Red Kite Community Housing Ltd

Value for Money Report
2023

Extract from the Annual Report and Accounts
For the Year Ended 31st March 2023

Partnership • Respect • Pride
Realising the potential in our communities

Strategic Report (continued)

Value for Money Report

Overview

This report, prepared according to the Value for Money Standard April 2018, relates to the period 1st April 2022 to 31st March 2023. It has been prepared in light of our VfM Strategy, “Our Strategic Approach to Value for Money” updated and approved by the Board this year.

The Value for Money Standard requires us to report against seven metrics defined by the Regulator of Social Housing (RSH) at Group level (although some require measurement against social housing assets) and against additional measures selected by the Board which are appropriate to the business priorities. The measures will include the performance of Red Kite and its subsidiaries including its unregistered housing charity, Twenty11 Homes Limited.

In reporting we are required to consider actual performance, previous year’s performance, future forecasts, and targets against forecasts in relation to strategic objectives. The Board has approved targets/guide rails for both the metrics defined by the RSH and those defined by Red Kite. We will report against these going forward.

Red Kite’s approach to measurement (for VfM and for our performance framework) is to set guide rails within which achievement is regarded as appropriate and outside which a comment would be made. In some cases, an absolute target with guide rails as a percentage of this is appropriate (e.g. where a measure corresponds to a budget figure).

The Board in 2020-21, reviewed and confirmed the set of Red Kite metrics going forward in light of the publication of our new Corporate Journey which are reported on in this year’s report. The Board defined metrics for 2022-23 are based on these with targets redefined in line with the overall targets within the Corporate Journey. Next year’s targets are set out in an appendix to the “Strategic Approach to Value for Money”.

Standard Metrics

The seven standard metrics required by the RSH can be drawn from audited accounts and benchmarked against the RSH’s VfM metrics 2022 for comparative purposes. They are therefore in the main financial metrics. We report on them below – but note, where the Standard refers to “Housing Properties” we use “Homes” as the preferred Red Kite terminology.

Forecasts and Benchmarking

Where the metrics relate to measurable items within the Business Plan, the forecast figures are drawn from the 30-year Business Plan (Plan) approved by the Board in March 2023. We have also included, from that Plan, the forecast figures for the years ending 31st March 2024 to 2028 (the first year being based on the approved budget).

For benchmarking we have used the VfM metrics 2022 – published by the RSH based on sector wide accounts where available or Sector Scorecard 2022 where not. Note that where the benchmark is extrapolated forward it might not represent where the quartiles sit in future years, so it compares a future forecast figure for Red Kite against most recent benchmark information.

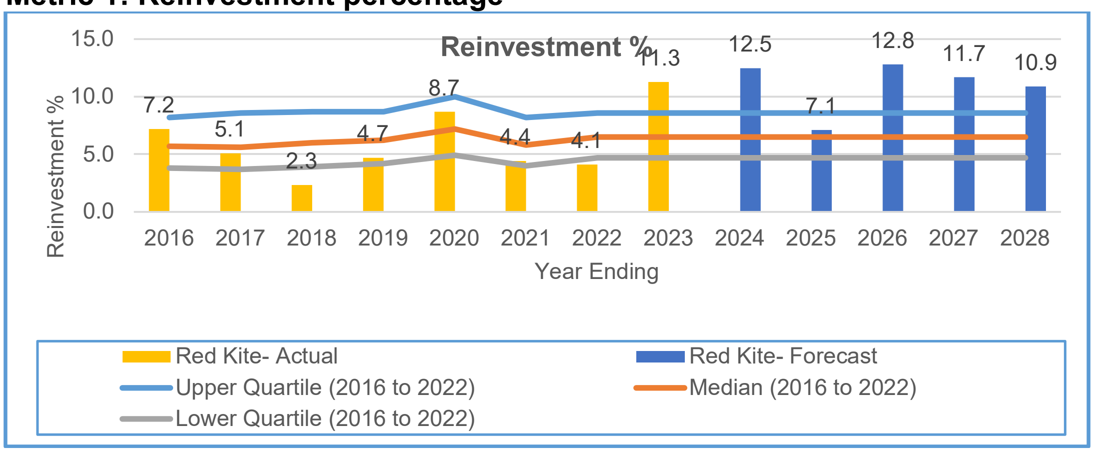
Strategic Report (continued)

Value for Money Report (continued)

Targets have been set for the standard metrics based on budget with guide rails either side. The principle of using guide rails is that where metrics (either VfM or corporate performance) are outside the guide rails, this triggers a mitigating action and a review by Board or a designated Board Committee.

	Required VfM measures			
KPI No.	Description	Lower Guiderail	Upper Guiderail	Comment
1	Reinvestment percentage	90%	105%	Based on 2022 budgeted figure
2 (i)	New supply (social)	80%	97%	Based on 2022 budgeted figure
2 (ii)	New supply (non-social)	80%	97%	Based on 2022 budgeted figure
3	Gearing	95%	115%	Based on 2022 budgeted figure
4	EBITDA (MRI)	95%	115%	Based on 2022 budgeted figure
5	Cost per home	90%	105%	Based on 2022 budgeted figure
6 (i)	Operating margin (social)	95%	115%	Based on 2022 budgeted figure
6 (ii)	Operating margin (overall)	95%	115%	Based on 2022 budgeted figure
7	Return on Capital Employed	95%	115%	Based on 2022 budgeted figure

Metric 1: Reinvestment percentage



(Investment in existing and new Homes/Value of Homes at period end)

Budget for y.e. 31 Mar 2024 is 12.5%, Lower guide rail 11.2%, Upper guide rail 13.1%

The benchmark quartile figures are taken from the sector scorecard figures for the year to March 2022 (the latest figures available) with actual comparatives for the years ending 31st March 2016 to 2023. This figure includes both development investment in new homes (with currently significantly high levels of Development wip) and also capitalised investment in our tenants' homes… this figure is only calculated at the year end so will increase the figure from the provisional result previously reported.

The metric, which is on a Group basis, reflects delays in our development programme which has been due to difficulties in obtaining planning permission; the impact of which

Strategic Report (continued)

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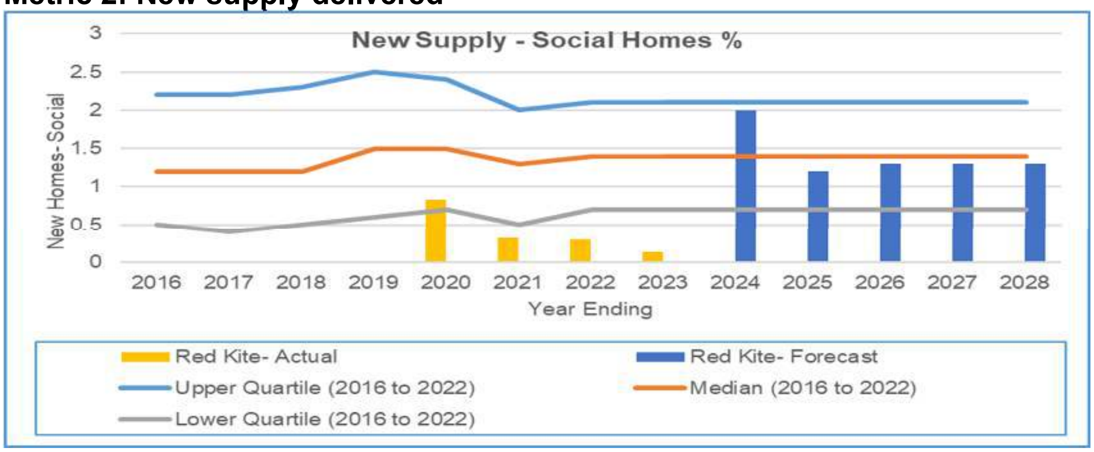
is to push the initial programme out to March 2025 and then to build a further 120 homes per year for the following 5 years. Nevertheless, the increase this year shows some development activity has been possible. The revised Plan approved by the Board for 300 homes in the first instance is reflected in the large increase in reinvestment in 2023 to 2028.

It takes into account both capital investment in our existing and new homes. Investment has been above upper quartile this year, and is forecast to be upper quartile and above for the next few years.

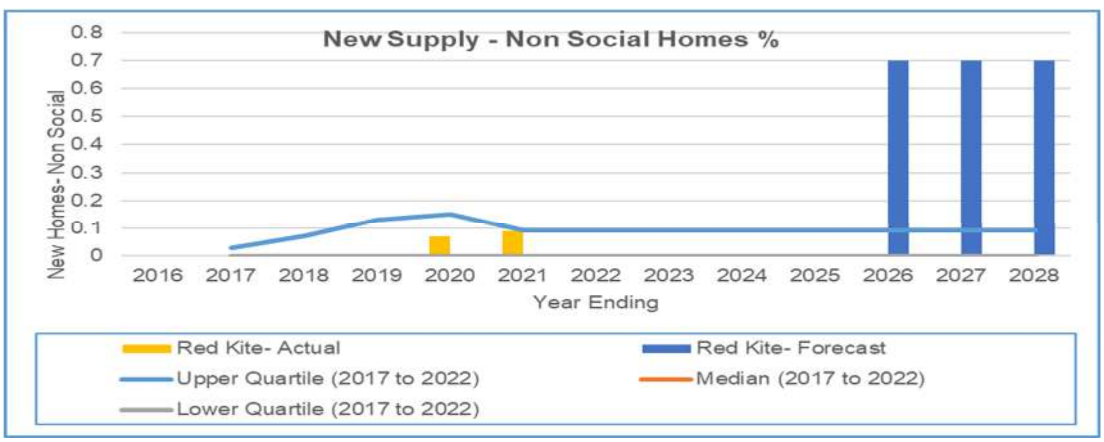
The Plan reflects the approved Development Strategy to develop initially a maximum of 300 (revised downwards due to the decision on Castlefield) and thereafter a further 120 homes per year for the following 5 years and the metric shows this in the forecast.

Metric 2: New supply delivered



(Total homes acquired or developed in the period/Total homes held at the end of the Period)

Budget for y.e. 31 Mar 2024 is 2%, Lower guide rail 1.6%, Upper guide rail 1.95%



(Total homes acquired or developed in the period/Total homes held at the end of the Period)

Budget for y.e. 31 Mar 2024 is 0.0%, Lower guide rail 0.0%, Upper guide rail 0.0%

This metric is on a Group basis but there is a requirement to distinguish between social and non-social homes. On a strict interpretation of the definition of social homes, development homes transferred to Twenty11 are not included within this definition even

Strategic Report (continued)

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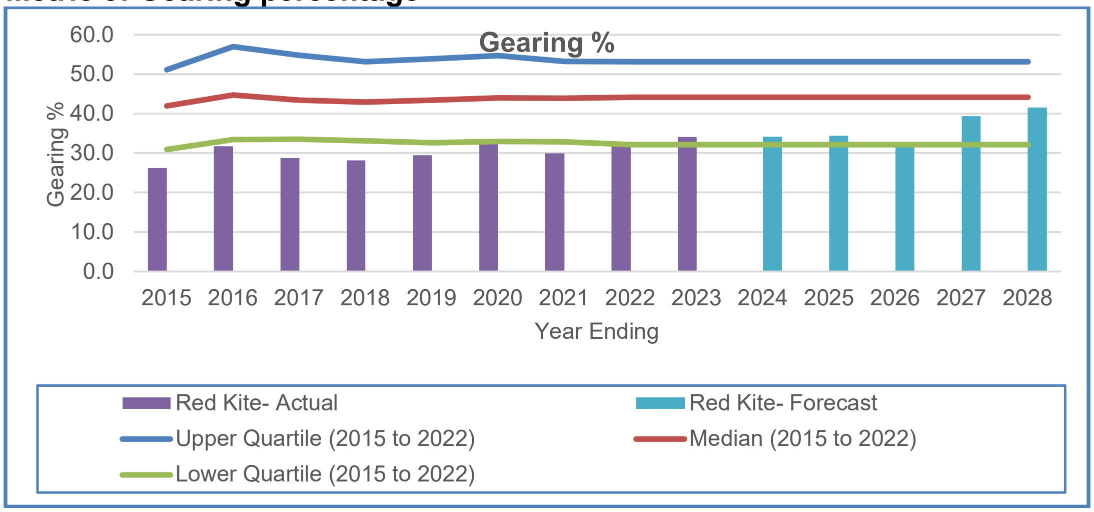
though they will be discounted below 80% of market value and qualify as meeting Twenty11's charitable purpose. For this reason, the new supply of social homes has been relatively small; a significant part of the development programme being included in the second graph. However, going forward there is less of a strong investment market and homes in the development programme are largely social homes.

Metric 3: Gearing percentage



(Net debt/Value of Homes at period end)

Budget for y.e. 31 Mar 2024 is 34.2%, Lower guide rail 32.5%, Upper guide rail 39.3%

Gearing shows the extent to which our investment depends upon debt, measured on a Group basis. It has traditionally been quite low due to delays in the development programme but increases towards benchmark median as our development programme gets built. Per our financial covenant gearing should not exceed 60% and our Golden Rule sets a maximum level of 55% before intervention is required.

We are a young organisation, being a stock transfer from Wycombe District Council at the end of 2011. The Board took a strategic decision for Red Kite to concentrate in its early years on fulfilling the stock improvement promises made to its tenants (investing in our existing homes) before embarking upon development activity. The next stage of our Corporate Journey involved establishing our development programme of a minimum of 375 new homes, but this has been revised to 900 homes by March 2030. Our relatively low gearing and significant amounts of unencumbered stock give us capacity to support sustained development in future.

Strategic Report (continued)

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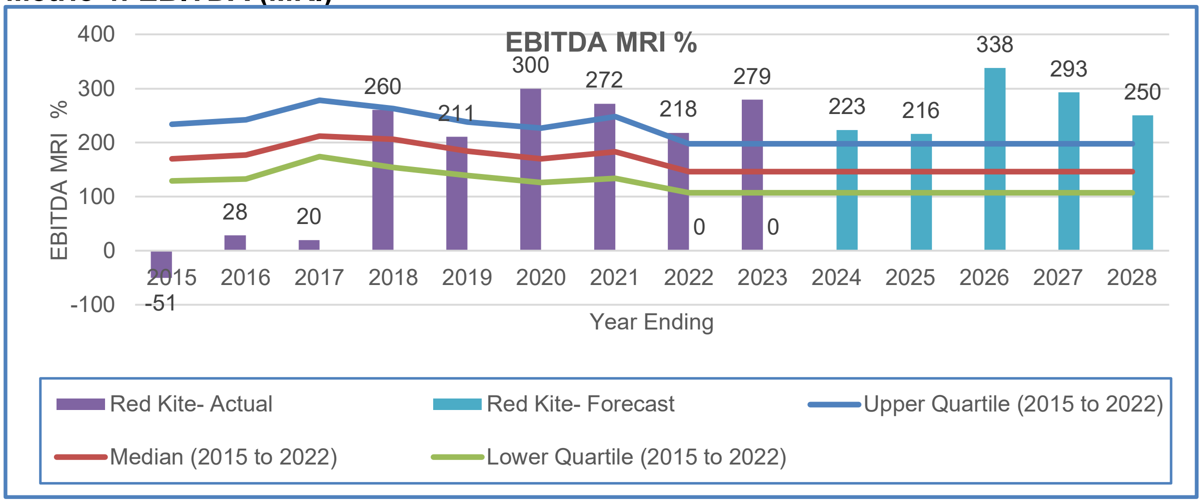
Metric 4: EBITDA (MRI)



Operating surplus adjusted for depreciation and grant and capital investment in properties/interest cost)

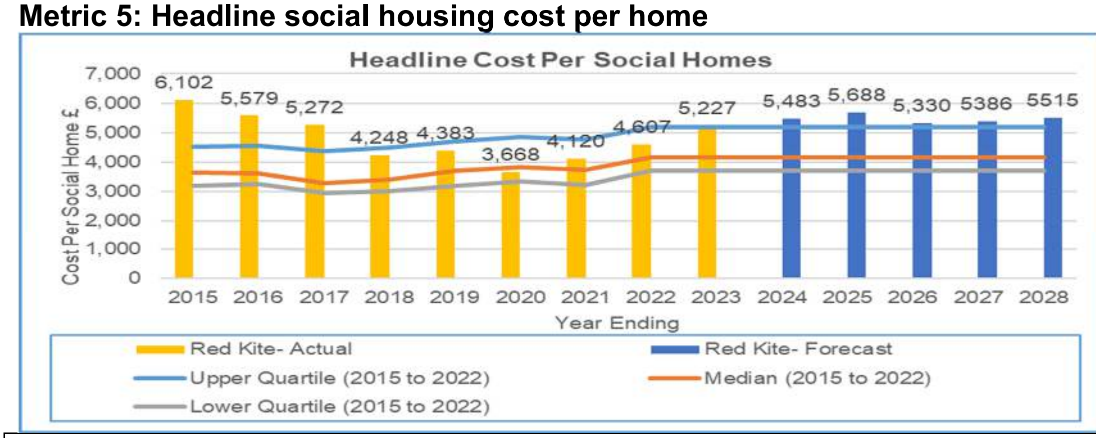
Budget for y. e. 31 Mar 2024 is 223%, Lower guide rail 212%, Upper guide rail 256%

A key performance measure for funding, EBITDA (MRI) achieved and forecasted, is comfortably above our covenant ratio of 110% and indeed our more challenging golden rule of 130%.

The significant improvement since 2018 reflects the very significant spend made in Red Kite in the first five years of its existence on improvements to its existing homes (see Metric 1 above) and the reduction in interest cost occasioned by our re-financing in 2017. Red Kite delivered its promised investment in existing homes by December 2016 at a cost of £34m less than originally budgeted.

Although Red Kite still has a significant programme of investment in its homes, (see Metric 5 below) our EBITDA (MRI) shows a strengthening financial position and strong interest cover going forward. Our Plans is stress tested and whilst extreme financial conditions may require some mitigations (covered in our Mitigation Strategy) the strength of our financial position gives strong assurance here.

Metric 5: Headline social housing cost per home



Budget for y.e. 31 Mar 2022 is £5,483 Lower guide rail £4,935 Upper guide rail £5,57

Note that "upper quartile" here means high (so a worse performance).

Strategic Report (continued)

Value for Money Report (continued)

Historically Red Kite had very high costs per home, due to a high level of capital investment in our homes during the early years as we completed the promises made to our tenants at stock transfer. Since then cost per home has decreased to a low level of £3.67K in 2020 before increasing again to its current level of £5.23K as at 31st March 2023.

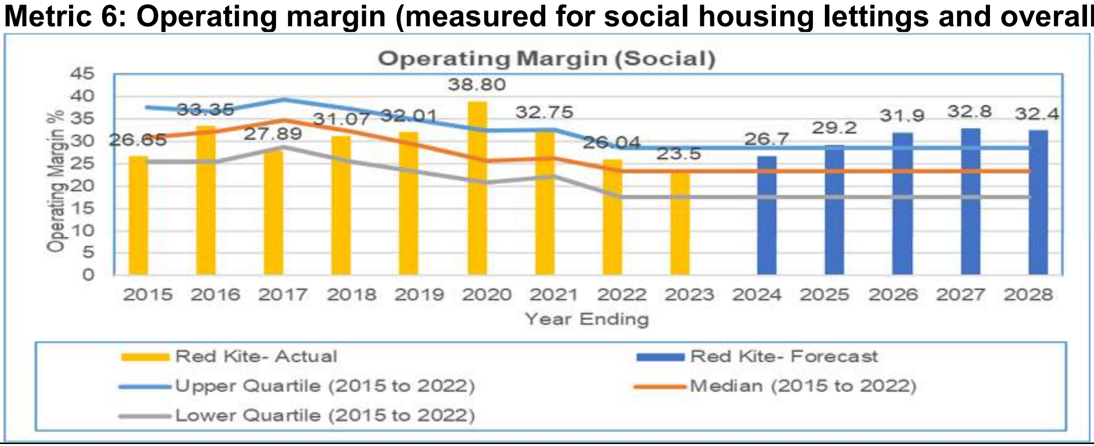
It should be noted however that this figure includes cost related to an impairment adjustment to the accounts following the decision not to continue with Castlefield, without which the figure would be £4.73K. Even accounting for this our overall cost per home is above sector median levels but below upper quartile levels.

The Board continues to invest based upon stock condition information. Our major repair costs continue to be higher than the sector norms, we engaged with HQN to assess our costs across a number of component renewal areas. This outcome of this work showed that for Bathrooms and Kitchens our cost were high but when the specifications and basket rates were assessed further these are considered to be in line with sector norms. Given this we consider that the higher costs are possibly due to the type of works that are included in the calculation examples being disabled adaptations captured that may not be included by others.

Also it includes the costs associated with playgrounds and the large open spaces that we manage and we have had a large replacement programme for boilers due to a failure of a high number of boilers prior to their expected life, and additionally high expenditure has been encountered for the installation of smoke detectors as a result of a change in legislation within the period which will also be a contributing factor.

Looking forward, using comparative data from the Sector Scorecard (see below), we are forecasting cost per home to increase in 2023-24 as inflationary pressures on building and other costs (already factored into the budget) will impact upon cost per home. Note that our comparative data is historical, and it is likely that other organisations will see their cost per home data affected by inflation as we are predicting ours will be. We had predicted this increase this year though it was not forthcoming. Whilst our Plan sustains this increase, we are already considering the potential impact of further inflationary pressures next year and if necessary will look to mitigate the impact of this.

Metric 6: Operating margin (measured for social housing lettings and overall)



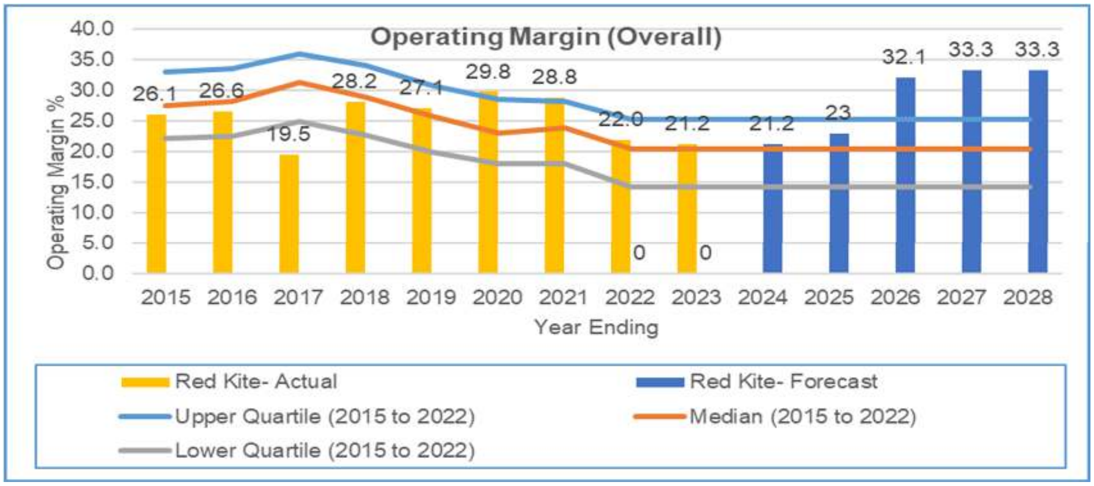
Budget for y.e. 31 Mar 2024 is 26.7%, Lower guide rail 24.7%%, Upper guide rail 29.9%

Strategic Report (continued)

Value for Money Report (continued)

Our operating margin – social housing this year would have been well above the median level but with the impact of Castlefield impairment is close to median. It is expected to increase thereafter and eventually exceed upper quartile.

However, as noted above although inflation is factored into our Plan for 2023-24, we are putting in place a Mitigation Strategy should we face pressures on our costs due to inflation sustained throughout the next financial year.



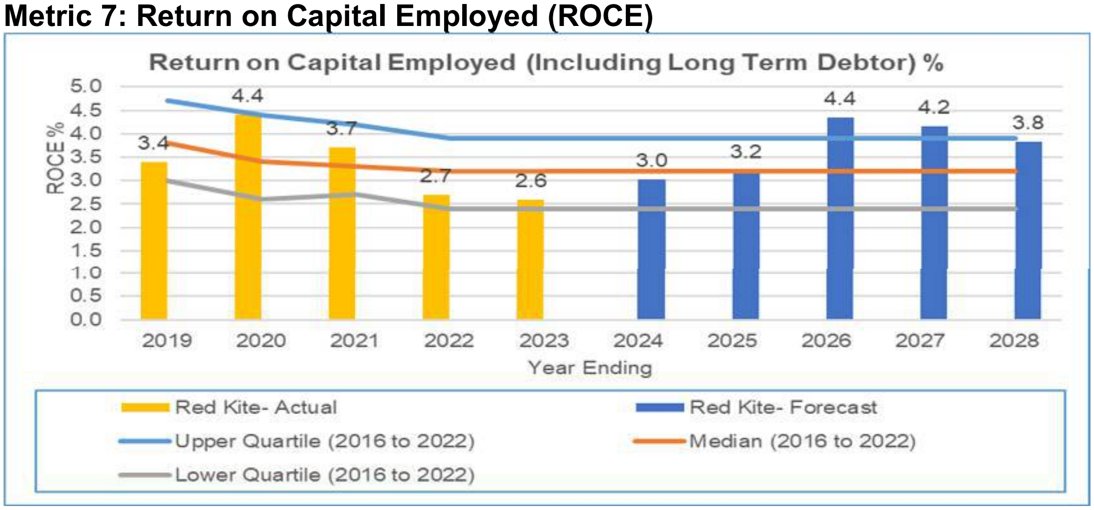
Budget for y.e. 31 Mar 2024 is 21.2%, Lower guide rail 20.1%, Upper guide rail 24.8%

Overall operating margin follows a similar pattern to operating margin - social housing.

The decrease in the level of operating margin in 2017 is due to the investment in our homes, some of which is taken through the Income and Expenditure account; efficiencies made in the business enabled us to manage the change in government rental policy and this can be seen in the recovery from 2018 onwards.

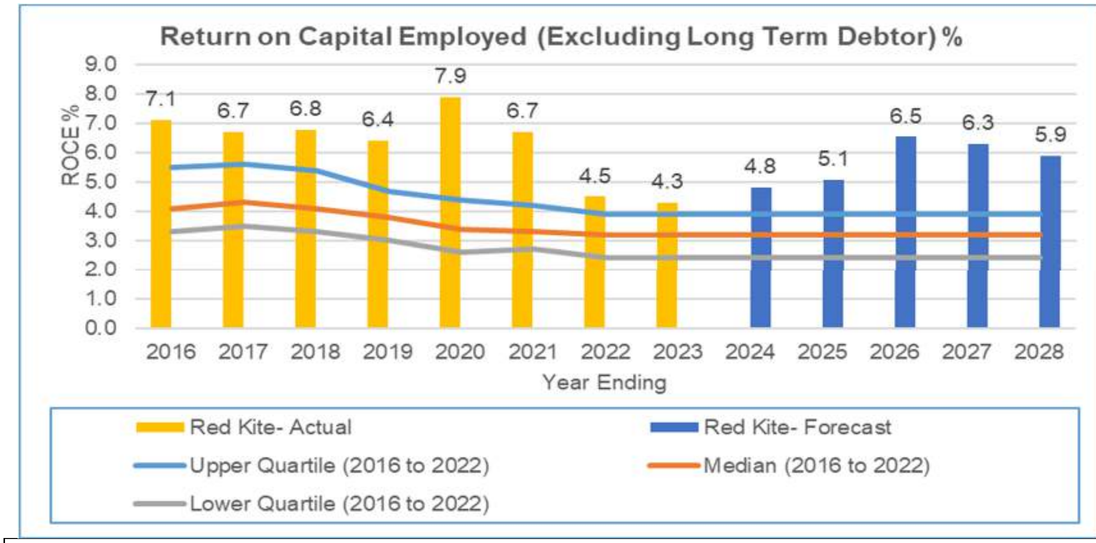
The rent cap this year has an impact upon forecast margins for 2023-24 and if this policy were to continue, we have in place a Mitigation Strategy to reduce cost so that our covenants and Golden Rules are not threatened.

Metric 7: Return on Capital Employed (ROCE)



Strategic Report (continued)

Value for Money Report (continued)



Budget for y.e. 31 Mar 2024 is 3.03%, Lower guide rail 2.88%, Upper guide rail 3.48%

This has historically been reported within our VfM report excluding a long-term development VAT shelter debtor (which in our accounts is balanced by a provision).

For RSH reporting purposes this is included however and so we have incorporated it in the first graph above (it also shows in the comparatives in the chart comparing our results to the global accounts). The targets are set with respect to this measure. We also show in the second graph the result excluding this debtor. Our ROCE result without this continues to demonstrate a strong performance against budget this year.

When the debtor is included, it would put us close to the median mark against 2021-22 global accounts apart from the impact of the Castlefield impairment reducing it from 3.7% to 2.6% and a dip against our previous year result.

We are forecasting it to return to or exceed the sector median figure and thereafter the top quartile figure. However we will need to ensure in the potentially challenging circumstances facing all organisations that expenditure is targeted to protect our services and that we utilise our financial strength to maximise our ability to achieve our corporate “why?” – namely “To realise the potential in our communities.”

Comparison of standard metrics to other local Housing Associations

We measure ourselves in the following table both against overall consolidated accounts for the sector (published by the RSH and against a bundle of local housing associations (peer group). Current RSH comparative available information is from 2021/22. From this we can see the following.

- The reinvestment metric has increased this year and is above the sector median. This is a consequence of a large amount of Development WIP and an investment in our current homes above budget.

Strategic Report (continued)

Value for Money Report (continued)

- New supply however remains low. There is a significant amount of Development WIP in the pipeline (£22M) and as a consequence this indicator is forecast to increase in the coming year.

- Gearing and EBITDA(MRI) continue to be both better than global accounts and our peer group median for 2021/22. The overall social housing cost per home in Red Kite in 2022/23 is £5,227 (£4,727 if the Castlefield impairment is excluded) significantly higher than the median cost for global accounts for 2021/22 and that of our peer group. It should be noted however that inflation has been a significant factor this year and this is not shown yet in the comparators which refer only to 2021/22. Whilst this shows a significantly higher cost per home the area in which this is most significantly affected is in major repairs. This reflects the comment made against Metric 5 above as well as some investment being brought forward from 2023-24 towards the end of the year.

- The other area where our cost per home exceeds both our peer group and overall median significantly is management cost. However we do have a Mitigation Strategy which aims to reduce this where possible and we engage with the Senior Leadership team to identify VfM savings.

- Both Operating Margin and Return on Capital Employed would have increased this year but are reduced as a result of the Castlefield impairment; and would have been reasonably close to the median for the local peer group and as noted above have inflationary impacts factored in which are not factored into the comparatives. There is a significant difference between the overall operating margin and that which relates to social lettings as the overall margin includes other items; but this is true also for other organisations.

These results are by no means a cause for complacency; especially in light of the economic pressures facing all organisations; they do give us some indication of where we can look to make VfM related savings and they are informing our approach to our Mitigation Strategy. We will continue to consider these throughout the year.

Strategic Report (continued)

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RPs selected -->	Red Kite Community Housing Limited	Red Kite Community Housing Limited	Red Kite Community Housing Limited	Red Kite Community Housing Limited	Peer Group
CPU Year	2019/20	2020/21	2021/22	2022/23	2021/22
Total social housing units owned and/or managed at period end	5,685	5,610	5,588	5,519	94,921
Metric 1 - Reinvestment	7.86%	4.1%	4.2%	11.3%	6.8%
Metric 2a - New supply delivered (social)	0.80%	0.29%	0.29%	0.14%	2.39%
Metric 2b - New supply delivered non-social housing units	0.00%	0.08%	0.00%	0.00%	0.02%
Metric 3 - Gearing %	32.8%	29.6%	32.1%	34.0%	51.4%
Metric 4 - EBITDA (MRI)	300.0%	290.5%	218.2%	279.0%	143.4%
Metric 5 - Headline social housing costs per unit	£ 3,668	£ 4,407	£ 4,937	£ 5,227	£ 4,194
Median social housing cost per unit 2021	£ 3,835	£ 3,730	£ 4,150		£ 4,150
Variance	-£ 167	£ 677	£ 787		£ 44
Variance %age	-4.36%	18.14%	18.96%		1.07%
Weigthed average cost per unit by category					
Management CPU	£ ***1,207***	£ ***1,291***	£ ***1,360***	£ ***1,461***	£ ***1,239***
Service charge CPU	£ ***342***	£ ***382***	£ ***373***	£ ***416***	£ ***410***
Maintenance CPU	£ ***862***	£ ***1,051***	£ ***1,215***	£ ***1,281***	£ ***1,448***
Major repairs CPU	£ ***1,694***	£ ***1,821***	£ ***2,052***	£ ***1,999***	£ ***606***
Other social housing CPU	-£ ***437***	-£ ***138***	-£ ***63***	£ ***70***	£ ***55***
Total	£ ***3,668***	£ ***4,407***	£ ***4,937***	£ ***5,227***	£ ***3,758***
Metric 6a - Operating margin (SHL) %	38.8%	32.6%	26.0%	23.5%	32.5%
Metric 6b - Operating margin (Overall) %	29.8%	27.5%	22.0%	21.2%	30.0%
Metric 7 - Return on capital employed (ROCE)	4.4%	3.7%	2.7%	2.6%	3.3%

Red Kite Group Metrics (based on Corporate Objectives)

The Standard allows for Registered Providers (RPs) to select additional metrics which demonstrate performance against Corporate Objectives and the range of activities that the Group undertakes.

Each metric is referenced to relevant themes. To distinguish the Red Kite metrics from the standard metrics they are numbered alphanumerically. Whilst this builds upon the previous journey it also looks to the new direction which the Social Housing White Paper (which will be enacted once the Social Housing Regulation Bill has passed through parliament) has given in terms of resident engagement and also to

Strategic Report (continued)

Value for Money Report (continued)

Government initiatives which will become increasingly important such as Zero Carbon and the indication that the Decent Homes Standard will be enhanced in the future.

These measures were considered by the Board in its meeting of 17th May 2023 and are included in the revised Strategic Approach to Value for Money approved by the Board at its meeting of 27th July 2023 and are noted below.

Board Measures for VfM based on New Corporate Journey				
Key issue	**VfM measure**	**Target for 2022-23**	**Lower Guide rail**	**Upper Guide rail**
A. Resident Engagement: The Tenant Voice	A1. The Proportion of complaints solved at Stage 1	> 83%	83%	100%
	A2. Satisfaction with complaints handling service	> 75%	75%	90%
	A3. Number of active volunteers increased by 5 during year	+5	+4	+6
B. Better services	B1. Satisfaction with the quality of the home	> 85%	75%	95%
	B2. Maintaining Building Safety – compliance with FLLAGE standards (Fire, Lifts, Legionnaires, Asbestos, Gas, Electricity)	100%	100%	100%
C. New Homes	C1. Cumulative new homes delivered	176	141	176
	C2. Ratio of homes affordable	80% including 16% Shared Ownership	75% including 15% Shared Ownership	85% including 17% Shared Ownership
D. Better Homes	D1. Decent Homes Standard Compliance	100%	100%	100%
	D2. Achieve annual investment programme against budget	100% v budget	90% v budget	105% v budget
	D3. New Decent Homes Standard Compliance – Fully funded in Business Plan	No target – awaiting new standard		
E. Green Agenda	E1. Sustainability Strategy - Fully funded in Business Plan	No target – awaiting Sustainability Strategy		

Strategic Report (continued)

Value for Money Report (continued)

Board Measures for VfM based on New Corporate Journey				
Key issue	**VfM measure**	**Target for 2022-23**	**Lower Guide rail**	**Upper Guide rail**
F. Twenty11 (Homes) Ltd	F1.TSL points score	104	102	106
	F2. Average yield as %age of market rental	64%	61.8%	68.3%
G. Realising Potential	G1. Projects funded as %age of budget	100%	90%	105%
H. Equality and Diversity	H1. %age of justified or partially justified complaints relating to unlawful discrimination in our services (staff and residents)*	0%	0%	0%

A. Resident Engagement: The Tenant Voice

Metric A1: The Proportion of complaints solved at Stage 1

VfM measure	Lower guiderail	Upper guiderail	Target for 2022-23	Result
The Proportion of complaints solved at Stage 1	83%	100%	> 83%	94.6%

A strong result and clearly within the guiderails; there has been a focus on resolving tenant complaints at an early stage and this has generally been successful. This is reinforced by the fact that for the second year, whilst we have had a small number of complaints referred to the Housing Ombudsman this year, none have found against Red Kite.

Metric A2: Satisfaction with complaints handling service

VfM measure	Lower guiderail	Upper guiderail	Target for 2022-23	Result
Satisfaction with complaints handling service	75%	90%	> 75%	62%

In contrast to Metric A2 our data on satisfaction with the complaints handling service shows a poor result (although an improved one on last year (41%)). Our Operational Performance and Tenants Services Committee has investigated this, and it shows a strong correlation between outcome and satisfaction. As a result this metric is more a reflection of satisfaction with the outcome than the process.

Metric A3: Number of active volunteers increased by 5 during year

VfM measure	Lower guiderail	Upper guiderail	Target for 2022-23	Result
Number of active volunteers increased by 5 during year	+4	+6	+5	+12

Strategic Report (continued)

Value for Money Report (continued)

This year has seen a further strengthening of active tenant involvement with 12 additional tenant volunteers (64 by the end of March, 52 a year previously). The tenant relationship is a key plank in our corporate culture and approach and the number of volunteers is a reflection upon the dynamic of the key tenants committee (Resident Representative Team (RRT)).

B. Better services

Metric B1 Satisfaction with the quality of the home

VfM measure	Lower guiderail	Upper guiderail	Target for 2022-23	Result
Satisfaction with the quality of the home	75%	95%	> 85%	N/A no surveys completed

Up until this point we have only measured this for new homes. It should be noted that we did not carry out any surveys this last year against the satisfaction of tenants with the quality of their homes. Typically, these surveys are completed with tenants by the Development team after 6 to 8 months of handover.

We have recently made the decision to move these surveys from the Development team to our independent surveying partner Arena. Moving forward, these will be completed as standard alongside our other satisfaction surveys and we are looking to extend this to surveys made to the wider group of all tenants There is some opportunity to backdate surveys, and this is under consideration on a scheme by scheme basis to ensure the feedback we get is useful and up-to-date.

Metric B2: Maintaining Building Safety – compliance with FLLAGE standards (Fire, Lifts, Legionnaires, Asbestos, Gas, Electricity)

VfM measure	Lower guiderail	Upper guiderail	Target for 2022-23	Result
Maintaining Building Safety – compliance with FLLAGE standards	100%	100%	100%	100%*

*This is reported as 100% compliant although at the year end there were a few homes which we had been denied access to perform legal safety checks. These are subject to a court process. If these were reported as non-compliant the %age compliance would still be higher than 99.95%

C. New Homes

Metric C1: Cumulative new homes delivered

VfM measure	Lower guiderail	Upper guiderail	Target for 2022-23	Result
Cumulative new homes delivered	141	176	176	112

This result has been affected by delays in planning and getting acceptable build tenders for new homes. No target has as yet been set for this VfM Metric for 2023-24 yet, as we are going to review the medium-term development plan during the year and the target should reflect the outcome of this review.

Strategic Report (continued)

Value for Money Report (continued)

Metric C2: Ratio of homes affordable

VfM measure	Lower guiderail	Upper guiderail	Target for 2022-23	Result
Ratio of homes affordable	75% including 15% Shared Ownership	85% including 17% Shared Ownership	80% including 16% Shared Ownership	84% inc 26% Shared Ownership

Both the overall result and ratio are above target and the overall within guiderails whilst the percentage of shared ownership homes is above the upper guide rail. Whilst this will need to be monitored given the small number of homes delivered this is still a reasonable result.

D. Better Homes

Metric D1: Decent Homes Standard Compliance

VfM measure	Lower guiderail	Upper guiderail	Target for 2022-23	Result
Decent Homes Standard Compliance	100%	100%	100%	100%

We continue to meet the Decent Homes Standard with all our homes.

Metric D2: Achieve annual investment programme against budget

VfM measure	Lower guiderail	Upper guiderail	Target for 2022-23	Result
Achieve annual investment programme against budget	90% v budget	105% v budget	100% v budget	115%

This metric has also been achieved, and overachieved, demonstrating our commitment to keep our tenants' homes in a good standard of repair. Whilst we will have a further metric to consider once the government has enacted its heralded new Decent Homes Standard this is not yet measurable.

E. Green Agenda

As per above we do not yet have a measurable metric here as we have yet to develop our Sustainability Strategy which we should do over the coming year. In preparation for this and for the proposed metric D3 above we will use the data following further analysis of the results of the stock condition survey which achieved entry into 82% of our homes.

F. Twenty11 (Homes) Ltd

In March 2022 the Board of Red Kite met together with support from Sheffield Hallam University and the then Chair of Twenty11 (Homes) Ltd to consider the impact of Twenty11 and whether it was showing significant enough progress to proceed beyond the trial period.

The conclusion was that it was both in terms of making a difference in the lives and communities of its tenants and in terms of its overall financial viability. Consequently Twenty11 has now moved beyond the original trial stage and has been confirmed as a housing charity in its own right, contributing to the Red Kite Group but distinct from Red

Strategic Report (continued)

Value for Money Report (continued)

Kite with its own distinctive offer and brand. The KPIs below are indicators of the success of Twenty11.

Metric F1: TSL points score

VfM measure	Lower guiderail	Upper guiderail	Target for 2022-23	Result
TSL satisfaction score	102	106	104	105.9

The Tenancy Sustainment Licence is something given to each Twenty11 (Homes) Ltd tenant at the start of the tenancy. Tenants start with a score of 100 and gain points for positive actions which contribute to their community or to their own personal journey. Points can be deducted too for Anti-Social Behaviour or arrears patterns for example. The target for this year has again been achieved and overachieved.

Metric F2: Average yield as %age of market rental

VfM measure	Lower guiderail	Upper guiderail	Target for 2022-23	Result
Average yield as %age of market rental	61.8%	68.3%	64%	70%

This metric has been key to the financial viability of Twenty11; the 64% yield being the original yield envisaged in the Plan. The higher yield achieved is an indication of the relatively short life of the company but has been particularly important in view of a slower build-up of homes within Twenty11 than originally expected.

G. Realising Potential

Metric G1: Projects funded as %age of budget (%age of Springboard and Starting Blocks budget spent)

VfM measure	Lower guiderail	Upper guiderail	Target for 2022-23	Result
Projects funded as %age of budget (%age of Springboard and Starting Blocks budget spent)	90%	105%	100%	99.9%

Our "Why" or our purpose as an organisation is to realise the potential within our communities. This part of our Corporate Journey focuses on this. Springboard and Starting Blocks are funds made available to tenants and to others in their community to support people in those communities in realising that potential. Decisions on bids are made by a panel including tenants' representatives but supported by our Head of Resident and Community Engagement and her team.

Having a budget is one thing, spending it is another; our achievement this year was to utilise 99.9% of the budget (2022: 97%) in supporting projects within the community which have made a real difference to people's lives.

Strategic Report (continued)

Value for Money Report (continued)

H. Equality and Diversity

Metric H1:

VfM measure	Lower guiderail	Upper guiderail	Target for 2022-23	Result
%age of justified or partially justified complaints relating to lawful or unlawful discrimination in our services	0%	0%	0%	0%

We are committed as an organisation to equality and diversity and have appointed an Equality and Diversity lead this year to help us shape the agenda here and ensure that we grow as an organisation here. A measure of where we are however is whether we have had and justified or partially justified complaints relating to discrimination in our services.

The target and guiderails here are 0% as any such complaint whilst being an opportunity to learn and grow would to an extent be also a failure. We are happy to note that we did not have any such complaints this year (nor in the previous year).

Next Year's Board Defined Measures and Targets

Whilst most of the Board Defined Measures are the same as previously noted above the Board agreed targets based upon the third year of the corporate journey and these are noted as an appendix to the "Strategic Approach to VfM" to be approved at the Board meeting of 27th July 2023.