

# Value For Money Self-Assessment

2023/24

## 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. We continually endeavour to be one of the best registered providers in the country, offering excellent VfM in the services accessible to our customers as well as making the best use of our assets and re-sources to ensure we meet our objectives within our VfM strategy. This ensures that OVH remains compliant with the VfM standard and embeds a VfM culture which is focussed on continuous improvement and efficiency.

OVH strive to maximise the creation of additional financial capacity for reinvestment in our existing and new homes and communities and through the achievement of our corporate objectives, add value to enhance our social, economic and environmental impacts and return. VfM is at the heart of everything we do and is a key component of our continuing achievement. This VfM self-assessment, provides a year-end position statement for 2023/24 in achieving the VfM objectives and aims for OVH.

To date we have developed and deployed a robust and challenging approach to the pursuit of VfM. During 2023/24 the association delivered £4.0m of efficiency savings (£145.2m cumulative since 2006) as well as delivering high quality services that meet our customers' expectations and improve our services to them. Overall customer satisfaction taken from the transactional Surveys shows a slight increase during 2023/24 from 92.6% to 92.8%. This is top quartile performance when compared with our peers and the target for the association is to remain top quartile in all areas of service delivery.

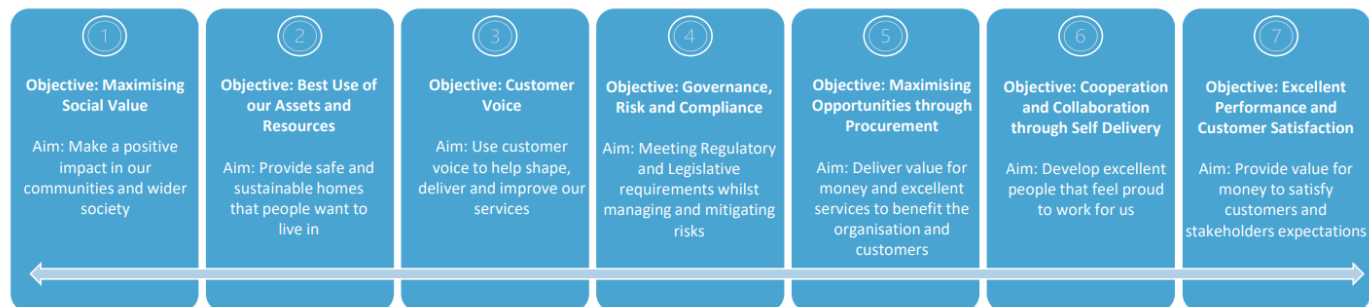
Our strong financial position and refinancing has underpinned our ambitious development programme, with £132.6m committed to delivering 861 new homes from 2024 to 2028. During 2023/24 162 new home completions were achieved. We have worked in partnership with Sovini Construction Limited, who assist us to self-deliver a significant proportion of our development programme.

Given the current economic climate and higher than expected rates of inflation, the government took the decision to limit the annual rent increase to a maximum of 7% (exclusive of supported housing / independent living) for the rent period 2023-24. This required the association to drive efficiency measures and identify areas where we could make savings without adverse impact on customers or services to planned expenditure, until more favourable economic conditions return. This includes preparing for the introduction of the new Decent Homes Standard and changes in legislation e.g. Awaabs Law which, is likely to place further financial constraints on the association. The recently announced rent policy confirmation of CPI plus 1% for 2024/25 and 2025/26, is therefore very much welcomed.

Despite the pressures and challenges that we face as a housing provider, 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, all whilst achieving VfM. No regulatory issues have been raised or identified throughout 2023/24 or beforehand, the Regulator of Social Housing (RSH) upgraded OVH's viability from V2 to V1 in December 2023. The RSH will be rating housing associations under a new "C-rating", depending on how well they comply with the new consumer standard. As such, there remains to be significant challenges in the operating environment and we continue to be vigilant.

## What is Value for Money (VfM) at One Vision Housing?

We have reviewed our VfM objectives and implemented new aims which will now be embedded going forward. In addition, each objective will have a several key performance measures that will be assessed and updated at the agreed timescales.



Due to our clear strategic approach to VfM planning and transparency in reporting VfM to key internal and external stakeholders, we are assured that the association is compliant with the VfM standard.

## What is our Vision, Mission and Values?

**Our Vision:** A better future

**Our Mission:** Creating opportunities, changing lives

**Our Values:**

- **Success** – we will be the best
- **Passion** – we love what we do
- **Authenticity** – we do what we say we will do
- **Courage** – we dare to be different
- **Enterprise** – we never stand still

The OVH's VfM objectives are specifically linked to delivering OVH's overall strategic aims:

- Delivering specialist housing services
- 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 always aim to achieve and excel in the way we deliver services, which runs alongside our Performance Management Framework (PMF) that details the mechanisms for monitoring and reporting performance, costs and outcomes for our customers. During 2023/24 we established a dedicated 'Customer Experience Team' with specific resources in place to ensure customers views continue to influence service delivery and performance. In addition, the OVH Board have approved a revised Customer Voice Strategy on 1st December 2023. We continue to adopt, monitor and report on the Tenant Satisfaction Measures (TSMs) to ensure we are compliant.

We continue to regularly review our Risk Appetite and undertake single, multi variant and destruction stress testing on our Business Plan and its underlying assumptions. We use our Risk Management Framework (RMF) to assess and where possible mitigate any risks that occur or are expected.

## Our Board

The Board have a strong emphasis and understanding of VfM. Through the robust business planning process they establish a budget and regularly review and scrutinise throughout the year to assess the quality of service and the performance. 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.

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 possible and the association can respond (as necessary) to changes in a timely and effective way.

The 2023/24 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 (2024-29) was presented to the Board in July 2024 for review and approval; following this the VfM strategy will now be reviewed on an annual basis and presented to the Board. In addition, a six monthly VfM update report is produced to update the Board and the Risk and Audit Committee on progress. These both provide the Board with assurance that we continue to achieve our VFM objectives and aims.

### VfM Objective One - Maximising 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 verified and certified on an annual basis.

Due to the introduction of the VfM Officer role, they have been working closely with HACT to ensure the social value outcomes are captured and the most appropriate outcome targets are applied. HACT continue to develop their portal including outcome targets which has meant we have been able to report on social value that we previously couldn't and allocate more suitable outcomes. In addition, Social Value Champions have been implemented across the whole of the Sovini Group, internal reporting processes have been embedded and increased emphasis on social value has resulted in an increased social value outcome for OVH.

The HACT certification below, confirms that the association has generated in 2023/24:

- Actual Social Value Activity: **£20,954,531.59 (Social Return on Investment £1:£39.06)**
- Indicative Social Value Activity: **£55,144,012.77 (Social Return on Investment £1:£1839.91)**
- Total Social Value: **£76,098,544.36**

A summary of the relevant activities can be found in the below table:

Actual Social Value Activity (HACT definition) 2023/24:

Programme	Total Social Value
Apprenticeships	£478,553.60
EPC - from a E to a C	£2,385.00
EPC - From a D to a C	£55,176.00
Employee Training	£712,263.42
Letting Properties to Those in Temp Accom	£923,196.56
Letting Properties to Those Rough Sleeping	£875,482.74
Home Contents Insurance	£2,743,534.29
OVH Clear Rent Accounts	£229,057.92
OVH Decoration Paint Packs	£14,781,333.60
OVH Decoration Paint Packs	£153,548.46

Indicative Social Value Activity (HACT definition) 2023/24:

Activity	Total Social Value
Beat the Blues Event	£380,700.00
Bianca Street Community Garden	£550,200.00
Bootle Strand Christmas Tree Light Up	£11,421,000.00
Community Development: King's Coronation Party in Derby Park	£13,324,500.00
Community Development: Little Helper's Programme	£211,968.12
Equilibrium North West CIC - Magic Christmas	£2,284,200.00
Event at Royal Court for OVH Customers	£76,140.00
Food/Hygiene Pallet – Weightmans Donation	£76,140.00
Food/Hygiene Pallets – SED Donation	£1,771,713.00
Food/Hygiene Pallet Donation from OVH	£10,748,392.20
Ford Gem Morris Dancers	£153,548.46
Julie Lawson CIC - Plaza Cinema Events	£1,903,500.00
Marshside Fog bell	£190,350.00
Netherton Park Neighbourhood Centre Children's and Adults parties	£4,111,560.00
Northfield Community Centre Christmas Party	£212,605.56
Older Persons Day (Netherton Park Neighbourhood Centre)	£266,490.00
OVH - Neighbourhood Support Project	£611,910.00
OVH 12 Days of Christmas	£61,926.00
OVH Financial Inclusion Officers	£698,990.11
Remembrance Day at Altcar	£380,700.00
Coffee Morning at Bishops Court	£13,733.28
Customers Christmas Party - Mill Spring Court	£76,140.00
Customers Coffee Morning - Mill Spring Court	£13,733.28
Squashie Play Project / Café Thursday	£228,420.00
United for Uniforms	£1,830,770.10
Christmas Lunch for veterans and families	£152,280.00
Veterans in Sefton - Christmas Lunch	£685,260.00
Veteran's HQ - Kickstart 2 Health	£156,452.66
We Love Our Communities - Social Isolation	£190,350.00
Southport Veterans - Christmas Lunch	£152,280.00
Baytree Cookery Academy CIC - Socially Isolated Christmas Lunch	£685,260.00
Breckfield and North Everton Christmas Parties	£1,142,100.00
Repairs and Maintenance Guidance Videos	£380,700.00

Details of the certified activities and outcomes generated will be reported in the 2023/24 Annual Report.

## VfM Objective Two – Best Use of Our Assets and Resources

As at 31st March 2024 the total value of OVH's housing assets, including market rent investment units, was £377.7m, up from £342.4m on the 31st March 2023. This reflects an increase of £35.3m in the asset value. Other fixed assets are valued at £2.1m (2023: £1.8m). Stock of £333k is held, which relates to six shared ownership properties pending sale.

The association increased its low cost social/affordable housing to 12,771 (75 net increase) and its non-social housing to 1,077 (62 net increase) during 2023/24 (refer to Table Two overleaf). This reflects the completion and handover of 162 new homes during 2023/24, less 25 net property sales and demolitions.

**Table Two:** OVH Stock figures and changes during 2023/24.

Stock Type	2020	2021	2022	2023	2024	Change from 2023 to 2024
General Needs	10,917	10,803	10,654	10,627	10,616	(11)
Intermediate Rent*	128	186	193	257	291	34
Affordable Rent	398	552	751	826	892	66
Supported Housing	1,031	1,031	1,016	986	972	(14)
<b>Total low cost social / affordable housing</b>	<b>12,474</b>	<b>12,572</b>	<b>12,614</b>	<b>12,696</b>	<b>12,771</b>	<b>75</b>

Stock Type	2020	2021	2022	2023	2024	Change from 2023 to 2024
Shared Ownership	235	277	301	311	365	54
Leasehold	605	611	614	618	624	6
Market rent	93	85	86	86	88	2
<b>Total non-social housing</b>	<b>933</b>	<b>973</b>	<b>1,001</b>	<b>1,015</b>	<b>1,077</b>	<b>62</b>

Source: Figures are taken from the OVH 2024 SDR

We facilitated 24 right to buy (RTB) sales during 2023/24, generating £0.25m of net proceeds after £0.51m paid to Sefton MBC under the terms of the RTB Sharing Agreement. Furthermore, five right to acquire (RTA) sales were completed generating £0.44m of sales proceeds.

In 2023/24, 55 first tranche sales were completed, generating receipts totalling £0.3m and a net surplus on disposal of £0.1m. There were six unsold shared ownership plots at the end of the year.

Four shared ownership properties fully staircased during the year, generating £0.27m in sales receipts.

The total grant secured in 2023/24 was £2.9m. Total grant tranches received from prior and current years in 2023/24 was £2.5m.

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 (2024-29) 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 £51k. The majority of properties (95%) of properties have a positive NPV, leaving just 683 properties (5% 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 and 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 has been fully reviewed throughout 2023/24 by officers and an independent audit has been completed by Savills. No significant deficiencies were identified, and all recommendations have been considered and where appropriate implemented. Ongoing analysis and assessment of the process will continue as standard practice with a dedicated working party that feed directly into our Asset Management Steering Group.

The association has strived to maximise its stock occupancy during 2023/24 with void loss (routine and long term) was 0.44%, (0.26%: £175k after accounting for the prior year and decant programme void review) which is 0.04% (£22.7k) higher than target. The reletting of properties that became void during was completed on an average of 9.9 days (top quartile performance) with 32% (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 98.74% at March 2024 and this was 1.26% below the year-end stretching target. This compares to 99.52% at March 2023. The business plan prudently reflects 98.75% (1.25% bad debts). The association will continue to strive to maximise income collection and reduce arrears/bad debt. This has been demonstrated by a rent collection stretching target of 100.00% being set by the board of the association for 2024/25.

Proactive budget management and review throughout the year has resulted in efficiency savings exceeding our 2023/24 targets. Performance during 2023/24 is detailed in Table Three overleaf and this reports that the association realised £0.9m of operating cost savings, and £4.0m 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 2023/24, the association reduced its management costs by £0.14m 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. In addition, the association generated £0.11m of savings on the development programme due to lower marketing costs, and £0.08m of leaseholder assistance savings.

Further efficiencies were generated as the association was able to save £0.6m on in year interest payable costs and received £3.0m 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 2023/24**

Stock Type	How Achieved	Cash releasing £'000	Non-cash £'000	Total AES £'000
Management Cost	Vacancy management savings achieved at year end. These savings have been re-applied to offset the impact of unbudgeted expenditure (higher insurance and non budgeted hub office costs).	-	141	141
Development Programme	Lower abortive, marketing and external consultancy / fee costs.	116	-	116
Other Savings	Lower customer financial assistance costs	81	-	81
Financing Costs	Lower interest payable and refinancing costs	581	-	581
<b>Operating Activity Gains</b>		<b>778</b>	<b>141</b>	<b>919</b>
Gift Aid	Gift Aid payment from Sovini Development Limited	15	-	15
HE Grant	In year grant receipts relating to completed and on-going development schemes.	3,025	-	3,025
<b>Total 2023/24 AES Gains</b>		<b>3,818</b>	<b>141</b>	<b>3,959</b>

Source: OVH 2023/24 VFM Compliance Statement

The Group's Procurement Team developed a VfM Tracker to record financial, non-financial savings (including efficiencies) and cost avoidances that are not projected and not included in the compliance statement. We are currently embedding the culture for colleagues across the Group to report back any financial and non-financial savings that are not expected including successful funding opportunities, negotiation savings, environmental upskilling of staff and so on. In May 2024, the Board were advised a total of £217,460 spend was saved and a total of £199,947 costs avoided.

Funding has been received for the following, and reported to the relevant Boards throughout 2023/24. Securing this funding has assisted the association to develop and improve homes.

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

- OVH - Affordable Homes Funding – Station Road, Wrenbury - £2.5m
- OVH - Wave One Social Housing Decarbonisation Fund - £452k
- OVH – Green Homes Grant Funding for Thackery and Galsworthy - £160k

### VfM Objective Three – Customer Voice

In preparation of the introduction of the new Consumer Standards, we have reviewed our Customer Voice Strategy which, was approved by the Board in December 2023 and following this we reorganised our staffing to bring together a 'Customer Experience Team'. All areas associated with customer voice and experience report to the newly appointed Head of Customer and Business Transformation. This team will provide specific resources to ensure customers views continue to influence service delivery and performance.



As part of the Customer Experience Team, we have created a Quality and Assurance role to help improve the quality of our communications with customers and ensure we are compliant with the Regulatory guidance and expectations. Furthermore, we have established a ‘Knowing Our Customers’ project group with a view to ensuring OVH are equipped to respond to recently reshaped consumer regulations, by taking tenants’ views into account in our decision making and providing equitable access and outcomes.

A review was undertaken throughout 2023/24 of the current arrangements for collecting and utilising customer data and insight across OVH along with support from the IT Team to ensure we have the appropriate software systems in place, including the new Customer Voice 365 software.

Areas within Customer Involvement include:

- Customer Voice
- Customer Complaints
- Customer Insights
- Outbound Surveys
- Stakeholder Engagement

Home and Neighbourhood	Community and Environment	Collaboration Groups	Customer Assurance
Home & Neighbourhood Steward	High-Rise Building Safety Group	Policy Group	Service Review Group
Service Quality Inspector (mystery shopper)	Communal Champion	Brand Group	Scrutiny Panel
Hot Topic Group	Environmental Champion	Community Funding Panel	Board Member (lived experience)
	Community Hero	Complaints Panel (Compliant Auditors)	

In April 2023, the Regulator published the Tenant Satisfaction Measures (TSMs) Standard which we have adopted, monitored and reported on performance continuously throughout 2023/24. Quarterly reports are presented to OVH Board, as part of the Quarterly Performance Reports. The following TSM results for 2023/24 have been reported to the RSH in June 2024.

STAR and TSM Survey Data: April 2023 – March 2024					
Code	Question	Satisfied	Dissatisfied	Target	Top Quartile
TP01	Taking everything into account how satisfied or dissatisfied are you with the service provided by OVH?	86.6%	13.4%	85.0%	79.2%
TP02	How satisfied or dissatisfied are you with the overall repairs service from OVH over the last 12 months?	79.9%	20.1%	84.9%	80.0%
TP03	How satisfied or dissatisfied are you with the time taken to complete your most recent repair after you reported it?	81.9%	18.1%	80.2%	76.3%
TP04	How satisfied or dissatisfied are you that OVH provides a home that is well maintained?	87.6%	12.4%	76.6%	80.0%
TP05	Thinking about the condition of the property or building you live in how satisfied or dissatisfied are you that OVH provides a home that is safe?	92.2%	7.8%	87.3%	85.6%
TP06	How satisfied or dissatisfied are you that OVH listens to your views and acts upon them?	81.9%	18.1%	72.3%	69.4%
TP07	How satisfied or dissatisfied are you that OVH keeps you informed about things that matter to you?	90.2%	9.8%	81.4%	78.8%
TP08	To what extent do you agree or disagree with the following OVH treats me fairly and with respect?	96.2%	3.8%	85.2%	84.6%
TP09	How satisfied or dissatisfied are you with OVH approach to complaints handling?	44.3%	55.7%	61.3%	42.0%
TP10	How satisfied or dissatisfied are you that OVH keeps these communal areas clean and well maintained?	74.4%	25.6%	75.3%	72.4%
TP11	How satisfied or dissatisfied are you that OVH makes a positive contribution to your neighbourhood?	88.2%	11.8%	75.3%	74.0%
TP12	How satisfied or dissatisfied are you with OVH approach to handling anti-social behaviour?	66.5%	33.5%	64.8%	64.0%

The work undertaken throughout 2023/24 will continue into 2024/25, ensuring OVH create a culture of inclusivity between our board, employees and customers, allowing for greater transparency, influence and accountability.

## VfM Objective Four – Governance, Risk and Compliance

OVH continue to maintain their compliance with the regulatory standards through a ‘G1’ grading for Governance and a ‘V1’ grading for viability. No regulatory issues have been identified or raised during the course of 2023/24 with or by the RSH.

The Board have reviewed a self-assessment of compliance with the regulatory standards, ahead of certifying compliance in the 2023/24 financial statements. Evidence compiled during 2023/24 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 2023/24, 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 and have a dedicated 'Customer Experience Team'.

Tenant Satisfaction Measures are in place aligned to regulatory requirements and went live on the 1<sup>st</sup> April 2023, monitoring and reporting on performance will take place continuously with customers and Board throughout 2024/25.

We have a strong and effective Board structure, our members are focussed on strategic objectives and risk management. Our Board regularly review our risk appetite and undertake single, multi variant and destruction stress testing on our Business Plan and its underlying assumptions to ensure we understand and quantify the impact our key risks on our business.

Ultimate accountability for the control and management of risk rests with the Board, who throughout 2023/24 have ensured that an appropriate, robust, and prudent business planning, risk and control framework is in place and operating effectively and will continue to do so. In addition to the Board the Risk and Audit Committee have assisted the Board in matters relating to risk and audit.

We continue to work in partnership with our internal and external auditors to gain independent assurance on effective risk management, governance and internal control processes and implement recommendations should they arise.

## VfM Objective Five - Maximising Opportunities Through Procurement

The below table details the procurement activity savings achieved by the association during 2023/24. These have been generated from procurement exercises, Dynamic Purchasing System (DPS) and Framework Mini Competitions. This has resulted in £355,955 of savings.

Subsidiary	Project Description	Overall Savings £
OVH	Letterheads	50
OVH	OVH Outdoor Signs	68
OVH	Paint and Decoration Packs	15,720
OVH	Legionella Monitoring and Control Services	42,664
OVH	Fire Risk Assessment and Fire Compartmentation Surveys and	78,966
OVH	Aid and Adaption Equipment Supply	1,583
OVH	Home swapper Renewal	15,651
OVH	PD and CDM Advisor Duties	56,097
OVH	Valuation Consultancy for Sovini Developments	6,375
OVH	Retrofit Assessments - Consultancy Services	62,051
OVH	EA Services at Moor Lane	49,069
OVH	EA Services at Stockham Lane	27,661
		355,955

Additionally, there are contracts we have procured under Sovini that benefit OVH and other parts of the Sovini Group.

Subsidiary	Project Description	Overall Savings £
Sovini	VIPRE Web Security – Advanced - Addon & Guest Wi-Fi Security x 1	5,777
Sovini	Leasing of MFDs	25,981
Sovini	Provision of a Performance Management Software System	108,028
Sovini	All Group Stationery	3,034
Sovini	1 x Confidential Waste Bin Containers & Monthly Collection at Heysham	78
Sovini	Cisco Flexpod NetApp Hardware Support	6,792
Sovini	Group SharePoint Consultancy	47,530
Sovini	Mobile Voice & Data	200,855
		398,075

## VfM Objective Six - Cooperation and Collaboration Through Self-Delivery

The association continue to have a Term Partnering Agreement (TPA) with Sovini Commercial Companies for works comprising of repairs, planned, voids, services and new build. Having this TPA in place allows for closer collaboration working with other companies within the Sovini group to delivery VfM services through:

- Greater visibility (interfacing systems and 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 the unstable operating environment (heightened supply chain risks (subcontractor administration, world affairs and macro economic risks)
- Added value through collaboration leading to innovative system development (Bistrak), local labour, reduced carbon footprint, social value pledges to local communities

The TPA arrangements were reviewed by the Board in July 2023 and extended to 2033 to ensure they continue to meet the long term requirements of the association and deliver VfM. In addition to reporting to the board, the performance of the TPA is monitored by officers via the monthly meetings.

The association continue to benchmark performance through HouseMark, Vantage, HQN and Liverpool City Region Benchmarking Group to ensure it continues to deliver VfM for the association.

The TPA also evidences VfM through the following:

- Recently major works have been approved on the basis that OVH are achieving VfM
- Greater certainty leading to improved customer service and 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

An independent benchmark was undertaken in Quarter One (2023/24) which focused on the delivery, performance, training, costs, and margin/ profit of Sovini Property Services (SPS) to OVH. The outcome of the report confirmed that OVH are achieving VfM from SPS and the findings from this exercise was reported to Board during June 2023 and also to the OVH Board Away Day.

Additionally, due to the Sovini Group’s unique business model the Sovini Commercial companies have demonstrated their contributions towards social value using the TOMs (Themes, Outcomes, Measures) methodology as follows




- Sovini Property Services - £27.25m of social value in 2023/24
- Sovini Construction - £15.11m of social value in 2023/24 delivering the following three projects Conway Point £3.6m, Mountwood Gardens £7.5m and Centre10 £1.81m
- Sovini Trade Supplies - £9.29m of social value in 2023/24
- Sovini Waste Solutions - £1.17m of social value in 2023/24
- Amianto Services - £2.57m of social value in 2023/24
- Teal Scaffold - £1.39m of social value in 2023/24

















As at 31st March 2024, £29.4m (89%) of OVH’s Asset Management Programme (£33.1m) was completed “in house” via the TPA. In addition, Sovini Construction have completed £25.8m of New Build Development works for OVH out of £42.8m.

OVH have carried out a full review and update of the Development Programme (2024 to 2028). Funding for this development programme was approved by Board in June 2024.

## VfM Objective Seven - Excellent Performance and Customer Satisfaction

### Performance and Cost Benchmarking

<b>Key</b>	
	Target achieved
	Target in progress
	Target not achieved

Performance Indicator	Year end 2023/24					Housemark Quartile
	Value	Target	Status	2022/23 Value	Trend	
Rent collected as a % of rent due (social rent)	98.74%	100%		99.50%		4
Satisfaction with the lettings service (%)	94.0%	95%		93.10%		1
Sickness - % of hours lost	2.3%	2%		2.32%		1
Satisfaction with completed response repairs	95.1%	95%		97.30%		1
Satisfaction with improvement works (%)	98.9%	95%		90.46%		n/a*
Satisfaction with ASB case handling (%)	89.7%	90%		89.80%		1
Rent loss due to void properties (social rent)	0.44%	0.40%		0.50%		1
Property compliance	100%	100%		100.00%		n/a*

\* KPI's which aren't scored against the Housemark data, these are KPI's OVH use internally, but Housemark do not report sector data on.

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 2022/23 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. Rent arrears and collection has moved towards Good performance but remains low cost. Customer Services remained low cost and has increased in performance for 2023/24. Average wait time for calls to be answered has reduced however average handling time has increased to incorporate rent conversations. The customer service centre first point resolution remains above target at 93% therefore reducing the impact of enquiries passed to other business areas.

#### Housemark VfM Assessment Table:

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

The back office services provided to the association 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.

## Customer Satisfaction

OVH Overall Satisfaction (Transactional surveys) is 92.8% for 2023/24, this is an increase from last year's satisfaction 92.6%. This falls below the target of 95%, but remains Top Quartile Performance when compared with our Peers.

Cumulative satisfaction from the transactional surveys in 2023/24 (refer to below table) was 92.8%. Three of the twelve surveys exceeded their stretching targets, and another six almost met their targets (several of these had high performance against very high targets).

### Transactional Survey Performance 2023/24 Table:

Tenant satisfaction with:	2023/24	Target	Performance
% of tenants satisfied with repairs	95.10%	95.00%	✓
% of tenants satisfied with their gas service	99.80%	99.00%	✓
% tenants satisfied with their gas repair	97.80%	98.00%	▲
% of tenants satisfied with the adaptations service	97.50%	99.00%	▲
% of tenants satisfied with improvement works	98.90%	95.00%	✓
% of tenants satisfied with cleaning services	81.10%	92.00%	●
% of tenants satisfied with grounds maintenance	88.70%	95.00%	●
% of complainants satisfied with ASB case handling	89.70%	90.00%	▲
% of customers satisfied with the complaints process	58.80%	75.00%	●
% of customers satisfied with the CSC	96.80%	97.00%	▲
% of tenants satisfied with the lettings process	94.00%	95.00%	▲
% tenants satisfied with the out of hours service	Not undertaken in 2023/24		
<b>Overall Satisfaction</b>	92.80%	95.00%	

Table Eight overleaf, confirms the associations 2023/24 current year VfM performance as reported within the VfM metrics scorecard. It compares our 2022/23 performance against our initial forecast and against our 2022/23 (prior year) performance (including the National Top Quartile). It also provides a forecast of our expected performance during 2023/24.

**Table Eight – OVH VFM Performance 2023/24**

	<b>Indicator</b>	<b>National Top Quartile 2022-23</b>	<b>Prior Year Actual 2022-23</b>	<b>Current Year Forecast 2023-24</b>	<b>Current Year Actual 2023-24</b>	<b>Next Year Forecast 2024-25</b>
<b>1</b>	Reinvestment %	9.40%	12.27%	14.95%	13.66%	11.64%
<b>2</b>	Operating margin	23.00%	25.06%	20.61%	22.29%	23.24%
<b>3</b>	EBITDA MRI (as a percentage of interest)	169.00%	141.29%	128.56%	143.47%	146.48%
<b>4</b>	Units developed (as a percentage of units owned)	2.20%	1.24%	1.81%	1.22%	2.10%
<b>5</b>	Gearing	53.70%	72.51%	73.02%	72.82%	72.89%
<b>6</b>	Return on capital employed (ROCE)	3.60%	4.77%	5.02%	5.04%	5.25%
<b>7</b>	Headline social housing cost per unit	£5,847	£4,145	£4,057	£3,869	£4,133
<b>8</b>	Management cost per unit	N/A	£881	£892	£893	£951
<b>9</b>	Service Charge cost per unit	N/A	£363	£411	£412	£465
<b>10</b>	Maintenance cost per unit	N/A	£1,406	£1,590	£1,503	£1,590
<b>11</b>	Major Repairs cost per unit	N/A	£1,443	£1,094	£1,005	£1,054
<b>12</b>	Other cost per unit	N/A	£52	£69	£56	£74

**Additional Value for Money Metrics**

<b>13</b>	Operating margin (Social Housing)	25.50%	24.55%	21.87%	22.70%	24.27%
<b>14</b>	Units developed (Social Housing units)	n/a	157	239	162	280
<b>15</b>	Customers satisfied that their rent provides value for money	N/A	95.00%	91.30%	90.40%	91.00%
<b>16</b>	Ratio of responsive repairs to planned	N/A	0.38	0.38	0.41	0.41
<b>17</b>	Rent collected	N/A	99.52%	100.00%	98.74%	100.00%

<b>1</b>	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 2023/24 was £42.6m (162 new homes, 77 less than forecast) and £6.5m lower than the approved budget. This underspend is primarily due the slippage of land purchase at Grafton (£3.2m) and site delays at Wrenbury, Moor Lane, Goals and Station Lane. Expenditure within the investment programme, was £13.29m (92% of the total programme), this was £1.15m lower than budget forecast.
<b>2 &amp; 13</b>	Operating surplus (excluding fixed asset sales) of £18.26m is £0.6m higher than anticipated. This is mainly due to lower maintenance and repairs spend by £1.7m, higher income of £0.3m and lower other expenses £0.7m, offset against impairment of housing stock totalling £1.8m, relating to the two high rise blocks decanted within 23/24.
<b>3</b>	EBITDA MRI is higher than forecast mainly due to our £1.3m higher operating surplus than anticipated as explained above resulting from lower maintenance and repairs spend of £1.7m.
<b>4 &amp; 14</b>	162 homes were completed in 2023/24 (£42.8m gross development programme). It was forecast that £49.1m will be spent building 239 new homes in 2023/24.
<b>5</b>	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 £37.6m as at 31 March 2024 whilst our loans dependence only grew by £23.4m (an effective 63% gearing for in year activity).
<b>6</b>	5.04% reflects an operating surplus of £18.2m (excluding fixed asset sales) currently over a capital employed of £361.9m (total assets less current liabilities).
<b>7</b>	Headline CPU is reporting £189 per unit lower than forecast reflecting the positive impact of lower maintenance costs of £87 and major repairs £89 per unit.
<b>8</b>	Management CPU as highlighted above is slightly lower than anticipated due to £40k savings against management costs in 2023/24 this is due to an embedded culture of active budget management.
<b>9</b>	Service charge CPU is slightly more than forecast , reflecting the current estimated service charge debit of £5.4m in 2023/24.
<b>10</b>	Maintenance CPU is reporting £87 lower per unit which reflects the £1.1m saving compared to forecast largely due to lower volumes of voids, lower average void rate costs, lower asbestos and disrepair works.
<b>11</b>	The major repairs CPU is £89 lower than reforecast per unit, as a consequence of the £1.15m underspend, this is due to number of completed elements was 174 lower than budgeted mainly due to full heating systems being installed rather than just boiler replacements.
<b>12</b>	Other costs CPU is £13 lower than expected, reflecting the lower bad debts provision of £549k in 2023/24, £174k lower than anticipated forecast.
<b>15</b>	STAR survey was completed in 2022/23 and is due to be completed again in 2024/25 However due to the introduction of the TSMs, a STAR survey including TSM questions will be carried out in 2023/24.
<b>16</b>	Responsive repairs as a ratio of planned preventative maintenance spend, was lower by £0.2m due to lower volume of void repairs at 76 lower than forecast also with an average rate lower than predicted, whilst improvement programme works were lower by £608k net capitalisation.
<b>17</b>	Rent collection performance for year end was 98.74% which was 1.26% below the stretching target of 100.00%. Void loss (routine and long term) was 0.26% (£175k).

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.