



# Value for Money

## 2022/23 Self-Assessment

# Introduction

Value for Money (VfM) is an important measure of success and demonstration of an organisation's delivery of its strategic aims. Against a backdrop of economic challenges and regulatory changes, Beyond Housing continues to support local communities, develop new housing, maintain homes and be a major employer in its region.

This report reviews the progress Beyond Housing has made in 2022/23 in relation to VfM and highlights performance in relation to several key metrics required by the Regulator of Social Housing. The assessment describes several projects and initiatives that have had positive and meaningful impacts on the lives of customers and colleagues, whilst also highlighting the plan and targets the business will set over the medium term.





## Purpose, mission and values

**Purpose:** To help our customers and communities succeed and thrive.

**Mission:** To provide services our customers value, homes they want and places they are proud of, delivered by people who care.

**Values:**

- **Considerate:** Respecting, trusting, and caring about each other and the customers we serve
- **Collaborative:** Working smarter together and with our partners to deliver high quality homes, services and living spaces
- **Ambitious:** For ourselves, for our customers and their communities. We aim higher to achieve more
- **Accountable:** For the decisions we make and the services we provide.

The purpose, mission and values are at the core of Beyond Housing and illustrate the business's commitment to being a provider of excellent homes and services and an employer of choice.

## Beyond Housing Strategy 2020-2025

To demonstrate and assess VfM, performance and projects are evaluated against the strategic aims and targets for the business. The strategy focuses on four key objectives:

- Providing quality **services** to customers
- Building new **homes** and keeping existing homes in top condition
- Investing in neighbourhoods to create great **places** to live and work
- To be a great place to work for our **people**.

In addition, the strategy highlights key governance and financial enablers to support the delivery of these objectives.

# Economic

Our aim is to maintain robust financial performance for the business and ensure our economic measures are at least at the sector median.

Maintaining gearing below 63% is one of our 'golden rules' and we are on track to do this and improve the operating margin to 25% by 2030. Our operating margin has declined due to rising inflation, interest rates and one-off costs. Efficiencies planned in the business will drive up the margin in the medium term. We aim to maintain a Return on Capital Employed (ROCE) of c4.5% and reduce the Social Housing Cost Per Unit (SHCPU) to c£4,000, through budgetary control, procurement and cost efficiencies.

Economy measure (home)	Budget 2022/23	Outturn 2021/22	Budget 2023/24	2024/25	2025/26	2026/27	2027/28
Gearing (Debt to net book value (NBV))	<63%	48.5%	50.7%	51.0%	52.0%	50.0%	48.0%
SHCPU	3,534	4,366	4,258	4,538	4,834	4,834	4,859
Operating margin (Overall)	25.30%	15.4%*	21.0%	18.2%	23.0%	23.3%	23.5%
ROCE	4.90%	3.30%	4.70%	2.97%	4.72%	4.64%	4.54%

\*Outturn 2022/23 operating margin is 20.5% (the 15.4% reflects one off items: £2.7m impairment of Spencerbeck House due for demolition, £1.7m pension adjustment and £0.7m affordable rent refunds accrual representing 5.1%).

# Case studies

## Finance

### Aim: Raising lender funds

**What we did:** In November 2022, we issued £40m of retained bonds. The £250m 30-year bond was issued in May 2021 with £165m issued and £85m retained. The bond markets have been very volatile throughout 2022/23 and timing was therefore critically important.

**Outcomes:** Issued when the effective yield (the price on the day of the sale) was at a gilt rate of (UKT July-2051: 3.49% on 30-year bonds) having significantly declined from summer highs. With the funding spread, this gave a total cost of 5.14%. Since mid-November 2022, 30-year gilt rates have remained consistently above the November rate, the timing, therefore, enabled us to raise funding at a competitive rate.

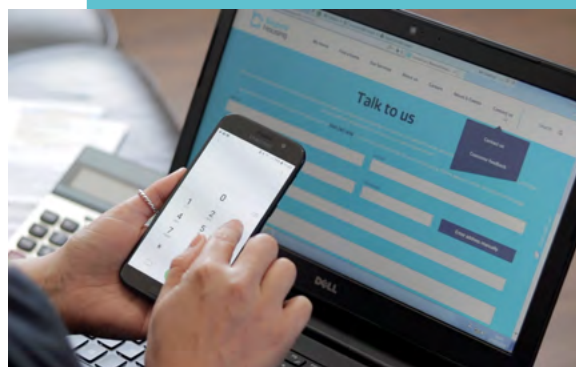


## Rents and benefits

### Aim: Increase customer revenue and sustain tenancies

**What we did:** Continued to focus on providing intensive customer support to help sustain tenancies, including advice on Universal Credit, fuel poverty, grants, and advice on direct government rental support. Using an income analytics system, we enable advisors to prioritise, and target rent cases. We managed rent arrear levels and provided customers with ongoing and timely support.

**Outcomes:** Customers were able to access a further £1.93m in benefits in the year. Rent arrears out turned under budget with ongoing support to customers and advice to access government support initiatives, such as the winter fuel allowance.



## Assets programme

### Aim: Investment in homes

**What we did:** During the year we delivered c£13m capital asset programme to upgrade homes.

**Outcomes:** We delivered the following works programme (excluding voids): 268 window replacements, 273 new doors, 26 internal heating systems, 150 new bathrooms, 236 new kitchens, 654 fire doors, 464 low regret energy works and 766 new/replaced A rated boiler installations.



# Case studies

## Regeneration

### Aim: Church Lane North

**What we did:** The masterplan for the £16m investment in the comprehensive regeneration at Church Lane North in Grangetown, included the delivery of 33 new build homes alongside the refurbishment of existing homes and improvements to the estate layout. Initially, we were only able to secure Affordable Housing Grant funding on 18 of the 33 new builds from Homes England as the enabling works included some demolition of long-term voids. As delivery progressed on site, a 'show and tell' with the Growth Manager from Homes England was facilitated to demonstrate the additionality that the rest of the new homes would bring and discuss the possibility of further grant funding.

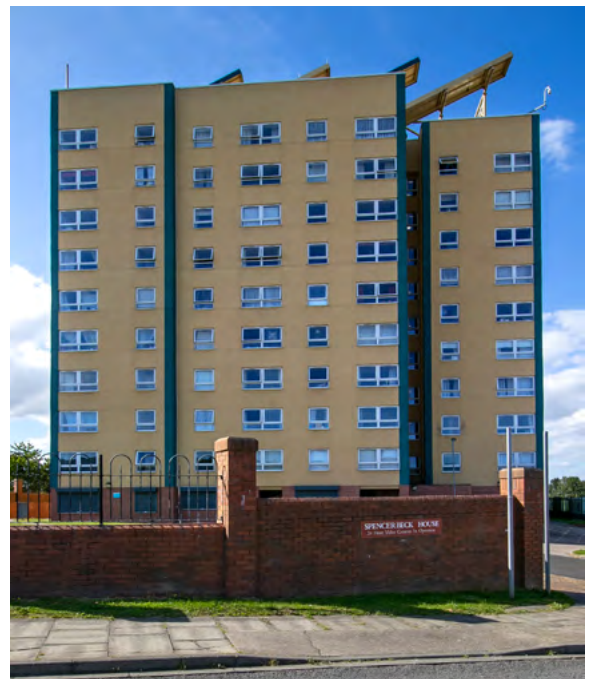
**Outcomes:** From the site visit and subsequent discussions with Homes England, Beyond Housing bid for an additional £675,000 in Affordable Housing Grant funding to support the delivery of the remaining 15 new build homes which were approved in March 2023. The first handovers of the new builds began in July 2023, alongside the delivery of significant improvements to existing homes and infrastructure across the whole estate. The regeneration and new build works are due to complete at the end of 2023.



## Regeneration

### Aim: Building safety

**What we did:** Spencerbeck House in Ormesby is Beyond Housing's only building which falls under the new regulations resulting from the Building Safety Act relating to high-rise buildings. In early 2022, an options appraisal took place to consider the costs and the most effective and efficient way to meet the new regulations. Professional surveys of the building and consultation with customers in the building took place to understand their views on two broad options; 1) invest in building works to meet the requirements of the Act, or 2) find a new home for customers and demolish the building due to it not meeting long-term financial viability tests or needs of customers. The cost of the work to rehouse customers and demolishing the building is estimated at c£2.7m however, the estimated cost to undertake building works is c£5.2m.



**Outcomes:** Customers supported the option to decant and demolish Spencerbeck House and the board approved this in April 2023. The outcome responds to customer consultation, meets legal requirements and delivers a financial benefit of approx. £3.1m.

# Efficiency

We are on track to meet our target for all homes to be EPC C or better by 2030.

Efficiency measure (service)	Budget 2022/23	Outturn 2022/23	Budget 2023/24	End of strategy 2024/25
Percentage of repairs completed on time	n/a	89%	93%	95%
Me & My Home: % of customers registered	30%	31%	40%	65%
EPC C or above	82%	85%	87%	95%

## Case studies

### New homes energy efficiency

**Aim:** Moving off gas to air source heat pumps

**What we did:** Developed 30 new two-bedroom apartments at the Boho Village development in Middlehaven. The apartments were delivered in partnership with Middlesbrough Development Company Ltd and contractor Equans. The purchase was supported by Homes England with grant funding totalling £1.1m.

**Outcomes:** All the apartments are equipped with air source heat pumps, efficiently reducing carbon emissions by extracting renewable heat from the environment to generate hot water and heating in the home. This project supports Middlesbrough Borough Council's commitment to restoring and regenerating Middlehaven as the centre of thriving businesses and homes that it once was. With the multi-million-pound investment, the council's ambitious Middlehaven Development Framework has included bold ideas providing education, housing, retail and leisure facilities.



## Case studies

### Government Social Housing Decarbonisation Fund Grant

#### Aim: External wall insulation

**What we did:** Beyond Housing, working with E.ON, has fitted energy saving, external wall insulation to 55 homes. These are located across our communities in the Redcar and Scarborough areas, and the work has been carried out following the successful bid through the Government's Wave 1 of the Social Housing Decarbonisation Fund.

**Outcomes:** The wall insulation helps improve the homes' EPC rating towards the required C rating and provides multiple benefits to customers, such as: helping to reduce energy bills, creating a warmer and more comfortable home, lowering carbon footprint, protecting the home from heat loss and improving property appearance and weather proofing.



### Recruitment

#### Aim: More efficient recruitment

**What we did:** The average time to fill a vacancy from a manager requesting recruitment to an offer being made to a candidate was on average 92 days. This meant current colleagues were required to carry out tasks in addition to their role, and the business was running below its capacity output.

**Outcomes:** Introduction of a new team to focus on recruitment; which provided support to the recruiting managers to plan their recruitment and identified efficiencies in the systems and processes. The team changed the way we shortlist candidates and improved the time it took to send the offer of employment to the candidates. The changes resulted in a 66-day average time to recruit, a 26-day reduction in lost productive days per vacancy, and a lower candidate withdrawal rate. Previously, candidates were more likely to withdraw from the recruitment process because of the length of time it took before an offer was confirmed, leading to a need to re-advertise. Re-advertising resulted in an average of 132 days of lost productive time as well as an average of £805 recruitment costs (cost of an additional paid advert, managers' time and human resource time to process plus system costs).

# Effectiveness

The number of new home completions fell as a result of delays in securing resources due to high inflation creating a challenging development market, which pushed down our reinvestment metric. Beyond Housing's aspiration is to complete c2,750 homes by 2030/31, with 1,369 planned to be delivered by 2024/25. Tenures include affordable rent, shared ownership, Rent to Buy and outright sale, with a limit of 10% of the programme being for outright sale. Income performance remained robust in the face of the 'cost of living crisis' and wider economic challenges around interest rates and inflation.

Economy measure (service)	Budget 2022/23	Outturn 2022/23	Budget 2023/24	End of strategy 2024/25
New builds – affordable completions	380	222	270	1,369*
Reinvestment	19.0%	12.9%	15.6%	12.2%
Income management	Arrears less than £2.2m	£2.1m	Less than £2.3m	Target set annually £2m
Repairs satisfaction (transactional)	75%	73%	80%	85%

\*Cumulative completions all homes (rent, affordable, outright sale).

## Case studies

### Aerial technology in homes

**Aim:** Upgrade the TV reception across 29 multiple occupancy homes

**What we did:** Responding to a number of queries from customers who were concerned about their lack of modern TV aerial systems within their homes, we conducted a survey which identified the work required to upgrade the system across 29 blocks, covering 744 flats. The aim was to provide all customers with a Sky Q compatible reception system to be able to access live TV, pay to view packages and free to air services they pay for.

**Outcomes:** Work was carried out in 2022 to upgrade all the buildings identified as needing the additional aerial reception services and now all homes can access satellite-based services such as Freesat, Sky Q, and terrestrial based services such as Freeview, Now TV and TalkTalk TV. This has vastly improved the quality of services accessible to customers living in these locations and has improved their outlook on considering these homes as longer-term solutions for them.



## Communal building cleaning

### Aim: Improve communal building cleaning service for customers

**What we did:** The cleaning service was originally provided inhouse and covered cleaning of all communal areas as well as our offices. The specification was reviewed with a view that an improved service would be offered to both colleagues and customers and that this would be delivered more effectively by an organisation where cleaning was its core service. Following a tender process, a contractor was successfully appointed to begin carrying out this work.

**Outcomes:** The cleaning contractor is now providing more annual cleaning hours at a lower unit cost in the contract. New technology to record and track cleaning services has been implemented giving greater reporting of the service. The level of cleanliness in communal areas has improved, and we are receiving positive responses from both customers and colleagues. Having a contractor on board where cleaning is their focus has improved the output of the cleaning services required. A strong relationship is building between Beyond Housing and the contractor to ensure that the contract will continue to run effectively and provide a high-level of service.



## Case studies

### Open space

#### Aim: Customer safety

**What we did:** Within a particular location customers felt there was a lack of safe community space for customers to socialise outside, as the conversation progressed, customers highlighted that their outdoor space was used for negative reasons such as anti-social behaviour making customers feel unsafe using the open space. The impact on the customers' safety and daily lives in their allocated open space was investigated and quantified. The landscape design team looked at what could be done and went through a consultation process that was shown to customers to take on board their views.

**Outcomes:** Provided external fencing to surround all the identified flats in the location, and removed all drying facilities from hidden areas and replaced them with new facilities situated in visual areas. The fencing provides a physical boundary and encourages other users to respect the space and find alternative routes. It also discourages the behaviour that customers highlighted as the problem and provides a safe outdoor environment for customers to use and socialise in.



## Housing management

### Aim: Intensive housing management

**What we did:** We provide an intensive housing management service. This service is delivered by tenancy management advisors and underpinned by tenancy support officers. The service is available to all customers for an initial period of 13 weeks, through assessed needs, support and risk planning, and direct hands-on support; to empower customers to maintain and sustain their tenancy. Typically, customers using the service will be struggling to declutter their home as they may have a physical disability which makes the upkeep of their home a challenge, some customers may need support with clinical conditions such as hoarding and are supported to reduce the fire loading and the risk this poses to

them and their neighbours. The tenancy management advisors will also assist customers with accessing longer term support through statutory services such as adult care or accessing third sector voluntary support services.

**Outcomes:** Customers engaging with this support service are 75% more likely to remain living independently in their own home.

