst Operating costs reflect an underspend of £2,696k on Property Management costs, with Capitalisation of Investment expenditure being higher than anticipated of £2.2m being the main driver. Additional fire compliance works to high rise next year (£11.3m) has significant impact on the forecast operating margin.
- 3 Investment works reflect higher in year capitalisation which has contributed to a higher total asset value. The higher Operating Surplus noted above & higher capitalised investment works in the year have contributed to a decrease of 24.1% EBITA MRI this year. A £12.4m forecast reduction in operating margin shows a potential reduction of 111% next year.
- 4 & 5 194 handovers have been completed for the year, majority happened in second half of the year. 132 units have been budgeted for next year, this will hopefully be exceeded due to the commencement of new schemes.
- 6 Gearing reflects £30m of additional loans and reduced by increased cash holdings of £14.7m, needed to deliver the Development Programme and cover additional Fire Works. OVH housing assets costs have increase by £36.5m during the year. Long term loans are in-line with expected levels.
- 7 Year on year improvements in customer satisfaction with services. Target set for 2018-19 to maintain top quartile performance. Next STAR Survey to run March - July 2018
- 8 Our HACT certification process indicates that we have generated nearly £30 million pounds of Social Value for the 2018/19 year. Investment generating social value for 2019/20 will be certified in June 2019, however we are forecasting similar activity and returns.
- 9 5.53% reflects an operating surplus of £13.35m (£536k increase from 2017/18) over a capital employed of £241.6m (total assets less current liabilities). Reduced operating margin next year is as a result of £9.3m of Board approved Fire Compliance works to High Rise.
- 10 Responsive repairs as a ratio of Planned Preventative Maintenance spend, is higher than anticipated forecast due to higher level of Responsive repairs.
- 11 Total Social housing costs per unit are slightly lower than Year-end forecast due to increase of additional 61 units than predicted Total Owned & Managed stock. It also relates to Routine Planned Maintenance costs £390k lower than expected.
- 12 Management CPU is slightly lower than 17/18 by £37 due to slightly lower of Management Costs and additional overall Housing stock of 142 units. Management Costs forecast next year to reflect an increase of £1.05m
- 13 Service Charge CPU has reduced by £38 in 18/19 from 17/18 due to a reduction in Service Charge cost elements of £440k and overall stock increasing by 142 units.
- 14 Maintenance CPU has increased by £98 due to increase of Planned Maintenance works of £1.4m than 17/18. Forecast for 19/20 shows a higher increase per unit by £101 due a higher level of Investment Planned Maintenance works by £1.4m than 18/19.
- 15 Major repairs CPU has decreased by £83 due to decrease of Major Repairs Expenditure of £0.8m in 18/19 compared to 17/18 and overall unit stock increased by 142 units. 19/20 forecast CPU has increased significantly by £719 due to Major Repairs expenditure accelerating by £9.3m relating to Fire Compliance works to High rise.

- 16 Other Costs CPU reduced by £12 compared to last year as Bad Debt reduced by £151k.
- 17 Overall Total Headline CPU has reduced by £73 from 17/18 due to Total Housing Stock increased by 142 units to 12,541. Forecast for 19/20 will increase by £848 CPU mainly due to Major Repairs expenditure increase of £9.2m for Fire Compliance works as stated above.
- 18 Rent collection performance was 99.60% for the year and this is 1.57% (£880k) above the profiled collection rate (98.03%), and 1.6% above the business plan target. The Business Plan prudently assumes 98%. The performance target for next year is 100%.

We continue to work with all our stakeholders including our board members, Business Assurance Committee (GBAC), customers, Sovini partners, the Regulator (RSH) and our funders to identify the following Value for Money priorities.

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 RSH's VFM standard and therefore OVH Board have certified compliance with the VFM standard at the **22nd July 2019** Board meeting.