



Orbit Group

VALUE FOR MONEY REPORT

For the year ended 31 March 2023



VALUE FOR MONEY

Our Strategy

At Orbit we take a balanced approach to value for money that supports our fundamental social purpose and ensures that we fully utilise our resources and assets to deliver the best quality service for our customers. Challenging economic headwinds and demands facing the housing sector including rising material and energy costs, changes to the benefit system, and the conflict in Ukraine are increasing the pressure on social housing landlords to ensure we can deliver investment which will ensure maximum social impact for our customers. We have continued to combine our social purpose and financial expertise within this Value for Money (VFM) Framework to build good quality, safe and affordable homes within thriving communities for our customers.

We are proud to be a multigenerational, inclusive employer and are committed to providing our people with the required structured learning and training to fulfil the Social Housing white paper agenda for increased professionalism across the sector. We have introduced a range of leadership development programmes supporting personal leadership growth, strength in leadership and development of high performing teams that will enable us to deliver on our corporate strategy. Our value for money culture is led by our Group Board and Executive team, through approval of our value for money strategy, financial business plan and business change initiatives. It is embedded in all decision-making processes, and we ensure our strategy adheres to the standards set out by the Regulator. We are proud to have retained our G1/V2 regulatory rating.

Our Customer Promise continues to put our customers at the heart of everything we do. It communicates a clear set of commitments and outlines what they should expect from us as their landlord. Alongside our new Thriving Communities strategy – Better me, Better Place, Better Home we ensure that our customers feel well supported in their tenancies. This reinvigorated, sector leading offer, which includes our Better Days service for which we have recruited thematic specialists is focused on delivering best practice and utilising industry specific knowledge to deliver impact which will benefit those who need our support.

Orbit's total social value delivered for customers and communities in the year to 31 March 2023 was £19.2 million. This captures social value delivered through our Better Days programme, our tenancy sustainment services, through our independent living for over 55s and through our suppliers social value as part of their contract delivery. Social value enables us to measure the financial value for each improvement we make for a customer or for communities. We calculate this value using industry recognised social value tools such as the Social Value Bank (Housing Associations' Charitable Trust) and National TOMS (Themes, Outcomes and Measures).

We have invested £2.4m into our Better Days programme enabling us to offer free universal services to our customers with the aim of supporting financial inclusion, wellbeing, employment skills and digital support.

In response to the coroner's report into the tragic death of a child from severe respiratory condition caused by prolonged exposure to mould in his home, provided by his landlord in Rochdale, we have overhauled our policies and processes with a stronger focus on analytical evaluation and evidence. We have appointed a cross-functional Damp, Mould and Condensation Task force and introduced policies and procedures to ensure that all reports of damp and mould are referred for inspection and diagnosis. We have also invested in specialist equipment and training to improve our diagnostic capabilities, expertise and ensure early intervention. Improvements to our data will help us monitor damp, mould and condensation issues raised more effectively and enable us to take preventative action where possible. We now classify damp, mould and condensation as one of our big seven health and safety risks alongside gas, electrical, lift, asbestos, fire and water safety, and are tackling any reported cases of damp, mould and condensation as an absolute priority.



Orbit colleagues receiving feedback from one of our customers about the retrofit work to their home

Our ongoing ambition to offer a sector-leading, streamlined customer experience, enabling easy communication for our customers has continued with improvements to our digital channels. We provide our customers with a choice of online communication channels to use anytime, anywhere and on any device allowing them to self-manage many elements of their tenancy. Alongside this we have updated our complaints handling triage system, demonstrating our commitment to putting our customers first. We are proud to have been accredited with the Internet Crystal Mark by the Plain English Campaign. We have worked hard to ensure that the content on our website remains relevant to help our customers navigate all stages of their lives. Information provided online is supplemented by offline communications including customer letters, scheme posters and in-person events.

Our vision of providing thriving communities is key to the wellbeing of those who live in our homes, and we are committed to moving away from fixed term tenancies to lifetime tenancies. This will enable our customers to better plan for their future and feel part of the community in which they live, fostering a positive impact on their wellbeing.

Our colleagues continue to work in a blended way from any location across the UK, with our business hubs bringing people together to collaborate. This year we closed our Bury St Edmunds office, and we will continue to review our office requirements next year.

Orbit's total carbon footprint in 2022/23 was 4545 tonnes of carbon dioxide equivalent (tCO2e). This captures our total scope 1 and 2 carbon emissions from offices, fleet, landlord supply and new build voids and construction activities. In the past year we have reduced our carbon footprint by 14% with a 38.5% reduction on our 2018-19 baseline year. This further reduction has been driven primarily by the transition from red diesel to hydrotreated vegetable oil (HVO) in our direct build operations and minor energy efficiency improvements in our communal areas. This builds upon the established practices of agile working, procurement of Renewable Energy Guarantees of Origin (REGO) certificates and colleague engagement through our Orbit Earth environmental programme.

Ensuring that as business we reduce our impact on the environment is important to us. Our net zero carbon roadmap, Orbit to Zero confirms our vision of achieving net zero carbon in our own operations by 2030 and achieving net zero carbon in our customer's homes and supply chain by 2050. We are committed to carbon reduction and improving energy efficiency. The cost-of-

living crisis and rising energy costs are significantly impacting our customers and this year has seen us achieve 83.5% compliance for homes at EPC Band C or above, against our KPI target of 83.5%. We are targeting EPC Band C in all properties by 2030 in line with the Government target.

Our Sustainability strategy is embedded in our corporate strategy and central to achieving our vision of building thriving communities. This year we refreshed and strengthened this strategy into four key themes: Our Customers, Quality Homes and Places, Our Planet, and Our People. The environmental pillar of our Sustainability strategy is Orbit Earth, with our three main priorities: Climate action to net zero carbon, enhancement of outdoor spaces to improve the quality of natural resources and sustainable consumption to manage resources, material and products responsibly.

This year we completed work on our Decarbonisation Demonstrator to upgrade the energy efficiency of 69 homes in the Stratford-upon-Avon area with an energy rating of EPC Band D or below using a whole house retrofit approach. This project has enabled Orbit to gain a clear understanding of the challenges of whole house retrofit decarbonisation projects and the cost of achieving net zero carbon. Building on the success of the demonstrator we have commenced work on the Social Housing Decarbonisation (SHDF) Wave 1. This project includes £1.4 million grant funding and a further £4.6 million investment from Orbit to upgrade the energy performance of 136 properties, providing warmer and more energy efficient homes for our customers across Stratford-upon Avon and the West Midlands area.

Building on the success of our Demonstrator and Wave 1 projects, we successfully bid for an additional £2 million grant funding as part of the Wave 2 Social Housing Decarbonisation Fund in partnership with West Midlands Combined Authority (WMCA) to improve the energy efficiency of 212 of our lowest energy performing homes, with £5.7 million additional investment from Orbit. This project will run through to 2025.

Over the past 12 months we have continued to make progress with our densification strategy to optimise our property portfolio and create operational economies of scale that will improve services for customers and further our work to ensure long-term, sustainable economic growth. This year we successfully completed the disposal of 185 shared ownership units, 59 units in Hammersmith & Fulham to Notting Hill Genesis and six units to South Kesteven Local Authority generating a surplus of £19.7 million. These activities will support the delivery of more affordable homes in our key geographical areas or maintaining and improving our existing homes.



Orbit colleagues on a volunteering day, planting new trees and flowers to improve outdoor spaces at our Applegarth development in Erith

The financial planning process, overseen and approved by the Board, ensures that Orbit achieves a healthy balance between building good quality, safe and energy-efficient homes where our customers are proud to live, maintaining our properties to an excellent standard, creating a positive work experience for our employees whilst continuing to protect the financial health of the business.

Created in collaboration with colleagues and customers, our corporate strategy clearly outlines our plans to increase our investment in the communities where we work, the homes that we build and manage, the services we offer and the careers of

our people. All of which will be delivered in full recognition of the changing legislative landscape, whilst ensuring we reduce our impact on the environment and continue our focus on safety and quality standards.

At Orbit we continue to work to ensure that we are set up to explore partnership and growth opportunities that arise.

Value for Money Metrics

As well as the value for money metrics set out by the Regulator, we also report against our own internal metrics taking into consideration our social and environmental commitments alongside the core thread of governance. These include measuring staff costs as a Percentage of turnover, rent collection, occupancy rates, customer satisfaction, investment in communities, the number of homes meeting the decent homes standard and the percentage of homes achieving EPC Band C or above. These additional metrics help evaluate the efficiency and effectiveness of our value chain. All metrics can be aligned with Economy, Efficiency or Effectiveness. The three E's focus on different aspects and are defined as follows:

Economy: the degree to which objects are being purchased in the right quantity and at the right price, while having regard to quality. This is true of both goods and services that are utilised by Orbit but is equally important when employing staff. It is essential to ensure that staff are employed at the right salary levels, reflecting Orbit's target position of a median benchmarking employer, and that employees have sufficient skill sets to carry out the tasks assigned to their role.

Efficiency: is a productivity measure considering how efficiently the project is delivering its results, considering the rate at which inputs are converted to outputs and its cost-efficiency.

Effectiveness: considered the quality of the work by assessing the rate at which outputs are converted into outcomes along with the impact this has. These outcomes can be either qualitative or quantitative in nature and reaffirming that value for money is not simply a financial consideration.

Outlined below are some key highlights achieved this year as a result of our embedded value for money culture.

Economy

Operating Margin **25.1%**

EBITDA MRI **169.2%**

Efficiency

Home Occupancy **98.57%**

Rent collection levels **99.42%**

Effectiveness

Multi award-winning company

RoSPA Health & Safety of the Year Award 2023 – **Highly Commended**

British Safety Council International Safety Award – Commitment to Customer and Property Safety 2023 - **Merit**

WhatHouse? **Housing Association of the Year**

NMHF award – **Most Innovative Property Service for BIM in Partnership with Parametrix**

Ministry of Defence - Defence Employer Recognition Scheme – **Silver award**

Customer satisfaction – **4.29 / 5**

Benchmarking

To aid benchmarking we have tracked performance against a representative peer group. This group has been carefully selected by reviewing geographic coverage and property portfolio size. This group has been in place for the past four years, however, as part of our Value for Money Strategy we will conduct a further review over the next 12 months. Housing Associations included in the benchmark group are as follows:

Midland Heart	Optivo
Platform Housing	Home Group
Live West	Bromford
Sovereign	Notting Hill Genesis
Citizen Housing	Stonewater

Furthermore, we are also continuing to benchmark for Housing Associations providers with over 30,000 units, as defined by the Regulator of Social Housing. Orbit is proud of its commitment to building good quality, affordable, safe and energy efficient housing to create thriving communities. We will continue to invest in existing properties to ensure we improve customer experience and deliver on the requirements of the Social Housing White Paper.

Providing good value services

The cost-of-living crisis and challenging economic headwinds are placing financial and emotional pressure on our customers.

Over the past 12 months we have continued to enhance and deliver on our customer promise, building a customer-focused culture which will improve the lives of those living in our homes.

We ended the year with a customer satisfaction score of 4.29 / 5 (2022: 4.3/5). The number of days to complete scheme repairs has decreased to 13.71 days (2022: 37.36 days).

Our arrears have been running at their lowest levels for 7 years. We have achieved rent collection levels of 99.42% (2022: 99.82%) and our gross rent arrears as a percentage of rents receivable are 2.56% (2022: 2.49%). Our Tenancy Sustainment team have supported our achievement of this improved performance as referenced in the Social Value section of this report. We have seen a reduction in rent lost to void property at 2.19% (2022: 2.37%) and we continue to work to achieve further improvements in this area. Our home occupancy rate has been in excess of 98.57% (2022: 98.15%).

Orbit has a strong culture of health and safety, and we aspire to be sector leading. We are proud to have been awarded a merit for our commitment to customer and property safety by the British Safety Council International Safety Awards and Gold in the Royal Society for the Prevention of Accidents' (RoSPA) Public Service and Local Government Industry Sector health and Safety Award. We remain the only national affordable housing provider to have achieved BS9997 British Standards in Fire Risk Management systems. This year RoSPA were invited to carry out a Quality Safety Audit (QSA) of our Health and Safety Management System applied across the Group. We are proud to have achieved an overall health and Safety Performance rating of 82.2% and level 4 audit score, an improvement from our 2019 score of 2. We aim to attain level 5 within the next 3 to 5 years.

Our newly launched Building Safety Communication strategy which includes a podcast for colleagues across our business to improve awareness and understanding.

Highlights for the year include:

Better Days cost-of-living support – our Local Place teams have mobilised across our regions, utilising Better Days hubs, Independent Living schemes and partner organisations to meet our customers at face-to-face events within their local communities. Over 1,300 customers have been engaged in this way through estate walks, door knocking and community events with support from Better Days and other local external agencies.

Energy Advice Service – Launched in partnership with National Energy Action (NEA). This service has provided telephone support for vulnerable customers, distributed energy packs containing low-cost energy saving items including LED lightbulbs, temperature gauge, hot water bottle and cover, flask, radiator foil and wearable blanket. and offered face-to-face energy advice events in our communities.

Better Days – The impact of the cost-of-living crisis impacts on our customers mental and physical health and Orbit has introduced a dedicated cost-of-living hub on our customer website with links to our Better Days offer including self-referral and external services which will benefit our customers. We have also increased our capacity in Breathing Space, our mental health support service.

Welfare Advice Service – Provided by Citizens Advice, supports customers in understanding and applying for benefits and provides coaching to develop customer financial resilience.

National Housing Federation ‘Together with Tenants’ programme - This aims to drive customer improvement and strengthen customer relationships. This has been achieved with a hybrid approach offering both digital and face-to-face options.

Customer Engagement Strategic Committee – This will enhance our governance and ensure that the voice of our customer is embedded in our decisions and actions. Each committee member acts as an ambassador for Customer Engagement within their local community throughout our portfolio and across the wider housing sector, to champion all areas of the customer journey.

Scrutiny Hackathon – This has focused on our rent arrear letters. Working with customers, we have softened the tone and increased support available for our customers

Complaints Handling System – we have continued to work with the Housing Ombudsman and have streamlined procedures provided to customers. We have amended policies and procedures, improved root-cause insights, introduced a customer satisfaction survey and appointed of a designated complaints lead for our governing body. We have also completed a review of our complaints service and implemented changes including a new, more effective triage system, with a focus on customer first.

New Safeguarding Team – This team is integrated within Tenancy Management with a focus on safeguarding, sign posting, encouraging positive mental health, enabling our customers to feel safe in their homes. We are accredited by the Leaders in Safeguarding experts and Domestic Abuse Housing Alliance (DAHA). 3,539 safeguarding concerns were reported and 100% of all cases were opened within 24 hours of being raised.

New Regional Place Team – ensures we engage with customers at a local level within their communities, increasing access to Better Days support and involving customers directly in investment plans for their local area.

Independent Living Offer – Our customers long-term prosperity is important to us. We are embarking on a 10-year strategy to transform our Independent Living offer investing £4m in the refurbishment of 50 independent living schemes, starting with a pilot scheme at Melville Court in Stratford-upon-Avon where we have engaged with our residents to shape the look and feel of their communal living areas. A survey of our independent living customers has identified that declining health and mobility are barriers to customers feeling they can remain in their homes with many feeling the need to move into Care Homes. Our new Health & Wellbeing strategy offers a holistic service offering both practical solutions, health and wellbeing support. The launch of our Homes Adaptations service will include referrals to specialists, home adaptations, assistive technology or a move into Independent Living or Supported housing. We are also offering a greater range of preventative health services, including coaching sessions on nutrition, falls prevention and mindfulness.

An older customer is supported to get online by one of Orbit's Digital Champions



Quality, Affordable and Safe Homes

We continue to be one of the UK's leading developers of brand-new affordable homes for rent and shared ownership homes in the UK. We are committed to providing sector leading homes through a tenure-blind approach to design, layout, specification and customer experience within thriving communities. We plan to deliver 5300 new homes by 2025 to meet growing demand. In 2023 we have delivered 1,257 homes across all tenures against the challenging backdrop of macroeconomic impacts on labour markets and supply chains. We embrace Modern Methods of Construction to deliver sustainable and energy efficient new homes for the benefit of our customers, communities and the wider environment.

Under the Homes England Strategic Partnership, we have secured an additional £104 million grant funding under the government's 2021-26 Affordable Homes Programme, with 2,136 start-on-site registered and 875 completions to date of the 1,500 new affordable homes that will be delivered with grant funding from this programme.

As a result of labour and material shortages we reset our capital delivery programme earlier this year. We delivered 65% of our original programme and achieved 95% delivery of the revised programme, whilst ensuring we maintain both Decent Homes and EPC standards. We have reset our supply chain and introduced new management capability. Our focus is a longer term three-to-five-year delivery horizon ensuring that building safety and decarbonisation work remains embedded in our future plans.

Our continued focus on the delivery of good quality homes across multiple tenure types is not restricted to the development of new properties and in the last 12 months we have invested in excess of £88 million in maintaining the quality of our existing stock portfolio to improve standards for our customers.

As Orbit continues to build new homes our primary focus remains on our core value of social housing. 70% of the homes Orbit built in the last 12 months have been social in nature, whilst open market activity has continued to contribute to future social housing developments through reinvesting the profits generated.



Retrofit work being undertaken as part of the demonstrator project

Responsible Business

Orbit is committed to the development of new homes with a focus on sustainability. All our new homes are built to a minimum rating of EPC Band B, with 15% rated EPC Band A, and are equipped with renewable and water saving technology. We continue to improve standards in our existing properties with 99.97% of homes meeting the Decent Homes Standard.

Sustainability in our outdoor spaces is important to us. Our Biodiversity approach aligns with the core target of the proposed framework of the United Nations convention on Biology Diversity and the Wildlife Trust's vision to protect at least 30% of our land and sea to allow for nature's recovery by 2030. We plan to achieve this target by strategically planning how and where to enhance habitats across our estates which will benefit nature and residents. Improvements will include planting hedgerows, shrubs and wildflowers. Where space is limited, we will look to create artificial habitats including bird boxes and bug hotels. These enhanced outdoor spaces will provide improved access to nature for our customers with a positive impact on wellbeing.

We are proud to be a co-founding member of the Green Spaces Advisory Board. This is a pioneering cross-industry partnership of Ground Control and housing associations, aiming to unlock the potential of green spaces through actions, thought leadership, and housing conversations that encourage collaboration.

We launched our Sustainable Finance Framework in February 2023. This framework demonstrates how our borrowing will be used to make a positive social and environmental impact in the short, medium and long term. Under this framework, funds from Sustainable Finance Instruments are allocated to specific projects ranging from energy improvement to existing homes, the provision of new green and / or affordable homes and placemaking, tackling poverty, increasing in biodiversity and improvements to the public realm. This framework enables us to clearly illustrate how we are delivering value for money for our customers, communities and wider society. In addition, this year we have arranged our first sustainability-linked revolving credit facility of £100 million. This facility is linked to two sustainability KPI's which, upon achieving the agreed targets, will result in a discounted borrowing rate, and deliver environmental and social value to our communities and society.

To ensure that our employees are adequately skilled alongside our environmental sustainability qualifications, we have launched Orbit Earth e-learning which has been completed by 41% of our workforce. An Environmental advisory service supports the wider business, led by our first environmental graduate who has been promoted to Environmental Advisor. Key to achieving our environmental ambitions is effective stewardship and we are proud to have been accredited with British Standards Institute (BSI) ISO14001:2015 for our Environmental Management systems. This demonstrates our passion and commitment to reducing our environmental impacts and becoming a more responsible business.

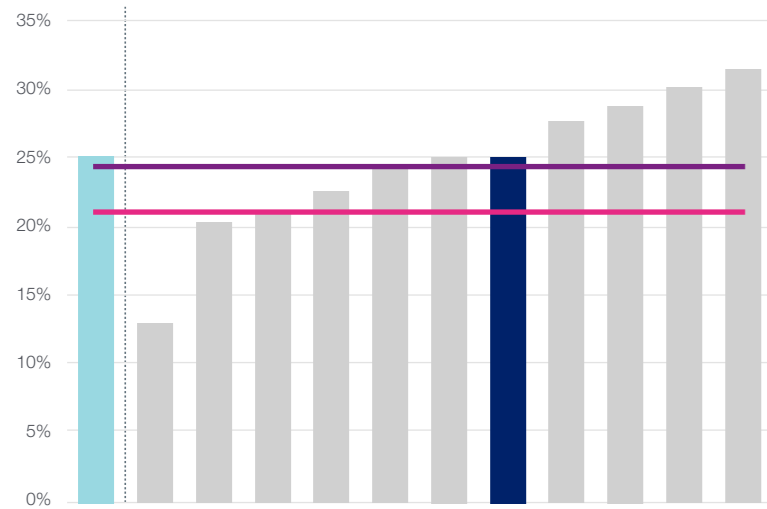
Our Zero Waste approach which will be launched next year will focus on how we can consume more sustainably and maximise resource efficiencies which will result in both financial and environmental savings, with value to be gained in resilience and productivity.

Profit for a Purpose

Orbit's financial delivery is strong and resilient despite the significant geopolitical and macroeconomic headwinds. Our total reserves have continued to increase and this, coupled with our liquidity position, leaves us well-placed to absorb further challenges that may arise. Our target reflects our commitment to achieving efficiencies around discretionary spend and our focus on contractor management and core repairs delivery.

Operating Margin Overall (%)

The Operating Margin, which excludes surplus on sale of housing properties, demonstrates the profitability of operating assets before exceptional expenses are taken into account. Increasing margins are one way to improve the financial efficiency of a business.



Operating Margin of 25.1% has been achieved, which is in line with prior year and 0.6% above our peer group. It exceeds the benchmark for housing associations with 30,000+ units by 4%.

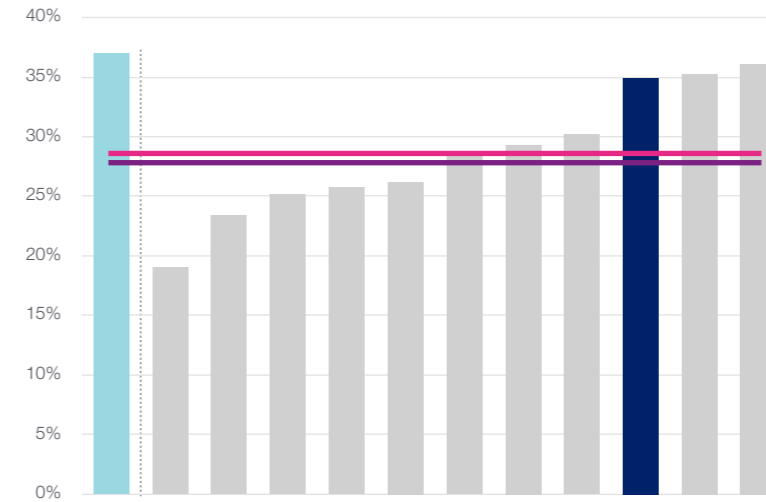
Orbit continues to play its part in reducing the housing crisis through the development of homes for sale and reinvesting profits generated in building thriving communities. Whilst careful management of business expenditure sees operating surplus maintained in a challenging operating environment.

For 2024, we are expecting a similar margin level to our current year delivery reflecting our continuing investment in our housing assets.

Value Chain Alignment	Key:	Orbit 2022:	Orbit 2023:	Orbit 2024 Target:
		25.2%	25.1%	
Economy	Peers 2022	Peer Average:	Benchmark:	25.1%
		24.5%	21.1%	

Operating Margin (Social Housing Lettings (SHL) Only) %

Demonstrates the profitability of operating assets before exceptional expenses are taken into account.



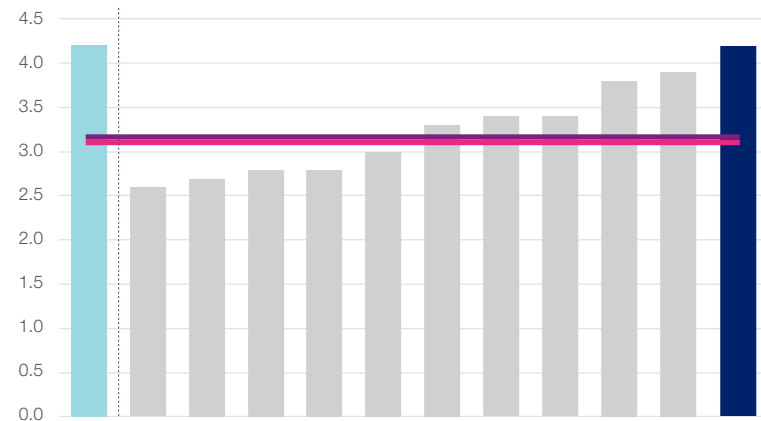
Orbit has delivered an Operating Margin (SHL) of 35%, a 2% reduction from prior year and also 2% below our expected target of 37.1%. This is due to a significant rise in utility costs that are recovered through the service charge which affects the margin, together with additional repair costs incurred during the year. However this remains 7.1% above our peer group average and has also exceeded the benchmark for housing associations with 30,000+ units by 6.4%. This metric demonstrates the efficiency and effectiveness in the core social aspects of our business and that value for money remains a key focus.

Our expected metric for 2024, reduces fractionally to 34.1% reflecting continued investment into our housing assets.

Value Chain Alignment	Key:	Orbit 2022:	Orbit 2023:	Orbit 2024 Target:
		37.0%	35.0%	
Economy	Peers 2022	Peer Average:	Benchmark:	34.1%
		27.9%	28.6%	

Return on Capital Employed (%)

This metric compares the operating surplus (inclusive of asset sales) to total assets less current liabilities and is a common measure in the commercial sector to assess the efficient investment of capital resources. The ROCE metric would support registered providers with a wide range of capital investment programmes.



Orbit's Return on Capital Employed percentage of 4.2% is consistent with prior year, 1% above our peer group average and 1.1% above the benchmark for housing associations with 30,000+ units.

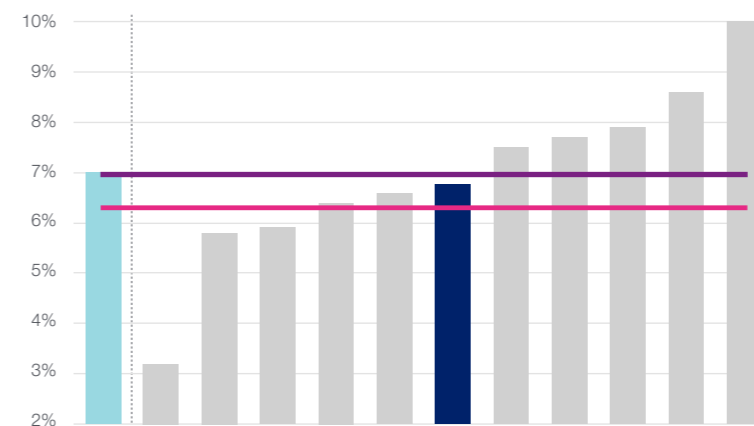
Increased operating surplus have been delivered year on year, more than offsetting slightly lower gains on disposal of fixed assets. However, lower levels of disposal activity than anticipated saw this metric fractionally below expectations of 4.7%.

We are expecting ROCE to remain at a similar level in 2024.

Value Chain Alignment	Key:	Orbit 2022:	Orbit 2023:	Orbit 2024 Target:
		4.2%	4.2%	
Economy	Peers 2022	Peer Average:	Benchmark:	4.2%
		3.2%	3.1%	

Reinvestment (%)

Investment in properties (existing stock as well as new supply) as a percentage of the value of total properties held.



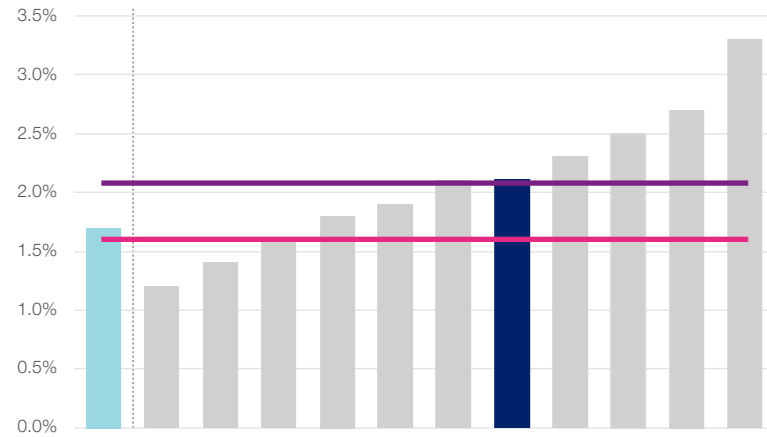
This year Orbit's reinvestment metric has remained similar to the prior year at 6.8%. The levels of investment into both new and existing assets has been consistent year on year and the growth in our asset base through development, acquisition and reinvestment in our properties, reduces the metric. Our reinvestment metric is 0.2% less than our peer group average and 0.5% above the benchmark for housing associations with 30,000+ units. Orbit anticipated a reinvestment percentage of 9.7% in 2023 however a reduced capital repairs programme, through material and contractor shortages, has seen us come in under this target.

Orbit remains committed to building thriving communities, with a 10% target for 2024 reflecting increased development and repairs and maintenance expenditure.

Value Chain Alignment	Key:	Orbit 2022:	Orbit 2023:	Orbit 2024 Target:
		7.0%	6.8%	
Economy	Peers 2022	Peer Average:	Benchmark:	10.0%
		7.0%	6.3%	

New Supply (Social) (%)

Number of new housing units acquired or developed in the year as a proportion of total social housing units and non-social housing units owned at period end.



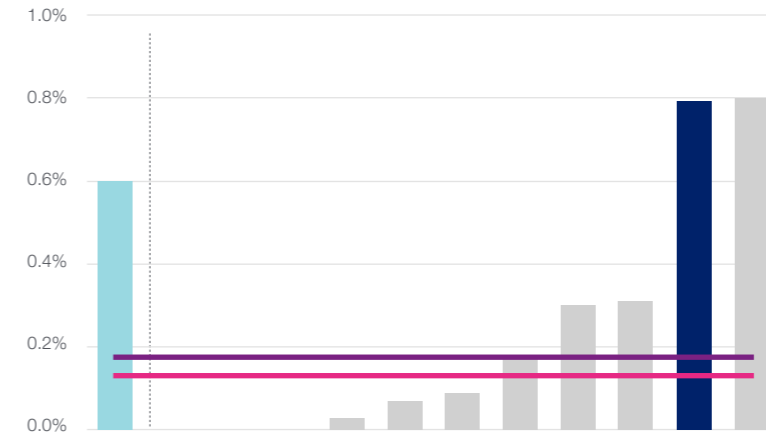
Orbit has delivered a New Supply Social percentage of 2.1% against a target of 2.4%, which is an increase of 0.4% against prior year, in line with our peer group average and 0.5% higher than the benchmark for housing associations with 30,000+ units.

900 new properties were added to our property portfolio this year through new development and acquisition, an increase of 196 on the prior year, 452 units for affordable/social rent and 448 shared ownership properties. We are continuing our commitment to building thriving communities and our 2024 target reflects this whilst also acknowledging the current economic challenges. Orbit's primary focus is to deliver good quality affordable homes to meet a range of customer needs.

Value Chain Alignment	Key:	Orbit 2022:	Orbit 2023:	Orbit 2024 Target:
		1.7%	2.1%	
Economy	Peers 2022	Peer Average:	Benchmark:	1.8%
		2.1%	1.6%	

New Supply (Non-Social) (%)

Number of new non-social housing units that have been acquired or developed in the year as a proportion of total social housing units and non-social housing units owned at period end.



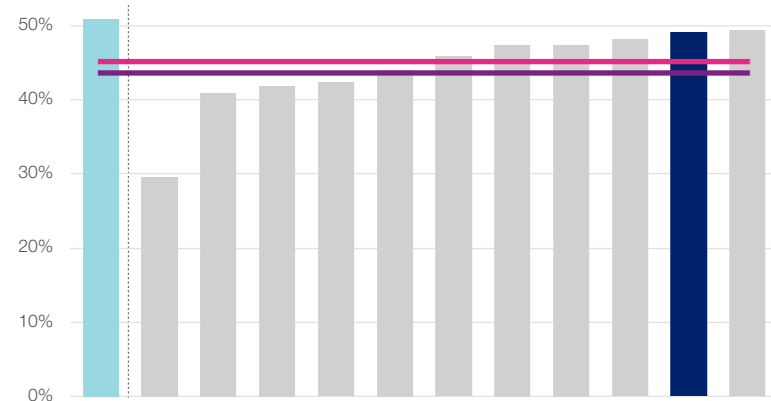
Orbit has achieved a New Supply Non-Social percentage of 0.8% which is an increase of 0.2% against the prior year and target. This is 0.6% above our peer group average and 0.7% above the benchmark for housing associations with 30,000+ units.

This year Orbit has delivered 335 non-social homes (2022: 264). These profits will be reinvested into new affordable homes, as can be seen in our New Supply Social metric or existing homes. Our target for non-social development for 2024 is reduced slightly to reflect the macro-economic environment but still higher than our peer average, as we continue to build homes that meet a variety of needs.

Value Chain Alignment	Key:	Orbit 2022:	Orbit 2023:	Orbit 2024 Target:
		0.6%	0.8%	
Economy	Peers 2022	Peer Average:	Benchmark:	0.4%
		0.2%	0.1%	

Gearing (%)

This metric assesses how much of the adjusted assets are made up of debt and the degree of dependence on debt finance.



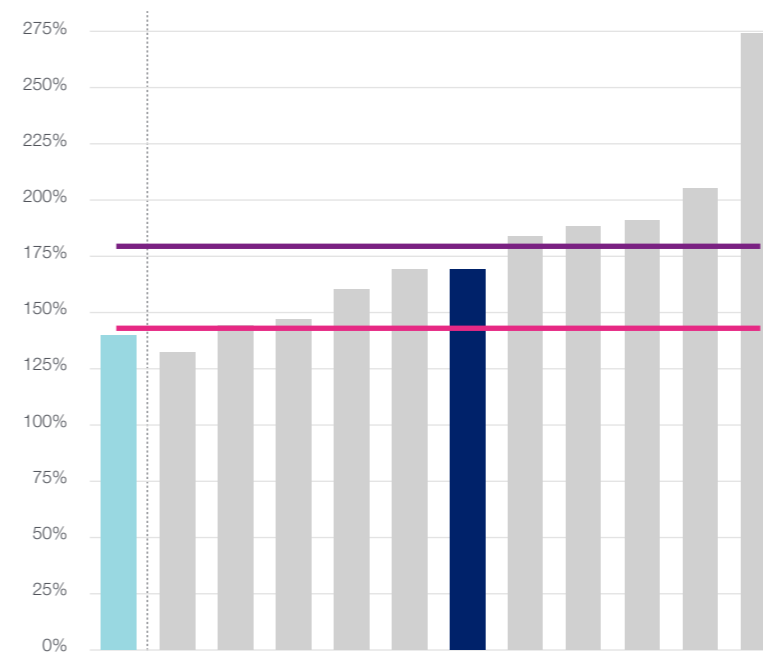
Orbit's continued strategic commitment to playing its part in addressing the national housing crisis through developing new homes and creating thriving communities is reflected in this gearing metric through a growth in our housing asset portfolio. Furthermore, we continue to invest significantly in our existing stock to provide, good quality and safe homes for our customers.

As a result, we have leveraged our balance sheet to support our strategic objectives resulting in a gearing metric of 49.1%, which is a reduction of 1.8% against the prior year due to a flat debt position and growing asset values. This is 5.4% above our peer group average and 3.9% above the benchmark for housing associations with 30,000+ units.

Value Chain Alignment	Key:	Orbit 2022:	Orbit 2023:	Orbit 2024 Target:
		50.9%	49.1%	50.4%
Economy	Peers 2022	Peer Average:	Benchmark:	
		43.7%	45.2%	

EBITDA MRI (%)

Key indicator for liquidity and investment capacity. Measures the level of surplus (excluding asset sales) that a registered provider generates compared to interest payable; the measure avoids any distortions stemming from the depreciation charge.



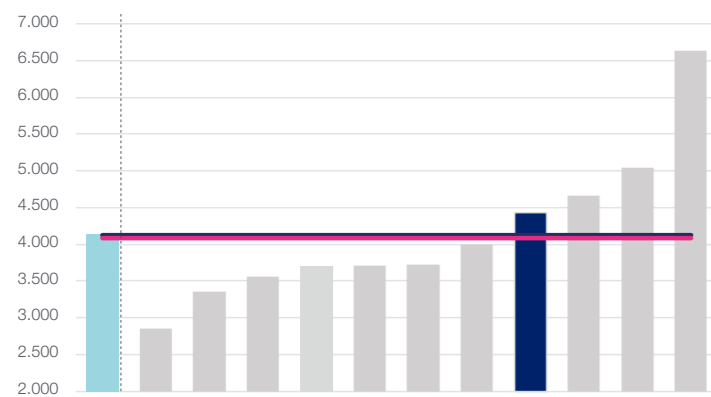
Our EBITDA MRI metric has increased this year, by 29.6% to 169.2% due to improvements in earning's delivery whilst interest charges have remained flat due to our largely fixed rate debt. This has moved our performance towards the middle of our peer group and above the benchmark for housing providers with more than 30,000 units. Whilst doing so we have still invested in excess of £88 million into our existing stock ensuring we continue to meet Decent Homes Standards. This delivery is significantly above our target metric for 2023 primarily due to a lower capital programme.

Our 2024 target reflects our ambition to significantly increase investment in our existing assets to improve quality. In addition, Orbit remains committed to delivering new housing stock, whilst enhancing the homes of current customers, which will lead to lower overall operating margin. As a result, significant improvements in EBITDA metrics remain unlikely, however, Orbit will continue to demonstrate the efficiency of its operations through close monitoring of the Social Housing Lettings operating margin.

Value Chain Alignment	Key:	Orbit 2022:	Orbit 2023:	Orbit 2024 Target:
		139.6%	169.2%	100.9%
Economy	Peers 2022	Peer Average:	Benchmark:	
		179.4%	143%	

Headline Social Housing Cost Per Unit (£000s)

The unit cost metric assesses the headline social housing cost per unit as defined by the regulator.



This year, Orbit has achieved a Headline Social Housing Cost Per Unit of £4.436, which is a £295 increase from the prior year, £311 above our peer group and £356 above the benchmark for housing associations with 30,000+ units. However, this is below prior year expectations due to the lower capital programme.

Increases in service charge costs due to higher utility bills have been offset by lower management and other costs. However, higher levels of revenue repairs costs in voids, property repair and damp, mould and condensation, coupled with inflationary pressures have seen our cost per unit rise.

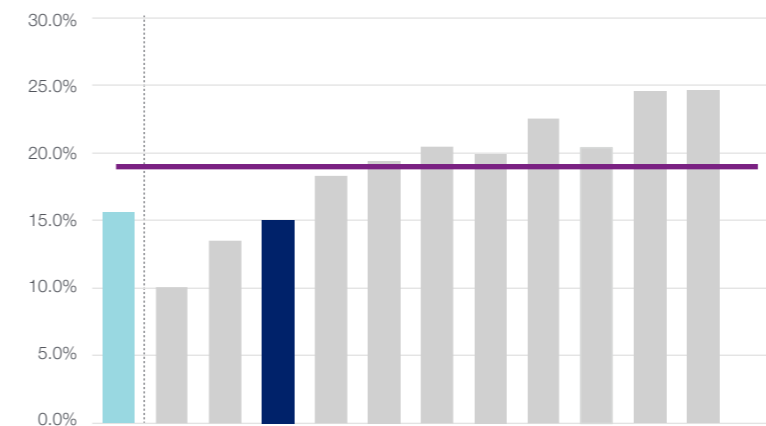
Our 2024 target will see an increase versus our 2023 position as we continue to deliver our commitment to delivering good quality homes to our customers.

Value Chain Alignment	Key:	Orbit 2022:	Orbit 2023:	Orbit 2024 Target:
Economy	Peers 2022	£4.125	£4.080	£5.312

Cost per unit (CPU)	Orbit 2023 (£000)	Orbit 2022 (£000)	Peer Average 2022 (£000)
Management cost per unit	£0.810	£0.844	£1.027
Service charge cost per unit	£0.781	£0.625	£0.620
Maintenance cost per unit	£1.448	£1.217	£1.287
Major repairs cost per unit	£1.049	£1.043	£0.831
Other social housing costs per unit	£0.348	£0.412	£0.359
Total	£4.436	£4.141	£4.124

Orbit has seen an increase in year-on-year expenditure regarding maintenance and service charge costs per unit. Service charge costs have increased as a result of rising utility bills. Maintenance costs include additional spend on damp, mould and condensation.

Staff costs as a percentage of turnover (%)



Orbit staff costs as a percentage of turnover are 15% in line with our anticipated target, which is a 0.6% decrease from prior year and 4% below our peer group average.

Our continued focus on value for money ensures that we are utilising our resources efficiently to maximise the returns achieved and ensure that we continue to generate surpluses to be reinvested back into building thriving communities. Whilst achieving this result we have increased the level of investment in our existing staff through training year on year.

Value Chain Alignment	Key:	Orbit 2022:	Orbit 2023:	Orbit 2024 Target:
Economy	Peers 2022	19%	19%	14.7%

Investing in our People

Our people are key to our success. Our People strategy is focused on building individual and team capability, inspiring leadership, sharing in our pride and purpose in our ambition and building an organisation that is fit for the future.

To help our employees with the challenges of increased cost-of-living we have provided additional increases to those on lower salary bands. We continue to be a voluntary Living Wage employer.

Our WorkSmart programme continues to offer a blended way of working utilising both home and office working to ensure efficiency, encourage collaborative working, reduce employee travel costs and improve our carbon footprint. As a result, we regularly review office utilisation to ensure that we are operating efficiently resulting in some offices not opening for a full week to reduce running costs. We have closed one office this year and will continue reviewing our office requirements next year.

We place focus on an open and inclusive workplace, encouraging our people to unlock their full potential. Our approach to Equality, Diversity and Inclusion (EDI) is collaborative to ensure that the differences our people bring to Orbit are valued and equal opportunity is available for all. Our EDI framework is focused on creating safe spaces with a sense of inclusion and belonging with inclusive leadership that creates a nurturing and collaborative environment.

Our Colleague Ambassador 'super group' comprises a team to facilitate positive change on our continued ambition to create a more inclusive and diverse environment. We are committed to building a thriving workplace community where everyone feels included, valued and heard. A critical friend ensures all colleague feedback is heard, and used as a driver for positive change in our journey to a more inclusive and diverse business.

The health and wellbeing of our colleagues is at the core of our business. The #ThisisMe programme provides access to a range of multimedia resources and support tools together with our Health Mind First Aiders and Employee Assistance Programme. Our #ThisisMe talks continue with webinars in partnership with organisations including Henpicked, Mind and Aviva to raise awareness and provide support on a range of subjects including Menopause and mental health. To mark Men's Mental Health week, we partnered with Bluecrest to provide on-site free health checks for colleagues and a talk from the Black Country Blokes, all focused on managing mental health and seeking help when needed.

To support our colleagues through the cost-of-living crisis we awarded a scaled pay review, implemented a colleague communications campaign including financial wellbeing seminars, increased business mileage rates to ensure we are aligned to HMRC recommended rates, and changed our business travel policy to address the increased cost of fuel and offer retail discounts through Stars in Orbit.

Post COVID we relaunched our volunteering programme which reaffirms our belief that we can improve the quality of our customer's lives. We believe that everyone can offer something within their community, and we encourage all employees and partners to undertake volunteering activities. This programme also offers our employees the opportunity to engage first-hand in our frontline operations, helping our customers and increasing the understanding of our business. We have also worked in partnership with our contractors. This year 987 volunteering hours have been completed by 152 colleagues

Highlights for the year include:

- Over **1,000** employees completed a total of 7.617 online / e-learning courses
- **562** employees attended Diversity & Inclusion training
- **33** colleagues were supported with professional qualifications

Social Value

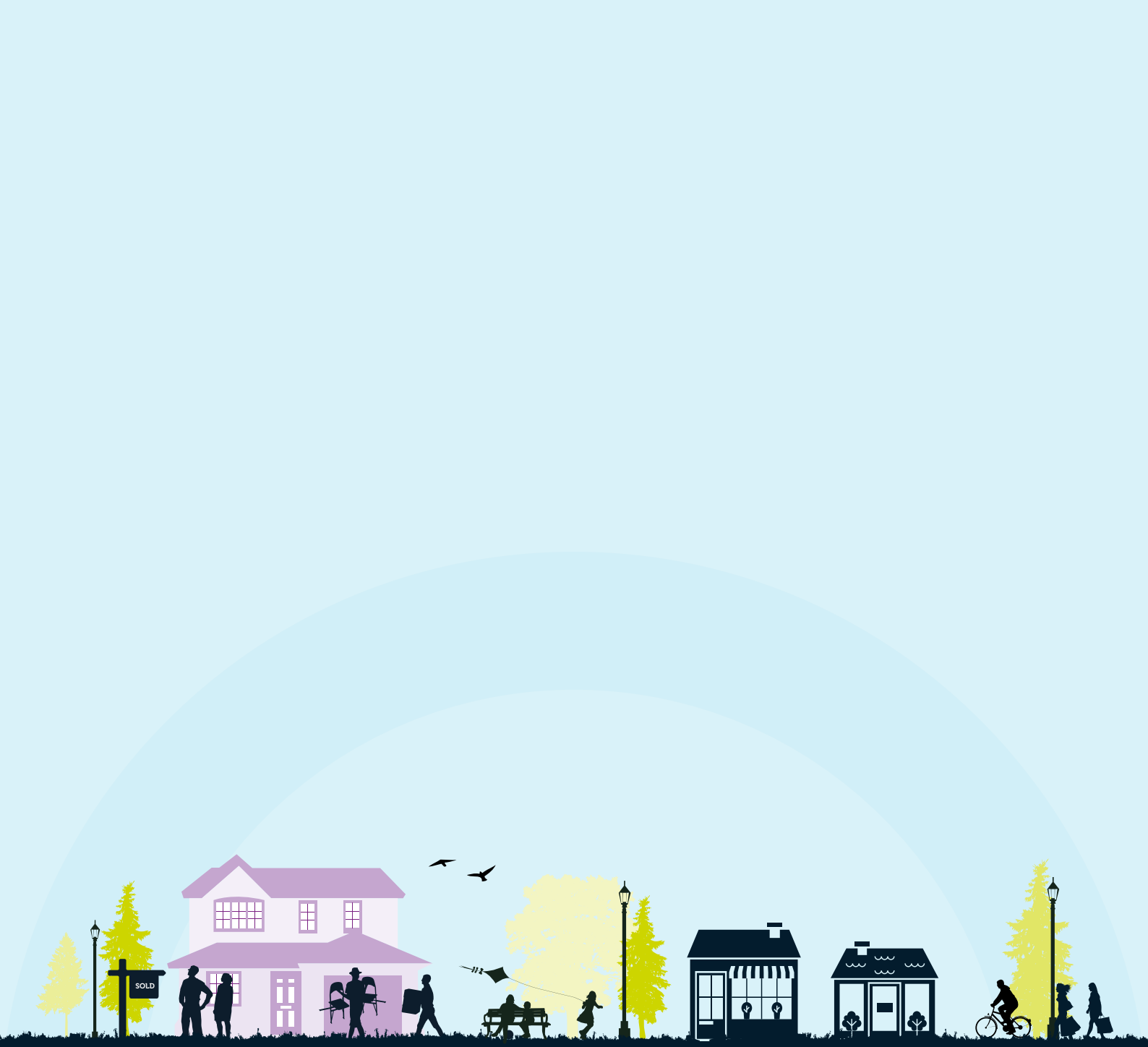
Orbit's continued investment in our customers and thriving communities can be seen through the social value we create. The cost-of-living crisis which followed the pandemic has seen our customers struggling to manage their finances, health and wellbeing and sustain their tenancies, and this is evident in the increase in referrals. Our Tenancy sustainment teams offer life skills coaching and employment support and work with our customers on all areas of their lives with the importance of maintaining a home at the heart of all conversations. We ensure that each customer has a tailored journey enabling them to make changes in their life that will secure their future. Our Better Days programme is an integral part of our Tenancy Sustainment strategy. The cost-of-living pressures felt by our customers have seen the number of our customers accessing this service increase. This service is committed to offering free universal services to every customer designed to support financial inclusion, mental wellbeing, employment skills and digital support. Our new Community Connectors engage with customers at local level, involving customers directly in investment plans for their local area.

Highlights for the year include:

- **5,059** customer support interventions by Better Days
- **614** Better Days support sessions provided to customers including digital champions surgeries and community activities such as youth clubs, warm hub meetings, holiday clubs and estate walks
- **1,344** customers supported through local customer engagement events delivered by Thriving Communities Place Teams
- **501** customers supported by our Welfare Advice Service with average financial gains of £2,712 per customer
- **635** customers supported via our NEA partnership and Winter Warmth engagement events, with an average saving of £382 per customer on energy bills
- **£51,106** uptake in fuel and food vouchers
- **676** customers supported with debt advice from Pay Plan, helping customers manage a total debt of £1,493,745
- **9,502** customers referred to Tenancy Sustainment
- **3,111** coaching sessions delivered to customers
- **312** customers supported into employment or volunteering, and 1,027 customers supported into training by our Tenancy Sustainment Job Coaches
- **99%** of Housing with Support customers who engaged with Tenancy Sustainment sustained their tenancies for the first 12 months
- Customers were on average **£606.40** better off each month when going into employment



Customers receive a Winter Warmth support pack at an energy advice event



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