Red Kite Community Housing Ltd

Value for Money Report
2022

Extract from the Annual Report and Accounts
For the Year Ended 31st March 2022

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 2021 to 31st March 2022. 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 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 Regulator 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 last year, 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 and with one change agreed by the Board. 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 Regulator can be drawn from audited accounts and benchmarked against the RSH's VfM metrics 2021 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 approved by the Board in March 2022. We have also included, from that plan, the forecast figures for the years ending 31st March 2023 to 2027 (the first year being based on the approved budget).

For benchmarking we have used the VfM metrics 2021 – published by the Regulator based on sector wide accounts where available or Sector Scorecard 2021 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)

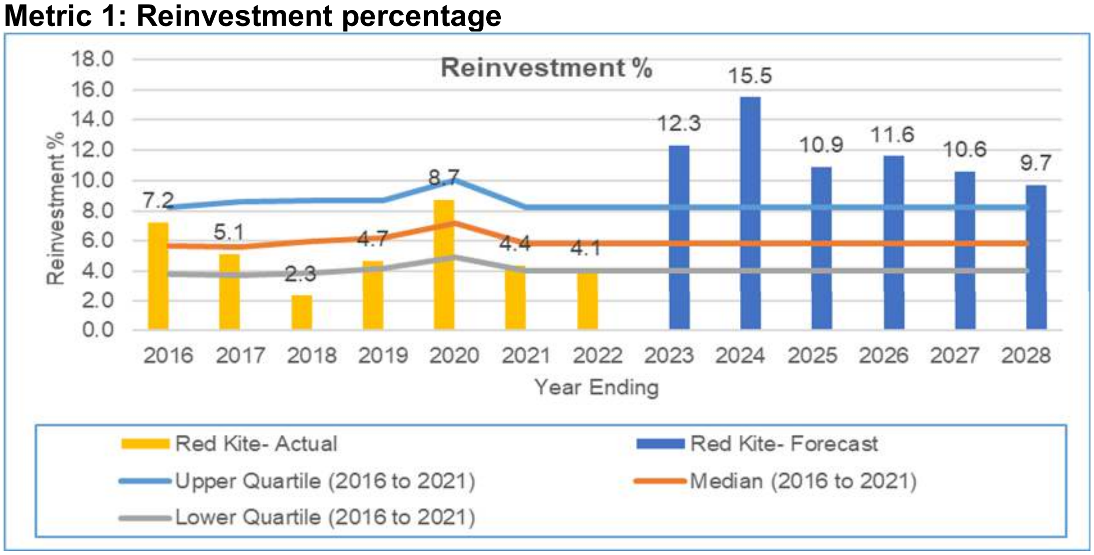
Value for Money Report (continued)

Forecasts and Benchmarking (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 2021 budgeted figure
2 (i)	New supply (social)	80%	97%	Based on 2021 budgeted figure
2 (ii)	New supply (non-social)	80%	97%	Based on 2021 budgeted figure
3	Gearing	95%	115%	Based on 2021 budgeted figure
4	EBITDA (MRI)	95%	115%	Based on 2021 budgeted figure
5	Cost per home	90%	105%	Based on 2021 budgeted figure
6 (i)	Operating margin (social)	95%	115%	Based on 2021 budgeted figure
6 (ii)	Operating margin (overall)	95%	115%	Based on 2021 budgeted figure
7	Return on Capital Employed	95%	115%	Based on 2021 budgeted figure

Metric 1: Reinvestment percentage



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

Budget for y.e. 31 Mar 2023 is 12.3%, Lower guide rail 11.1%, Upper guide rail 13.5

The benchmark quartile figures are taken from the sector scorecard figures for the year to March 2021 (the latest figures available) with actual comparatives for the years ending 31st March 2016 to 2022.

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 is to push the plan out to March 2024 and includes the plan to build 120 homes per year

Strategic Report (continued)

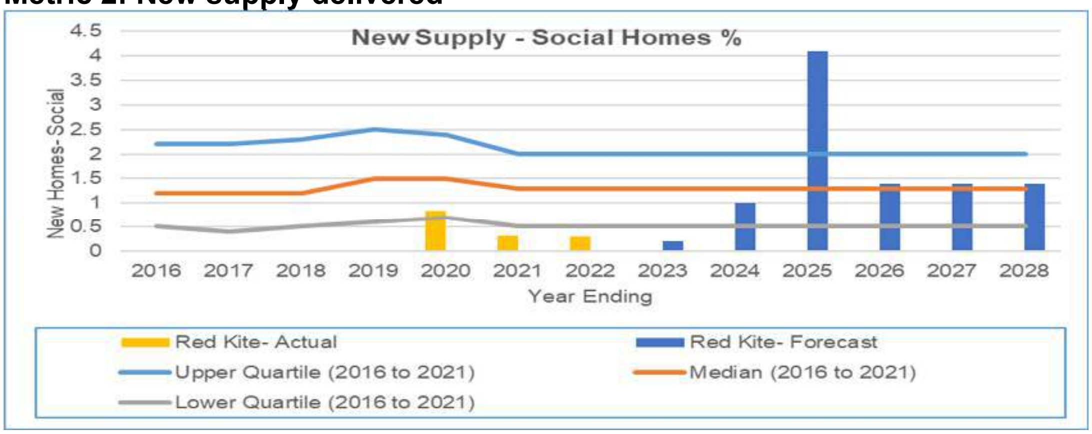
Value for Money Report (continued)

Forecasts and Benchmarking (continued)

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 500 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 homes and investment in new homes. Investment has been lower than expected this year due to delays in planning permission but is upper quartile next year and is forecast to remain above the top quartile after that.

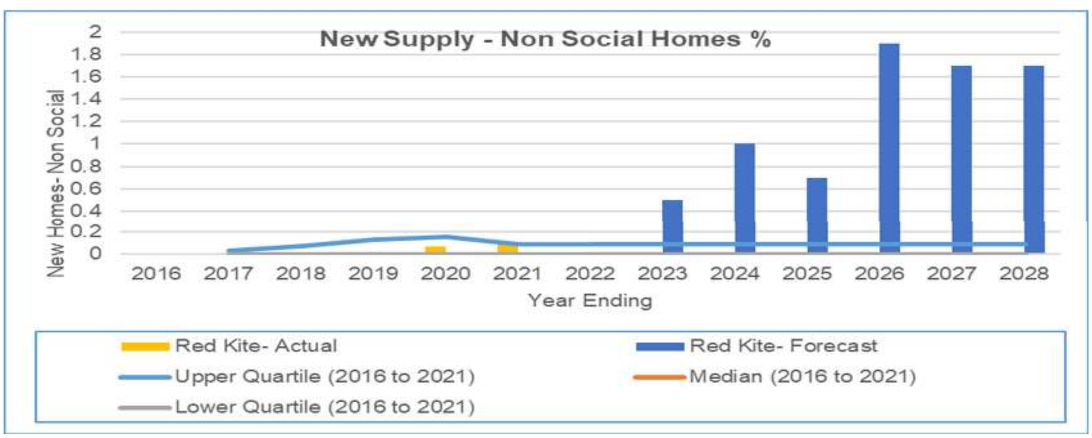
The business plan reflects the approved development strategy to develop initially a maximum of 500 and thereafter a further 120 homes per year for the following 5 years and the metric shows this in the forecast.

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 2023 is 0.2%, Lower guide rail 0.16%, Upper guide rail 0.195%



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

Budget for y.e. 31 Mar 2023 is 0.5%, Lower guide rail 0.4%, Upper guide rail 0.485%

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 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 is

Strategic Report (continued)

Value for Money Report (continued)

Forecasts and Benchmarking (continued)

relatively small; a significant part of the development programme being included in the second graph.

Whilst very little supply was delivered in the year to 31st March 2022 this has been affected by delays in planning. Further homes are within the plan for the out year

Metric 3: Gearing percentage

(Net debt/Value of Homes at period end)

Budget for y.e. 31 Mar 2023 is 37.5%, Lower guide rail 35.6%, Upper guide rail 43.1%

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 to around 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 residents (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 1100 homes by March 2029. Our relatively low gearing and significant amounts of unencumbered stock give us capacity to support sustained development in future.

Metric 4: EBITDA (MRI)

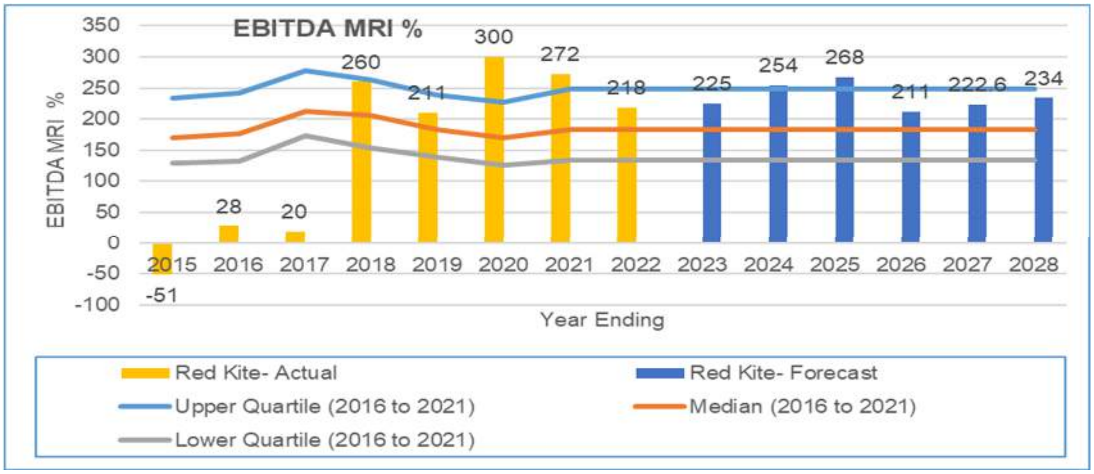
A key performance measure for funding, EBITDA (MRI) achieved and forecasted, is comfortably above our covenant ratio of 110% and indeed our more challenging golden rule of 130%.

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.

Strategic Report (continued)

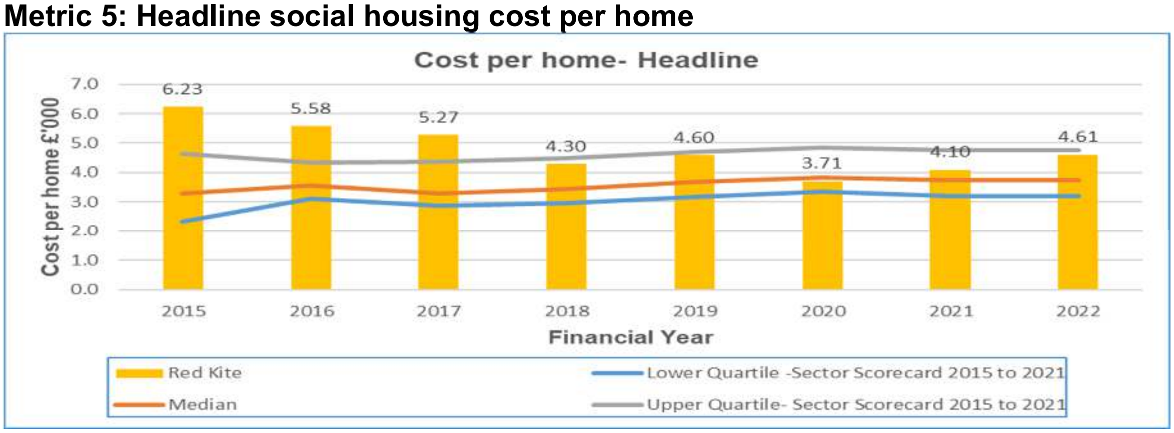
Value for Money Report (continued)

Forecasts and Benchmarking (continued)



Although Red Kite still has a significant programme of investment in its homes, (see Metric 5 and Metric C below) our EBITDA (MRI) shows a strengthening financial position and strong interest cover going forward. Our plans are 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



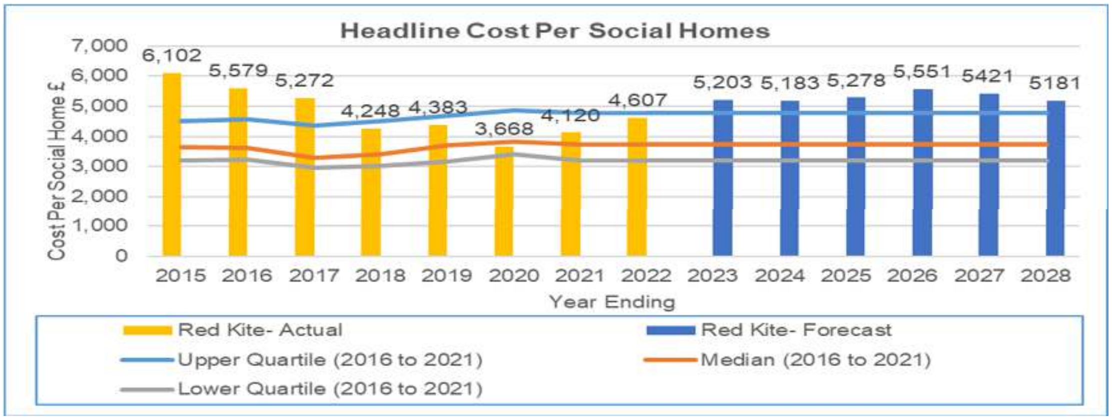
Note that "upper quartile" here means high (so a worse performance).

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 £3.71K in 2020. There has been some increase since then with increases this year in management cost and repairs cost. Investment in our homes (itself still higher than sector top quartile) but has reduced again this year. Consequently, our overall cost per home remains below sector top quartile levels. The Board continues to invest based upon stock condition information and our higher 'Red Kite standard', agreed with tenants, above the base decent homes' standard. This is a measure of our commitment to our tenants and not unusual within a relatively new stock transfer. We are currently working with a consultant to analyse further our investment costs in comparison to similar organisations to inform our decisions going forward.

Strategic Report (continued)

Value for Money Report (continued)

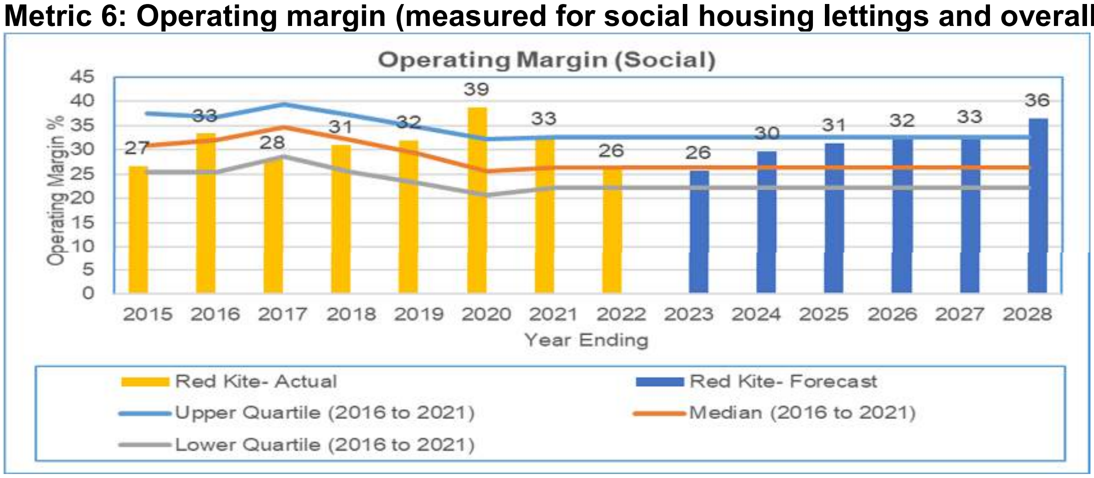
Forecasts and Benchmarking (continued)



Budget for y.e. 31 Mar 2022 is £5,203 Lower guide rail £4,683 Upper guide rail £5,723

Looking forward, using comparative data from the Sector Scorecard (see below), we are forecasting cost per home to increase in 2023 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. 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)



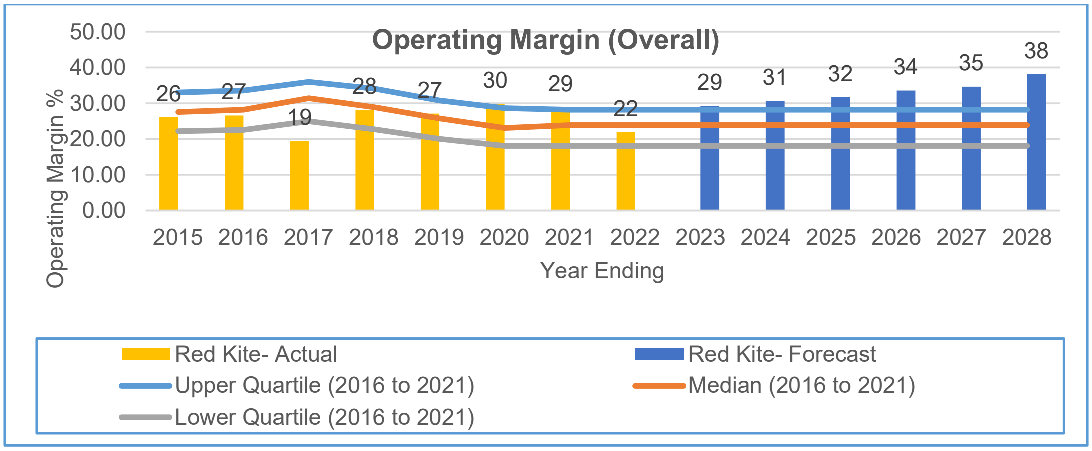
Budget for y.e. 31 Mar 2023 is 26%, Lower guide rail 24.7%%, Upper guide rail 29.9%

Our operating margin – social housing is around the median level and is expected to remain at that level next year and increase thereafter. This improvement from the change to rental restrictions and efficiencies through development of our Information Technology systems without compromising our investment in our homes. However, as noted above although inflation is factored into our plan for 2022-23, we are putting in place a mitigation strategy should we face pressures on our costs due to inflation sustained throughout the next financial year.

Strategic Report (continued)

Value for Money Report (continued)

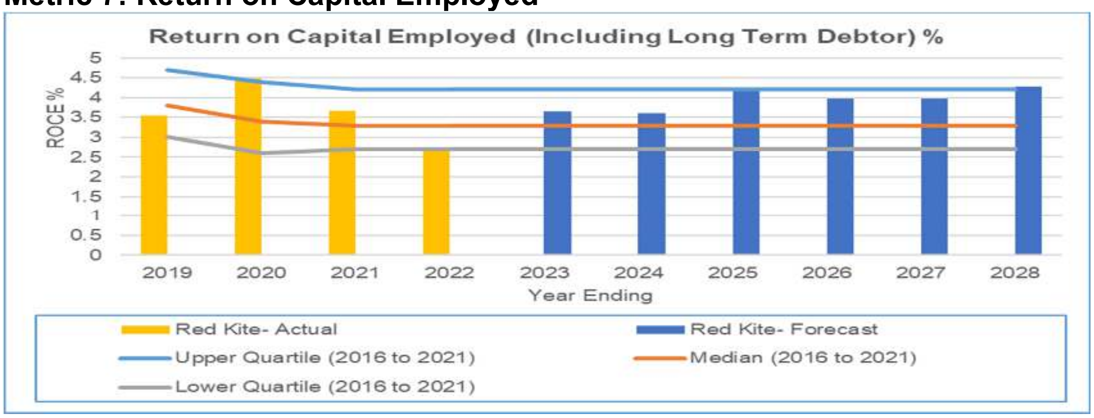
Forecasts and Benchmarking (continued)



Budget for y.e. 31 Mar 2023 is 29%, Lower guide rail 27.6%, Upper guide rail 33.3%

The strong predicted improvement in operating margin from the year ended 31st March 2023 reflects both the lower required investment in our homes (still significantly higher than sector average) and the effect of the change in government rent setting policy (from a 1% year on year actual reduction to CPI + 1% from the previous year). However, if this policy were to change, 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



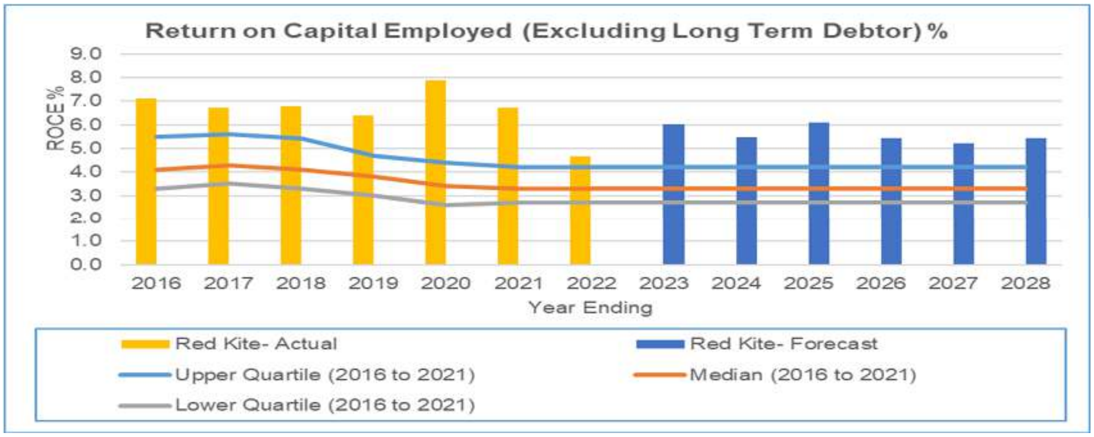
This has previously been reported within our VfM report excluding a long term development VAT shelter debtor (which in our accounts is balanced by a provision). For reporting purposes to the Regulator of Social Housing this is included however and so we have included it in the first graph above (it also 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 below the result excluding this debtor. Our ROCE result without this continues to demonstrate a strong performance against budget this year. When included it puts us at the lower quartile mark against 2020-21 global accounts and a dip against our previous year result. The figure reported for ROCE (2.68%) is inflated due to the existence of negative goodwill within the balance sheet being written back on an annual basis.

Strategic Report (continued)

Value for Money Report (continued)

Forecasts and Benchmarking



If this did not exist the impact of ROCE would be to reduce this to 1.68% this year

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 (Table A next page) both against overall consolidated accounts for the sector (published by the Regulator of Social Housing (RSH) and against a bundle of local housing associations (peer group). Current RSH comparative available information is from 2020/21. From this we can see the following.

The reinvestment metric (in 2021/22 fell to significantly below the median for consolidated accounts, because despite the investment in our current homes this was impacted by the low levels of development investment due to delays in resolving issues around planning. Whilst it is hoped that this situation will reverse, we are aware of the inflationary pressures on all companies and we will seek to utilise our resources to protect our core services to our current.

Gearing and EBITDA(MRI) continue to be both better than global accounts and our peer group median for 2019/20. The overall social housing cost per home in Red Kite in 2020/21 is £4,607 significantly higher than the median cost for global accounts for 2019/20 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 2019/20. Whilst this shows a significantly higher cost per home the area in which this is most significantly affected is in major repairs.

Whilst we believe this reflects the very significant investment in our existing homes due to the Red Kite standard being higher than the Decent Homes standard, we have engaged with consultants to analyse this cost in comparison to others and await their feedback. The other area where our cost per home exceeds both our peer group and overall median significantly is management cost.

Strategic Report (continued)

Value for Money Report (continued)

Forecasts and Benchmarking

With that in mind we are engaging currently with our Senior Leadership Team to identify both Value for Money savings we could make in this area and consider how by saving here we could mitigate pressures on our future business plans.

Both operating margin and Return on Capital Employed are lower this year; nevertheless they remain 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 and we will also use the information we will receive about our investment cost from the consultant supporting us once that is available.

	Red Kite Community Housing Limited	Red Kite Community Housing Limited	Red Kite Community Housing Limited	Red Kite Community Housing Limited	Peer Group	Median figures (Consolidated)
CPU Year	**2018/19**	**2019/20**	**2020/21**	**2021/22**	**2020/21**	**2020/21**
Total social housing units owned and/or managed at period end	5,781	5,685	5,610	5,582	92,963	**2,788,083**
Metric 1 - Reinvestment	4.7%	7.9%	4.1%	4.10%	5.4%	**5.8%**
Metric 2a - New supply delivered (social)	0.0%	0.8%	0.3%	0.29%	2.1%	**1.3%**
Metric 2b - New supply delivered non-social housing units	0.00%	0.00%	0.08%	0.00%	0.03%	**0.00%**
Metric 3 - Gearing %	29.5%	32.8%	29.6%	32.50%	49.9%	**43.9%**
Metric 4 - EBITDA (MRI)	210.5%	300.0%	290.5%	218.00%	199.4%	**183.0%**
Metric 5 - Headline social housing costs per unit	£ 4,383	£ 3,668	£ 4,407	£ 4,607	£ 3,744	**£ 3,730**
Median social housing cost per unit 2021	**£ 3,695**	**£ 3,835**	**£ 3,730**	**£ 3,730**	**£ 3,730**	
Variance	**£ 688**	**-£ 167**	**£ 677**	**£ 877**	**£ 14**	
Variance %age	**18.63%**	**-4.36%**	**18.14%**	**23.51%**	**0.38%**	
Weigthed average cost per unit by category						
Management CPU	***£ 1,060***	***£ 1,207***	***£ 1,291***	***£ 1,361***	***£ 1,139***	***£ 1,060***
Service charge CPU	***£ 320***	***£ 342***	***£ 382***	***£ 373***	***£ 356***	***£ 435***
Maintenance CPU	***£ 975***	***£ 862***	***£ 1,051***	***£ 1,216***	***£ 1,233***	***£ 1,108***
Major repairs CPU	***£ 2,424***	***£ 1,694***	***£ 1,821***	***£ 2,055***	***£ 573***	***£ 717***
Other social housing CPU	***-£ 396***	***-£ 437***	***-£ 138***	***-£ 398***	***£ 442***	***£ 211***
Total	***£ 4,383***	***£ 3,668***	***£ 4,407***	***£ 4,607***	***£ 3,744***	
Metric 6a - Operating margin (SHL) %	32.0%	38.8%	32.6%	26.04%	36.2%	**26.3%**
Metric 6b - Operating margin (Overall) %	26.6%	29.8%	27.5%	21.96%	30.9%	**23.9%**
Metric 7 - Return on capital employed (ROCE)	3.4%	4.4%	3.7%	2.70%	3.8%	**3.3%**

Table A: Sector and peer group comparisons

(Peer group consists of B3 Living, Housing Solutions, Paradigm, Hightown, Silva and Sovereign).

Strategic Report (continued)

Value for Money Report (continued)

Red Kite Group Metrics (based on Corporate Objectives)

The Standard allows for RPs to select additional metrics which demonstrate performance against Corporate Objectives and the range of activities that the Group undertakes. The metrics set in the last fiscal year relate to the Corporate Journey set by the Board in 2020 for the 5-year period starting April 2021. 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 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 considered by the Board in its meeting of 12th May 2021 and confirmed by the Finance Committee in its meeting of 23rd June 2021 are included in the revised Strategic Approach to Value for Money approved by the Board at its meeting of 15th July 2021 and are noted below.

Board Measures for VfM based on New Corporate Journey				
Key issue	**VfM measure**	**Target for 2021-22**	**Lower Guide rail**	**Upper Guide rail**
A. Resident Engagement: The Tenant Voice	A1The Proportion of complaints solved at Stage 1	> 80%	75%	90%
	A2 Satisfaction with complaints handling service	> 75%	70%	95%
	A3 Number of actions completed per the Residents and Community Strategy Action Plan	45	40	50
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	150	135	165
	C2. Ratio of homes affordable	80% including 16% Shared Ownership	75% including 15% Shared Ownership	85% including 17% Shared Ownership

Strategic Report (continued)

Value for Money Report (continued)

Board Measures for VfM based on New Corporate Journey				
Key issue	**VfM measure**	**Target for 2021-22**	**Lower Guide rail**	**Upper Guide rail**
D. Better Homes	D1. Decent Homes Standard Compliance	100%	98%	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		
F. Twenty11	F1.TSL score	101	97	105
	F2. Average yield as %age of market rental	64%	60%	68%
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%	2%	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 2021-22**	**Result**
The Proportion of complaints solved at Stage 1	80%	100%	> 80%	90.8%

A strong result and clearly within the guiderails; there has been a focus on resolving customer complaints at an early stage and this has generally been successful. This is reinforced by the fact that 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 2021-22**	**Result**
Satisfaction with complaints handling service	75%	90%	> 75%	41.1%

Strategic Report (continued)

Value for Money Report (continued)

In contrast to Metric A2 our data on satisfaction with the complaints handling service shows a poor result. Our People Policies and Operation Performance committee has investigated this, and it shows a strong correlation between outcome and satisfaction. We have only a few months data here but we are looking to develop a measure which addresses this. This metric would seem to be more a reflection of satisfaction with the outcome than the process, so we are looking at ways of measuring the performance of the complaints handling service in terms of process.

Metric A3: Number of actions completed per the Residents and Community Strategy Action Plan

VfM measure	Lower guiderail	Upper guiderail	Target for 2021-22	Result
Number of actions completed per the Residents and Community Strategy Action Plan	40	50	45	59

In 2021 the Board agreed a Residents and Community Strategy and an action plan related to this. The aim of this strategy was to strengthen our work with tenants and the community and there are a number of successes we have had with this. This is reflected in our overall result; the action plan was front loaded and so in the first year of the plan many actions were scheduled. The overall achievement of 59 demonstrates how well advanced the plan is and this has also been reflected by an increased volunteer activity with Red Kite. Further information about this will be included within a video to be published on our website before our accounts are published.

B. Better services

Metric B1 Satisfaction with the quality of the home

VfM measure	Lower guiderail	Upper guiderail	Target for 2021-22	Result
Satisfaction with the quality of the home	75%	95%	> 85%	81.8%

Survey of our residents suggested that over 80% were satisfied with the quality of the home that they were provided with; whilst the result was slightly under the target it was within the guide rails.

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

VfM measure	Lower guiderail	Upper guiderail	Target for 2021-22	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

Strategic Report (continued)

Value for Money Report (continued)

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 99.9%.

C. New Homes

Metric C1: Cumulative new homes delivered

VfM measure	Lower guiderail	Upper guiderail	Target for 2021-22	Result
Cumulative new homes delivered	120	165	150	104

This result has been affected by delays in planning and getting acceptable build tenders for new homes. In view of this consideration will be given to the target for 2022-23 to allow it to reasonably reflect our expectation of what is achievable.

Metric C2: Ratio of homes affordable

VfM measure	Lower guiderail	Upper guiderail	Target for 2021-22	Result
Ratio of homes affordable	75% including 15% Shared Ownership	85% including 17% Shared Ownership	80% including 16% Shared Ownership	81% inc 14% Shared Ownership

The overall result is above target and within guiderails whilst the percentage of shared ownership homes is very slightly below the lower 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 2021-22	Result
Decent Homes Standard Compliance	100%	100%	100%	100%

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

Metric D2: Achieve annual investment programme against budget

VfM measure	Lower guiderail	Upper guiderail	Target for 2021-22	Result
Achieve annual investment programme against budget	90% v budget	105% v budget	100% v budget	103%

This metric has also been achieved demonstrating our commitment to keep our tenants' homes at a god 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.

Strategic Report (continued)

Value for Money Report (continued)

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 have commissioned a full stock condition survey which will inform our plans going forward.

F. Twenty11

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

Metric F1: TSL score

VfM measure	Lower guiderail	Upper guiderail	Target for 2021-22	Result
TSL score	100	102	101	104.1

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 reflected the fact that several tenancies were renewing, at which stage they reset back to 100 base points and so the result is a good over achievement.

Metric F2: Average yield as %age of market rental

VfM measure	Lower guiderail	Upper guiderail	Target for 2021-22	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 business 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 2021-22	Result
Projects funded as %age of budget (%age or Springboard and Starting Blocks budget spent)	90%	105%	100%	97.4%

Strategic Report (continued)

Value for Money Report (continued)

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 over 97% of the budget in supporting projects within the community which have made a real difference to people’s lives.

H. Equality and Diversity

Metric H1:

VfM measure	Lower guiderail	Upper guiderail	Target for 2021-22	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.

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 second 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 20th July 2022. The only measure which has changed is Metric A3 which related largely to the first year of the Residents and Community Action Plan; the Board at its meeting of 17th May 2022 agreed to replace this with a measure relating to the number of active volunteers with the challenge to increase these by five in the year to March 31st 2023.