OneVision HOUSING

Value For Money Self-Assessment

2022/23

Success | Passion | Authenticity | Courage | Enterprise

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 2022/23 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 2022/23 the association delivered £7.5m of efficiency savings (£141.3m 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 transactional Surveys shows a slight decrease during 2022/23 from 95.1% to 92.6%. 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 £268m committed to delivering 2,328 new homes from 2021 to 2026. During 2022/23, 157 homes were developed against a forecast of 182 homes in 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.

Given the current economic climate and higher than expected rates of inflation, the government have taken the decision to limit annual rent increases in the social housing sector up to a maximum of 7% (exclusive of supported housing / independent living) for the rent period 2023-24. This requires us to drive efficiency measures and identify areas where we can delay or make savings to planned expenditure, until more favourable economic conditions return. Decisions and trade-offs will be made over the course of the associations five-year Strategic Plan (2023-28) to drive efficiency measures and identify areas where we can make savings to planned expenditure. This will be managed through sound financial practices and comprehensive approach to risk management, to achieve this with little or no disruption to front line services and ensuring we continue to meet customer expectations / priorities.

Despite the pressures that we are facing there are some areas that we will absolutely refuse to compromise on including our approach to all aspects of buildings safety / compliance, retrofitting our homes to improve energy efficiency / work towards net zero carbon emissions and continuing to provide new housing opportunities through 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 deliver 'a better future'.

As part of the Sovini Group, the association was ranked second in the UK's Best Workplaces™ 2022 (large category), it was recognised in the first ever list as a UK's Best Workplace™ for Wellbeing 2022 and the association also achieved 'We invest in People' Platinum Accreditation & We invest in Wellbeing accreditation' at Gold level 2022.

VFM is fully embedded within our organisational culture, with 89% of our staff saying that 'Management makes its expectations clear'. This assists us to ensure we maximise the achievement of our strategic aims and objectives, and in doing so manage and mitigate the risks, challenges and opportunities that we face.

Details of the outcomes achieved in delivering our VFM objectives can be found within this VFM self-assessment. In our view, this self- assessment does more than simply demonstrate our compliance with the Regulator of Social Housing (RSH) VFM standard. We believe this self- assessment demonstrates that VFM sits at the very heart of everything that we do and that it remains 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 'a better future'. The way we use our resources is a crucial foundation in the associations Strategic Plan 2023-28 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 (2023-28) 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 'a better future' 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.

The VFM Strategy (2023-28) has been approved by board and six monthly 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 six monthly 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 certification below, confirms that the association has generated over 28 million pounds of social value during 2022/23. This provides a £42.94 return on every £1 invested. A summary of the relevant activities can be found in Table One.

Table One: Social Value Activity (HACT definition) 2022/23

Description of activity	Budget for this activity	Number of beneficiaries	Social value generated	Social value return
OVH Neighbourhood Services: Clear Rent	£110,000	622	£2,937,140	1 : 26.70
OVH Financial Inclusion Officers	£90,000	608	£10,097,810	1 : 112.20
One Vision Housing: Letting Properties to Those in Temporary Accommodation / Rough Sleeping	£155,068	564	£1,826,827	1 : 11.78
OVH Involved Tenants	£3,550	19	£37,582	1 : 10.59
Employee Training (OVH & Subsidiaries)	£200,767	774	£734,077	1 : 3.66
OVH Decoration Allowance / Paint Packs	£78,477	74	£807,156	1 : 10.29
OVH Home Contents Insurance Scheme	£1,000	545	£1,463,739	1 : 1463.74
OVH Community Projects: Christmas Activities &	£9,880	3,150	£5,407,479	1 : 547.32
OVH Community Projects: Connecting People	£1,616	445	£763,914	1 : 472.72
OVH Community Projects: SEND Holiday Club	£1,875	450	£285,120	1 : 152.06
Community Projects: Netherton Park	£1,500	100	£171,666	1 : 114.44
Community Projects: Jubilee Party in the Park	£2,242	2,000	£3,433,320	1 : 1531.36
Community Projects: Older Person's Day Event	£882	40	£68,666	1 : 77.85
Community Projects: Remembrance 2022	£1,370	80	£137,333	1 : 100.24
Community Projects: Altcar Remembrance 22	£250	60	£103,000	1 : 412.00
	£658,477	9,531	£28,274,829	1 : 42.94

Full details of the final, certified activities and outcomes generated will be reported in OVH's 2022/23 Annual Report, which will be published to all stakeholders in September 2023. Details will also be included on the OVH website.

VFM Objective - Making the best use of our assets

As at 31st March 2023 the total value of OVH's housing assets, including market rent investment units, was £342.4m, up from £314.3m on the 31st March 2022. This reflects an increase of £28.1m in the asset value. Other fixed assets are valued at £1.8m (2022: £3.6m), reflecting a £1.8m decrease due to the sale of Atlantic House in year. Stock of £556k is held, which relates to nine Shared Ownership properties pending sale.

The association increased it's low cost social / affordable housing to 12,696 (82 net increase) and it's non-social housing to 1015 (14 net increase) during 2022/23 (refer to Table Two below). This reflects the completion and handover of 157 new homes during 2022/23, less 67 net property sales and demolitions.

Table Two: OVH Stock figures and changes during 2022/23

Stock Type	2019	2020	2021	2022	2023	Change from 2022 to 2023
General Needs	10,907	10,917	10,803	10,654	10,627	(27)
Intermediate Rent*	70	128	186	193	257	64
Affordable Rent	319	398	552	751	826	75
Supported Housing	1,041	1,031	1,031	1,016	986	(30)
Total low cost social / affordable housing	**12,337**	**12,474**	**12,572**	**12,614**	**12,696**	**82**

Stock Type	2018	2020	2021	2022	2023	Change from 2022 to 2023
Shared Ownership	204	235	277	301	311	10
Leasehold	602	605	611	614	618	4
Market rent	92	93	85	86	86	-
Total non-social housing	**898**	**933**	**973**	**1,001**	**1,015**	**14**

* Intermediate includes “Rent to Buy” and “Mortgage Rescue” properties

Source: Figures are taken from the OVH 2023 SDR

51 RTB sales were completed during 2022/23 generating £0.69m of net proceeds, after £0.75m paid to Sefton MBC under the terms of the RTB Sharing Agreement. Furthermore, eight RTA sales occurred generating £0.64m of sales proceeds.

In 2022/23 157 new homes were developed. The total grant secured in 2022/23 was £2.9m. Total grant tranches received from prior and current years in 2022/23 was £4.9m

In 2022/23, 15 first tranche sales were completed, generating receipts totalling £1.22m and a net surplus on disposal of £0.25m, exceeding the forecast budget by £0.12m. There were nine unsold shared ownership plots at the end of the year.

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 (2023-28) 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 currently shows the associations stock operate at an average NPV of £60k. The majority of properties (98.8%) of properties have a positive NPV, leaving just 152 properties (1.2% of all homes) that have a negative NPV. When assessing any outliers for viability each is individually appraised to review their long-term viability with detailed assessments completed by our Asset Planning & Data Managers.

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 being redesigned early 2023/24, following an independent review and validation by Savills. This continues to be overseen by the Asset Management Steering Group.

The association has strived to maximise its stock occupancy during 2022/23 with void loss (routine and long term) at 0.83% (£508k), being 0.50% (£296k) of routine void loss and 0.33% (£212k) of strategic void loss where the association have actively withheld properties from relet pending options appraisal. The reletting of properties that became void during was completed on an average of 9.3 days (top quartile performance) with 40% (of available 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 was 99.52% at March 2023 and this was 1.00% below the year-end target. This compares to 99.90% at March 2022. The business plan prudently reflects 98.75% (1.25% bad debts). The association will continue to strive to maximise income collection and reduce arears/bad debt. This has been demonstrated by a rent collection target of 100.00% being set by the board of the association for 2023/24.

Proactive budget management and review throughout the year has resulted in efficiency savings exceeding our 2022/23 targets. Performance during 2022/23 is detailed in Table Three overleaf and this reports that the association realised £1.4m of operating cost savings, and £7.5m 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 2022/23, the association collected an additional £0.4m of income in rent and service charges by proactively supporting customers and sign posting for advice and support and ensuring fast and efficient turnaround of void units. It also reduced it's management costs by £0.6m through proactive budget management aimed at improving efficiency and effectiveness with back office services. These savings did not impact adversely on front facing customer services which continue to demonstrate high levels of satisfaction. £0.4m of these management cost savings have been reapplied to future business transformation projects whilst the remaining £0.2m were reapplied in year to fund one off cost of living payments. In addition, the association generated £0.8m of savings through realising additional VAT Shelter recovery, active treasury management and market rented/ leaseholder income.

Further efficiencies were generated as the association was able to generate a positive break gain of £1.1m on in year refinancing and received £4.9m of grant income from Homes England.

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

Table Three: Annual Efficiency Savings 2022/23

Stock Type	**How Achieved**	**Cash releasing £'000**	**Non-cash £'000**	**Total AES £'000**
Improved Rent Collection, Void Loss and Bac	Improved rent collection and void loss performance compared to the Business Plan	**429**	**-**	**429**
Management Cost	Overhead and other savings - all in year efficiencies c/fwd to next year to fund ongoing business transformation projects	**-**	**220**	**220**
Other Savings	Lower Hardship Fund, Reorganisational costs and Pension Strategy	**(21)**	**-**	**(21)**
VAT shelter income	Additional VAT Shelter Recovery	**444**	**-**	**444**
Financing Costs	Lower interest and refinancing	**164**	**-**	**164**
Other Activities	Market rent, proceeds on sales and exceptional	**183**	**-**	**183**
Operating Activity Gains		**1,199**	**220**	**1,419**
Gift Aid	Gift Aid payment from Sovini Development Limited	**32**	**-**	**32**
OVH phase two funding review	Positive break gain(non-recuring) - facilities A and C -RBS	**1,112**	**-**	**1,112**
HE Grant	In year grant receipts relating to completed and on-going development schemes.	**4,916**	**-**	**4,916**
Total 2022/23 AES Gains		**7,259**	**220**	**7,479**

Source: OVH 2022/23 VFM Compliance Statement

VFM Objective - Maximising opportunities through procurement

Table Four below, details the procurement activity savings achieved by the association during 2022/23. These have been generated from tender reviews and Dynamic Purchasing System (DPS) Mini Competitions. This has resulted in £699K savings.

Table Four: OVH Procurement Savings (2022/23)

2022/23 Project/Activity	Savings £000
CCTV	£229
Paint Packs	£131
Provision of Asbestos Management, Refurbishment/Demolition Surveys, asbestos consultancy works and	£53
Supply and Fit of Carpet/ Vinyl Flooring (Home Starter Pack)	£26
Lift Servicing	£208
HMS: Tender - CCS framework	£45
OVH Assets Annual Architectural Services	£2
Furniture Packages	£2
OVH Cost of Living Mailout	£3
Total	**699**

VFM Objective - Cooperation and collaboration through self-delivery

Term Partnering Agreement (TPA)

In 2018 the association undertook an OJEU Compliant 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 and deliver value for money. This will be completed again by the board in June 2023. 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 (COVID, BREXIT etc.).
- 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 2023, £32.76m (91%) of OVH's Asset Management Programme (£36.1m) has been completed "in house" via SPS, Amianto and Sovini Construction. In addition, Sovini Construction have completed £19.8m of New Build Development works for OVH. 157 units were delivered in the financial year 2022/223. OVH are carrying out a full review and update of the Development Programme (2022 to 2027). Funding for development will be approved by Board in June 2023.

VFM Objective - Regulatory Compliance and Customer Involvement

On the 14th of December 2022, the association received confirmation via the annual stability check, that it had maintained compliance with the regulatory standards through a 'G1'grading for Governance and a 'V2' grading for Viability, demonstrating compliance with the regulatory requirements including the 2018 VFM standard. This followed on from the compliance judgements awarded in August 2021, following the most recent In-Depth Assessment (IDA). No regulatory issues have been raised or identified during the course of 2022/23 with or by the Regulator of Social Housing. The board have also reviewed a self-assessment of compliance with the regulatory standards, ahead of certifying compliance in the 2022/23 financial statements. Evidence compiled during 2022/23 indicates that compliance with the regulatory standards (including with the 2018 VFM standard) is being maintained by OVH.

A Housing White Paper Steering Group and action plan is in place that has been implemented throughout 2022/23, to ensure that the requirements of the white paper, better social housing review and regulatory reforms are met. This includes actions designed to continue to meet the Government's agenda relating to strengthening the 'Customers Voice'. To support this, OVH board have approved a customer voice strategy, that was developed in consultation with tenants, and review in November 2022. A dedicated customer voice officer is in place to ensure tenants views continue to influence service delivery and performance through tenant forums and scrutiny reviews, with progress on scrutiny reviews reported to the Risk and Audit Committee with all completed as scheduled. During 2022/23 tenants undertook a scrutiny review of the association's complaints process. The outcome determined that the association adheres to its approved complaints process and tenants identified five areas that would improve the service further. The outcome and tenants' recommendations was reported to the associations Risk and Audit Committee in February 2023, and all recommendations have been completed by the 31st March 2023. Board reports now include a specific section on the customer voice to directly inform decisions considered and taken by the board.

Tenant Satisfaction Measures are in place aligned to regulatory requirements and went live on the 1st April 2023, monitoring and reporting on performance will take place continuously with tenants and board throughout 2023/24.

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 will be undertaken in 2023/24, aligned to the Tenant Satisfaction Measures published by the regulator during 2023/24.

VFM Objective - Excellent Performance and Customer Satisfaction

During 2022/23, the association has continued to maintain high levels of performance with three 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 2022/23					Housemark Quartile
	Value	**Target**	**Status**	**2021/22 Value**	**Trend**	
Rent collected as a % of rent due (social rent)	99.52%	100.52%		99.90%		4
Satisfaction with the lettings service (%)	92.6%	99%		95.80%		2
Sickness - % of hours lost	2.3%	2%		2.60%		1
Satisfaction with completed response repairs	97.3%	99%		96.40%		1
Satisfaction with improvement works (%)	90.5%	99%		94.70%		n/a
Satisfaction with ASB case handling (%)	89.8%	90%		88.50%		3
Rent loss due to void properties (social rent)	0.50%	0.30%		0.30%		1
Property Compliance	100.00%	100%		99.99%		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 we saw a reduction in some satisfaction surveys in 2022/23 overall satisfaction remained above the 95% target. Furthermore, Housemark 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, we have plans in place to rebuild satisfaction levels, through the implementation of a number of new initiatives.

Sickness

During 22/23 we continued to controlled and monitor our sickness absence levels to 2.3% (top quartile performance). Whilst this performance was slightly higher than our stretching target of 2%, this reflected several long term complex sickness absence cases. This performance was an improvement on the 2.6% achieved in 21/22 which, continued to be adversely impacted upon by the Covid pandemic. We continue to set stretching sickness absence targets and are developing further Health & Wellbeing programmes, including our Employee Assistance Programme.

Performance and cost benchmarking

The association is a member of a number of benchmarking groups including Housemark 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 2021/22 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. Tenancy Management (Turnover) has improved year on year to 6.93% in 2023/24, and is anticipated to move to ‘Good Performance’ during 2023/24.

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/low cost
Customer involvement	good performance/low cost
Customer services	good performance/low cost
Neighbourhood management	good performance/low cost
Community Investment	good performance/low cost

Back office services provided to the association as part of Service Level Agreements have also been bench-marked 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).

Customer Satisfaction

Cumulative satisfaction from the transactional surveys in 2022/23 (refer to table seven) was 92.63%. Two of the twelve surveys exceeded their stretching targets, and another five almost met their targets (several of these had high performance against very high targets).

Table Seven – Transactional Survey Performance 2022/23

Tenant satisfaction with:	**2022/23**	**Target**	**Performance**
% of tenants satisfied with repairs	97.30%	99.00%	
% of tenants satisfied with their gas service	99.24%	99.00%	
% tenants satisfied with their gas repair	96.04%	96.00%	
% of tenants satisfied with the adaptations service	97.77%	98.00%	
% of tenants satisfied with improvement works	90.46%	99.00%	
% of tenants satisfied with cleaning services	77.70%	92.00%	
% of tenants satisfied with grounds maintenance	88.50%	95.00%	
% of complainants satisfied with ASB case handling	89.77%	90.00%	
% of customers satisfied with the complaints process	66.67%	75.00%	
% of customers satisfied with the CSC	96.39%	97.00%	
% of tenants satisfied with the lettings process	93.12%	99.00%	
% tenants satisfied with the out of hours service	100.00%	95.00%	
Overall Satisfaction	**92.63%**	**95.00%**	

Table Eight overleaf, confirms the associations 2022/23 current year VFM performance as reported within the VFM metrics scorecard. It compares our 2022/23 performance against our initial forecast and against our 2021/22 (prior year) performance (including the National Median). It also provides a forecast of our ex-pected performance during 2023/24.

Table Eight: OVH VFM Performance 2022/23

	Indicator	National top Quartile 2021-22	Prior year Actual 2021-22	Current year forecast 2022-23	Current year Actual 2022-23	Next year Forecast 2023-24
1	Reinvestment %	8.60%	13.42%	13.16%	12.27%	13.41%
2	Operating margin	25.40%	32.60%	22.21%	25.06%	27.21%
3	EBITDA MRI (as a percentage of	197.50%	195.03%	108.41%	141.29%	158.17%
4	Units developed (as a percentage of units owned)	2.10%	1.90%	1.19%	1.24%	1.41%
5	Gearing	53.10%	74.12%	75.28%	72.51%	73.36%
6	Return on capital employed (ROCE)	3.90%	5.32%	4.12%	4.77%	5.25%
7	Headline social housing cost per unit	£5,180	£3,946	£4,119	£4,145	£4,036
8	Management cost per unit	N/A	£753	£888	£881	£877
9	Service Charge cost per unit	N/A	£351	£353	£363	£441
10	Maintenance cost per unit	N/A	£1,195	£1,282	£1,406	£1,357
11	Major Repairs cost per unit	N/A	£1,595	£1,529	£1,443	£1,287
12	Other cost per unit	N/A	£53	£67	£52	£74
Additional Value for Money Metrics						
13	Operating margin (Social Housing	28.50%	21.36%	21.96%	24.55%	25.55%
14	Units developed (Social Housing units)	n/a	251	155	157	181
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	0.26	0.31	0.38	0.36
17	Rent collected	N/A	99.90%	100.52%	99.52%	100.00%

This information was shared with and approved by OVH Board as part of the 2022/23 VFM Report.

VFM Objective - Excellent Performance and Customer Satisfaction (continued)

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 2022/23 was £29.2m (157 new homes, 2 more than forecast) and £5.2m lower than the approved budget. This underspend is primarily due the expected land purchase of Stockham Lane now due to complete post year end. Expenditure within the investment programme, was £18.27m (92% of the total Programme) - this was £1.64m lower than budget forecast.

2 & 13 Operating surplus (£17.1m) is £2.0m higher than anticipated. This is mainly attributable to our assets progress where we have incurred higher property maintenance costs of £1.1m which includes £0.8m of prioritised DMC remedial works and £0.4m of accelerated works to reduce the backlog of outstanding repairs offset by timing delays in the property investment programme of £2.1m. Furthermore costs reflect the approved one off COL payment made in March to staff/board members. In addition we have generated cash efficiencies thorugh our VAT Shelter recovery and through higher asset sales than forecast.

3 EBITDA MRI is higher than forecast mainly due to our £2m higher operating surplus than anticipated as explained above resulting from 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 & 14 157 homes were completed in 2022/23 (£29.2m gross development programme). It is forecast that £43.4m will be spent building 181 new homes in 2023/24.

5 This reflects that OVH assets are held at historic cost, and that through active treasury management we have been able to complete the majority of its major works programme (92%) in year, yet retain loan drawdowns at a minimum. As such OVH's asset cost increased by £30.1m as at 31 March 2023 whilst our loans dependence only grew by £16.9m (an effective 56% gearing for in year activity).

6 4.77% reflects an operating surplus of £15.3m (excluding fixed asset sales) over a capital employed of £320.6m (total assets less current liabilities).

7 The Headline CPU is reporting £26 per unit higher than forecast reflecting the positive impact of lower management costs £7, Major repairs £186 & other costs, £15, offset by higher maintenance costs, £124 per unit.

8 Management CPU is lower than forecast by £7 per unit this is due to an embedded culture of active budget management and some minor delays in the implementation of the current phase of business transformation projects.

9 The service charge CPU is £10 per unit higher than forecast, reflecting the current estimated service charge debit of £4.6m in 2022/23.

10 Maintenance CPU is reporting £124 higher per unit which reflects the increased DMC works completed.

11 The major repairs CPU is £86 lower than reforecast, as a consequence of the £1.64m underspend, this is due to programme delays /underspends on various improvement programmes and requested to be carried forward into 23/24.

12 Other costs CPU is £15 lower than expected, reflecting the consistent strong rent collection performance at 31 March 2023 (99.37%) and the consequential lower bad debt provision (£101k lower).

15 Last STAR survey was completed in 2021/2022. With a value of 95% (this was the same as the previous STAR survey in 2019/20). STAR is now being undertaken Monthly and includes the TSM Perception questions. This is due for completion at the end of 2023/24

16 Responsive repairs is reporting £1.1m higher for the year as a result of our proactive response to tackle DMC repairs (£0.8m) and our proactive attempt to reduce the repair WIP volumes, whilst improvement programme works are lower overall by £2.0m due to slippage on the component replacement aspect of the programme. Which has created an increased weighting towards responsive rather than planned works in year.

17 Rent collection performance for year end was 99.52% which was 1.00% below the stretching target of 100.52%. Void loss (routine and long term) was 0.83% (£508k).

We continue to work with all our stakeholders including our customers, board members, 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.