

Value For Money Self-Assessment

2021/22

Introduction from the Chair of the Board and Chief Executive

At One Vision Housing Limited (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 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 2021/22 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. During 2021/22 the association delivered £10.5m of efficiency savings (£134m cumulative since 2006) as well as delivering high quality services that meet our customers' expectations and improve our services to them. This can be demonstrated by the high levels of customer service achieved in 2021/22. Overall customer satisfaction taken from the Survey of Tenants and Residents (STAR) shows a slight decrease during 2021/22 from 95.7% to 94.3%. However, this is top quartile performance when compared with our peers. The target for the association is to remain top quartile in all areas of service delivery.

Our strong financial position and refinancing has underpinned our ambitious development programme, with £163m committed to delivering 1,137 new homes from 2021 to 2026. During 2021/22 251 homes were developed against a forecast of 324 homes in the year, unfortunately we were unable to achieve our targeted level of completions as delays were incurred whilst we sourced a new contractor to replace one who entered liquidation during the year. This is a significant achievement made possible through our partnership with Sovini Construction Limited, who assist us to self-deliver a significant proportion of our development programme.

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 the outcomes achieved in delivering our VFM Objectives are found within this Value for Money self-assessment for 2021/23. 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?

Within OVH we are clear that VFM 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 commercial 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 VFM standard.

What is our vision?

Our vision is 'thriving inclusive communities'. The way we use our resources is a crucial foundation in our Strategic Plan 2021-26 that allows us to progress our strategic aims and objectives, and therefore the associations VFM objectives are specifically linked to delivering the associations overall 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, and 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 where possible mitigate our risks and our board regularly stress test our business plan.

The associations approach to VFM is embedded and applied consistently at group level, linking directly to the Sovini group ethos 'success through collaboration'. The VFM Strategy sets out how the activities of the wider Sovini group commercial partners drive efficiency, VAT and other productivity savings through the provision of 'shared' and 'self-delivered' services and in doing so part fulfil our social, economic and environmental responsibilities. The VFM Strategy also outlines how our group commercial partners strive to seek and secure new, profitable external contracts to generate additional financial capacity. The VFM Strategy sets out how the organisation will drive efficiency. The VFM objectives as set out in our strategy are:

- 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 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

The board have a strong focus on, and joint understanding of 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 budget. The board consider and make business decisions with VFM in mind, with a full understanding of how this contributes to the achievement of the strategic aims of the association. This is supported by a robust business planning process which considers key risks, scarce resource allocation, priorities as well as economic and underlying performance assumptions to ensure sufficient headroom to manage and mitigate risk.

Our vision of having 'thriving inclusive communities' is delivered through sustainable neighbourhoods, supported by quality services which meet the needs of our customers'. The board regularly receive business intelligence and assurance which, allows them to understand and deliver these needs, ensuring that sustainability is maximised where at all possible and that, the association can respond (as necessary) to changes in a timely and effective way.

The 2022/23 base budget set 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.

A revised VFM Strategy (2022-27) has been approved by board and biannual VFM update reports are produced and considered to track progress. These provide the board with assurance that we continue to achieve our VFM objectives. They also receive biannual service delivery plan update reports, and quarterly KPI reports.

VFM Objective - Maximising our Social Value

OVH measures its impact on society and the social value it has generated via the HACT social value calculator. This information is reported to board in detail and certified on an annual basis.

The HACT precertification below, confirms that the association has generated over 22 million pounds of social value during 2021/22. This provides a £17.43 return on every £1 invested. A summary of the relevant activities can be found in Table One.

Table One: Social Value Activity (HACT definition) 2021/22

Description of activity	Budget for this activity	Number of beneficiaries	Social value generated	Social value return
Clear rent accounts - able to pay for housing	£793,687	548	£3,279,492	1 : 4.13
OVH home contents insurance scheme	£12,000	755	£2,598,529	1 : 216.54
Decoration allowance - afford to keep house maintained	£38,120	76	£368,745	1 : 9.67
Secure housing from temporary accommodation / rough sleeping	£361,128	334	£3,468,079	1 : 9.60
OVH involved tenants – active tenant groups	£1,450	10	£64,448	1 : 44.45
OVH employee training	£20,000	283	£364,423	1 : 18.22
OVH financial inclusion officers	£32,000	1,267	£7,582,329	1 : 236.95
OVH community projects: Christmas activities	£6,998	1,495	£3,873,235	1 : 553.49
OVH community projects: kindness coffee club	£1,532	350	£450,699	1 : 294.17
We're all in the same boat - supporting mental health on the Pride of Sefton	£2,700	144	£82,512	1 : 30.56
	£1,269,615	5,262	£22,132,491	1 : 17.43

Full details of the final, certified activities and outcomes generated will be reported in OVH's 2021/22 Annual Report, which will be published to all stakeholders in September 2022. Details will also be included on the OVH website.

VFM Objective - Making the best use of our assets

As at 31st March 2022 the total value of OVH's housing assets, including market rent investment units, was £314.3m, up from £285.1m on the 31st March 2021. This reflects an increase of £29.2m in the asset value. Other fixed assets are valued at £3.6m (2021: £4.7m), this reflects the impairment of Atlantic House of £467k.

The association increased its low-cost social / affordable housing to 12,614 (42 net increase) and its non-social housing to 1,001 (28 net increase) during 2021/22 (refer to **Table Two** below). This reflects the completion and handover of 251 new homes during 2021/22, less 180 net property sales and high rise decants.

Table Two: OVH Stock figures and changes during 2021/22

Stock Type	2018	2019	2020	2021	2022	Change from 2021 to 2022
General Needs	10,915	10,907	10,917	10,803	10,654	- 149 units
Intermediate Rent	14	13	13	13	12	- 1 units
Rent to Buy	-	57	115	173	181	+ 8 units
Affordable Rent	293	319	398	552	751	+ 199 units
Supported Housing	1,035	1,041	1,031	1,031	1,016	-15 units
Total low cost social / affordable housing	12,257	12,337	12,474	12,572	12,614	+ 42 units
Stock Type	2018	2018	2020	2021	2022	Change from 2020 to 2021
Shared Ownership	142	204	235	277	301	+ 24 units
Leasehold	604	602	605	611	614	+3 units
Market rent	90	92	93	85	86	+1 units
Total non-social housing	836	898	933	973	1,001	+ 28 units

Source: Figures are taken from the OVH 2022 SDR

Fifty RTB sales were completed during 2021/22 with £844k paid to Sefton MBC under the terms of the RTB Sharing Agreement. Fifteen RTA sales occurred generating £1,500k of sales proceeds.

In 2021/22 251 new homes were developed, 73 less than forecast. The total grant secured in 2021/22 was £6.2m. Total grant tranches received from prior and current years in 2021/22 was £4.2m.

In 2021/22 30 First Tranche sales three outright staircasing sale completed and one additional staircasing was completed, generating receipts totalling £3.1m, falling just under the sales budget by 146k. There were six unsold shared ownership properties, one of these units have been in OVH's possession for longer than six months which is show home property. This sale completed in April 2022.

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

The Asset Management Strategy (2022-27) sets out our approach taken to maximise the long-term sustainability of the housing stock, focusing particularly on the financial and social returns they generate now and in the future. The sustainability index is fundamental to active asset management, in that it facilitates financial evaluation of the housing stock at an individual property level. It enables us to monitor the long-term performance of each home by establishing a 30-year net present value (NPV) of the income and expenditure derived from each home.

The Sustainability Index (2018-2021) currently contains 12,521 properties with a calculated NPV of £657m (average of £52k per property). 99.1% of properties have a positive NPV, leaving 109 properties (0.9% of all homes) that have a negative NPV.

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 2022/23, and will undergo analysis and review by the Asset Management Steering Group.

The association has strived to maximise its stock occupancy during 2021/22 with void loss (routine and long term) at 0.48% (£280k). Routine void loss was at 0.30% during the year, which is top quartile performance when compared to our peers. The reletting of properties that became void during the year was completed on an average of 5.8 days (top quartile performance) with 47% of lettings completed with no void loss.

The association continues to maximise its income and manage its resources effectively through improved operational performance and proactive budget management and review throughout the year. Continued emphasis on maximising income through embedding arrears prevention and tenancy sustainability, remains to be a key priority. Rent collection performance during 2021/22 was 99.90%. The business plan prudently reflects 98.75% (1.25% - £0.8m bad debts). The association will continue to strive to maximise income collection and reduce arrears/bad debt. This has been demonstrated by achieving 99.90% of rent collection despite the ongoing economic impact on tenants cost of living, further to this the board have set a stretching rent collection target of 100.52% for financial year 2022/23.

Proactive budget management and review throughout the year has resulted in strong in year efficiency savings. Performance during 2021/22 is detailed in **Table Three** overleaf and this reports that the association realised £353k of procurement cost savings, and £10.5m of total efficiency savings, including grant income from Homes England.

Our savings

The association considers and approves an annual budget within the context of a 30-year business plan. Actual performance is tracked and monitored against the budget and business plan during the year to quantify and report the additional financial capacity generated and any adverse financial impacts. The business plan is submitted annually to the RSH.

At the end of the year, an efficiency statement (please refer to **Table Three**) is produced which quantifies the financial capacity generated based on outperformance of key targets and assumptions.

In 2021/22, the association collected an additional £1m of income, in excess of business plan, in rent and service charges by proactively supporting customers and sign posting for advice and support. The association also generated £1.458m savings relating to market rented properties and sales, £352k savings on interest and refinancing costs. In addition, a further £184k of development programme management fee savings were realised due to actual abortive and marketing costs falling under the 4% target.

The association received £7.2m of grant income from Homes England and £8k gift aid from Sovini Development Limited.

This additional financial capacity has been reinvested by the association to improve services and build new homes.

Table Three: Annual Efficiency Savings 2021/22

Stock Type	How Achieved	Cash releasing £'000	Non-cash £'000	Total AES £'000
Improved Rent Collection, Void Loss and Bad Debt	Improved rent collection and void loss performance compared to the Business Plan	1,000	-	1,000
Development Programme	Efficiency generated from actual fees under 4% target. All efficiencies relating to abortive costs and marketing held for the second half of the year	184	-	184
Other Savings	Lower Hardship Fund, Reorganisational costs and Pension Strategy	205	-	205
VAT shelter income	Additional VAT Shelter Recovery	43	-	43
Financing Costs	Lower interest and refinancing costs	352	-	352
Other Activities	Market rent, proceeds on sales and exceptional	1,458	-	1,458
Gift Aid	Gift Aid payment from Sovini Development Limited	8	-	8
HE Grant	In year grant receipts relating to completed and on-going development schemes	7,214	-	7,214
Operating Activity Gains		7,222	-	7,222
Total 2021/22 AES Gains		10,464	-	10,464

Source: OVH 2021/22 VFM Compliance Statement (Provisional Outturn)

VFM Objective - Maximising opportunities through procurement

Table Four below, details the procurement activity savings achieved by OVH during 2021/22. These have been generated from tender reviews and Dynamic Purchasing System (DPS) Mini Competitions. This has resulted in £353K savings.

Table Four: OVH Procurement Savings (2021/22)

2021/22 Project/Activity	Savings £000
Mill Spring Court - Lift Replacement	22
Asset Management - Specialist Project - 11a Duke Street	71
Asset Management - Specialist Project - Coral Drive	42
Asset Management - Specialist Project - Nelson Street	52
Net Carbon Feasibility Study	1
Architect Services - OVH Planning Services (Conservation Area Consent)	9
Whimbrel and Alexander House - Architecture Services	52
Assistive Technology Services - Call Monitoring	19
Supply of Aid and Adaptations	8
GIS Garage service	1
Planning Application consultant. - Chapel House Demolition	28
11 St. Edmonds Road - Structural Roof Survey	1
Clerk of Works Services at Station Lane	1
Chapel House Demolition - Planning Application Consultancy	28
Structural Surveys for Lowton Cubit construction properties	18
Total	353

VFM Objective - Cooperation and collaboration through self-delivery

Term Partnering Agreement (TPA)

In 2018 the association undertook an Asset Management Tendering process included works comprising of repairs, planned, voids, services and new build. These works were awarded to Sovini Commercial Partners as part of a Term Partnering Agreement (TPA). The TPA arrangements were reviewed by the board during 2020/21 to ensure they continue to meet the long term requirements of the association. The TPA allows for closer collaborative working with other entities within the Sovini group to deliver VFM services through:

- Greater visibility (interfacing systems & real time reporting).
- More flexibility (access to a wider supply chain network).
- Greater certainty leading to improved customer service & life cycle costs.
- Better emergency and demand planning (rapid mobilisation and resumption of services post lockdown).
- Reduced theft / fraud (normally built into contract price "risk" by external contractors).
- Control of asset management specification / standardisation, which will reduce future repairs and maintenance costs.
- Continuity of supply in unstable operating environment.
- Added value through collaboration leading to innovative system development (Bistrak), local labour, reduced carbon footprint, social value pledges to local communities.

The Performance of the TPA is monitored by officers via the monthly Asset Management Contract Core Group meetings. OVH's Asset Management team continue to benchmark performance through HouseMark, HQN and Liverpool City Region Benchmarking Club to ensure it continues to deliver VFM for the association. The TPA also evidences VFM through the following:

- An independent benchmark was carried out by RAND Associates based on national average SOR's.
- Recently dispensation has been approved on the basis that OVH are achieving Value for Money and evident to the tenants.
- Greater certainty leading to improved customer service & life cycle costs.
- The contractors are within the same VAT group, and
- The contractors have their own set of financial regulations to adhere to when sub-contracting works outlining VFM and transparency through the supply chain, which again procurement can access all information.

As at 31st March 2022, £32.6m (95%) of OVH's Asset Management Programme (£34.2m) has been completed "in house" via SPS, Amianto and Sovini Construction. In addition, Sovini Construction, via Sovini Developments, have completed £21.9m of New Build Development works for OVH, with Sovini Land Acquisition obtaining planning permission for 5 sites. This enabled the association to be able to continue to provide emergency and responsive repairs and fulfil its statutory compliance obligations, protecting its customers and wider stakeholders. It also facilitated the prompt mobilisation of our construction sites, maximising the number of new home completions and allowed us to fulfil housing need. In doing so, the association was able to overcome significant disruption to the development programme during the intermittent lockdowns of the pandemic. It also ensured the prompt claiming of grant income from Homes England at year end.

VFM Objective - Regulatory Compliance and Customer Involvement

In May 2021 OVH were subject to an In-Depth Assessment (IDA) undertaken by the RSH. The outcome of this assessment was that OVH continued to meet all the regulatory requirements, including those relating to the VFM Standards. Subsequently OVH were graded 'G1' for Governance and 'V1' for Viability, and this was published by the RSH in August 2021. A further stability check was undertaken by the RSH in December 2021, which confirmed both G1 and V1 straplines had been retained. During 2021/22 no regulatory issues have been raised or identified against OVH.

Quarterly self-assessments of compliance against the Regulatory Standards (including the VFM Standard) have been completed throughout 2021/22 for OVH which has confirmed no areas of non-compliance. A full detailed 2021/22 year-end assessment is being undertaken and will be reported to Board in July allowing OVH Board to certifying compliance with the Regulatory Standards.

During 2021/22 an internal review of our Customer Empowerment Framework and engagement mechanisms has taken place to ensure we continue to meet the Government's agenda relating to improving the 'Customers Voice', following publication of 'The Housing White Paper'. This is supported by a tenant/board approved Customer Voice Strategy during 2021/22 that is aligned to both the White Paper and the 2020 NHF Code of Governance.

As at the 31 March 2022 OVH continue to provide their complaints service aligned to the requirements of the 2021/22 Housing Ombudsman's Complaints Code, and are currently working towards the new Housing Ombudsman Code which must be in place by October 2022.

In the most recent STAR survey, satisfaction with OVH as a landlord had decreased from 95.7% (2019/20) to 94.3% (2021/22). A STAR survey is scheduled to begin in 2022/23.

VFM Objective - Excellent Performance and Customer Satisfaction

During 2021/22, the association has continued to maintain high levels of performance with four out of six benchmarked KPI's achieving top quartile performance compared to our peers. These KPI's and targets have been chosen by the board for being identified as business critical, linked to customer priorities and a key measure of delivering VFM.

Key



Target achieved
Target not achieved

Performance Indicator	Year-end 2021/22					Housemark Quartile
	Value	Target	Status	2021 Value	Trend	
Rent collected as a % of rent due (social rent)	99.90%	102.00%	▲	100.73%	▼	3
Satisfaction with the lettings service (%)	95.8%	100%	▲	99.00%	▼	2
Sickness - % of hours lost	2.6%	2%	▲	2.00%	▼	2
Satisfaction with completed response repairs (%)	96.4%	99%	▲	99.00%	▼	1
Satisfaction with improvement works (%)	94.7%	99%	▲	99.00%	▼	n/a
Satisfaction with ASB case handling (%)	88.5%	94%	▲	91.00%	▼	1
Rent loss due to void properties (social rent)	0.30%	0.30%	✓	0.45%	▲	1
Property Compliance	99.99%	100%	▲	99.90%	▲	n/a

Rent collection

In year rent collection has seen a decrease year on year reflecting the impact of prior year collection of more than 100% and the subsequent refund on some accounts of high advances. In the current year we have issued £0.3m of refunds accounting for 0.5% of the rent collection shortfall.

Satisfaction

Though OVH saw a reduction in some satisfaction surveys in 2021-22 overall satisfaction remained above the 95% target. Furthermore, House Mark stated that within the sector "Satisfaction across the board has seen a decrease. Satisfaction is falling year-on-year, with a median now four percentage points lower than before the pandemic.". Despite the lower satisfaction in the sector OVH have set plans in motion to rebuild satisfaction levels with several new initiatives.

Sickness

The lasting impacts of the pandemic can be seen within our sickness data where approximately one third of sickness throughout 21/22 is attributable to Covid-19 related symptoms. Though we see this as a short-term impact we are further developing our Health & Wellbeing programme, are holding absence management workshops with all line managers and further promoting the Employee Assistance Programme with the intention of reducing sickness levels for 22/23.

Performance and cost benchmarking

The association is a member of House mark which provides benchmarking of core services using performance and cost of our peers as a comparison. Services are scored with the aim of being good performance/low cost to demonstrate VFM. The most recently published validated peer outputs for 2020/21 shows that the majority of the associations core services are demonstrating good performance/low cost compared to our peers as shown by table six below.

Table Six: Housemark VFM assessment

Service	Housemark VFM assessment
Responsive repairs	good performance/low cost
Void repairs and lettings	good performance/low cost
Rent arrears and collection	good performance/low cost
Tenancy management	Poor performance/very low cost*
Customer involvement	good performance/low cost
Customer services	good performance/high cost
Neighbourhood management	good performance/high cost

Back office services provided to OVH as part of Service Level Agreements have also been benchmarked by Housemark and these show these services are delivering Value for Money and are less than the average costs of our peers. In addition, satisfaction with the services provided via the SLA are continuously monitored and this shows high levels of satisfaction (90%+ across all services).

**This is based on benchmark data for 2020/21 that showed costs were low but tenancy turnover was high at 8.69% against a top quartile position of 5.43%. Reasons for properties becoming void (turnover) have been assessed to minimise turnover, where this is possible, however the majority of tenancy turnover relates to deaths and moving to care/residential homes. A clear focus has been placed on sustaining tenancies in the first 12 months of their tenancy. Performance for 2021/22 has improved from 8.69% to 7.1%.*

Customer Satisfaction

Cumulative satisfaction from the transactional surveys in 2021/22 (refer to table seven) was 95.8%. Five of the twelve surveys exceeded their targets, the other seven almost met their targets (several of these had high performance against very high targets).

Table Seven: Transactional Survey Performance 2021/22

Tenant satisfaction with:	2021/22	Target	Performance
% of tenants satisfied with repairs	96%	99%	▲
% of tenants satisfied with their gas service	99%	99%	✔
% tenants satisfied with their gas repair	98%	98%	✔
% of tenants satisfied with the adaptations service	96%	98%	▲
% of tenants satisfied with improvement works	95%	99%	▲
% of tenants satisfied with cleaning services	91%	92%	▲
% of tenants satisfied with grounds maintenance	96%	95%	✔
% of complainants satisfied with ASB case handling	88%	94%	▲
% of customers satisfied with the complaints process	61%	75%	▲
% of customers satisfied with the CSC	99%	96%	✔
% of tenants satisfied with the lettings process	96%	100%	▲
% tenants satisfied with the out of hours service	100%	95%	✔
Overall Satisfaction	95%	95%	✔

Table Eight, below, confirms OVH's 2021/22 current year VFM performance as reported within the VFM metrics scorecard. It compares our 2021/22 performance against our initial forecast and against our 2020/21 (prior year) performance (including the National Median). It also provides a forecast of our expected performance during 2022/23.

Table Eight: OVH VFM Performance 2021/22

Indicator	National Median 2020-21	Prior year Actual 2020-21	Current year forecast 2021-22	Current year Actual 2021-22	Next year Forecast 2022-23
1 Reinvestment %	5.80%	17.26%	16.49%	13.42%	13.28%
2 Operating margin	23.90%	17.80%	37.49%	32.60%	24.90%
3 EBITDA MRI (as a percentage of interest)	183.00%	145.82%	195.30%	195.03%	167.73%
4 Units developed (as a percentage of units owned)	1.30%	2.20%	2.50%	1.90%	1.40%
5 Gearing	43.90%	76.16%	75.59%	74.12%	72.21%
6 Return on capital employed (ROCE)	3.30%	3.78%	6.50%	5.32%	4.79%
7 Headline social housing cost per unit	£3,730	£3,521	£3,857	£3,946	£4,016
8 Management cost per unit	n/a	£645	£772	£753	£830
9 Service Charge cost per unit	n/a	£353	£351	£351	£377
10 Maintenance cost per unit	n/a	£1,058	£1,153	£1,195	£1,151
11 Major Repairs cost per unit	n/a	£1,431	£1,525	£1,595	£1,591
12 Other cost per unit	n/a	£34	£56	£53	£66
Additional Value for Money Metrics					
13 Operating margin (Social Housing Lettings)	26.30%	17.60%	31.94%	21.36%	23.37%
14 Units developed (Social Housing units)	n/a	280	324	251	182
15 Customers satisfied that their rent provides value for money	n/a	95.00%	95.00%	95.00%	95.00%
16 Ratio of responsive repairs to planned	n/a	0.15	0.17	0.26	0.16
17 Rent collected	n/a	100.73%	102.00%	99.90%	100.52%

This information was shared with and approved by OVH Board as part of the 2021/22 VFM Report.

- 1** Reinvestment reflects the improvements made to existing homes as part of the investment programme, as well as new homes built as part of the approved development programme. Development expenditure in 2021/22 was £28.1m (251 new homes) and £11.1m lower than the approved budget. This underspend is primarily due to 73 units lower than the forecast figure of 324, and expected land purchases now due to complete post year end. Expenditure within the investment programme, was £20.5m and this was £0.6m lower than budget.
- 2 & 13** Operating surplus (£17.8m) is £3.3m lower than anticipated. This is mainly attributable to increased costs relating to the following: a loss on disposal of fixed assets, £2m, relating to the disposal of IT software and two high rise flat blocks; impairment charges, £0.7m, charged on market rental properties and the Atlantic House office building; and higher property maintenance costs £0.8m, due to increased routine and planned maintenance, £0.3m, and property investment, £0.5m.
- 3** EBITDA MRI is lower than forecast mainly due to lower operating surplus than anticipated as explained above coupled with delays within the development programme causing the asset value to be lower than forecast, the forecast development works will be completed in 2022/23.
- 4 & 14** 251 homes were completed in 2021/22 (£28.1m gross development programme). It is forecast that £38.6m will be spent building 213 new homes in 2022/23.
- 5** This reflects that OVH assets are held at historic cost, and whilst the 2021/22 gearing ratio is slightly lower than forecast, it reflects the significant achievement by the Association to complete the majority of its major works programme during the pandemic. This slight reduction against forecast is primarily due to the 73 units delay within the development programme. As such OVH's asset cost increased by £27.3m as at 31 March 2022.
- 6** 5.32% reflects an operating surplus of £17.8m currently over a capital employed of £333.5m (total assets less current liabilities).
- 7** The headline social housing CPU is £89 higher than forecast, reflecting slightly higher maintenance costs, £43 and major repair costs, £69, offset by the positive impact of lower management costs, £20, and other costs, £3.
- 8** Management CPU is £20 lower than forecast out turn for the year, this is due to certain accommodation savings being maintained throughout the year.
- 9** The service charge CPU is in line with forecast, reflecting the current estimated service charge debit of £4.563m in 2021/22.
- 10** The maintenance CPU is £43 higher, mainly as a consequence of the year end overspend of £366k on routine and planned maintenance.
- 11** The major repairs CPU is £7 lower than reforecast, as a consequence of the £202k underspend, this is due to programme delays and the works will be completed in the next financial year.
- 12** Other costs CPU is £3 lower than expected, reflecting the consistent strong rent collection performance at 31 March 2022 (99.90%) and the consequential lower bad debt provision (£89k lower).
- 15** Last STAR survey finalised 2019/2020. Current Survey ongoing and due for completion May 2021/2022
- 16** Responsive repairs as a ratio of planned preventative maintenance spend, is slightly lower than anticipated forecast by £6k whilst improvement programme works were lower by £202k.
- 17** Rent collection performance for year end was 99.90% which was 2.10% below the stretching target of 102.0%. Void loss (routine and long term) was 0.48% (£280k) and this is 0.02% (£10k) lower than budget.

We continue to work with all our stakeholders including our board members, Risk and Audit Committee (RAC), customers, Sovini group commercial partners, the RSH and our funders in the pursuit of our VFM objectives and 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 a well governed organisation.

The content of this VFM self-assessment statement is aligned and assessed against the RSH VFM standard and the board will certify compliance with the VFM standard at the July 2022 board meeting.