

# Value for Money Report 23/24



# Value for Money

## Our Strategy

At Orbit, we adopt a balanced approach to achieving value for money, aligning our core social mission with the efficient and effective use of our resources and assets to provide the best quality service to our customers. The housing sector is currently confronting challenging economic conditions, high inflation, higher borrowing costs, difficulties in accessing skilled labour and a weaker housing market dampening income from property sales. These factors intensify the pressure on social housing landlords to ensure that our investments yield the greatest social impact for our customers. Within our Value for Money (VFM) Framework, we combine our social purpose and financial expertise with the aim of constructing safe, quality, affordable homes, whilst also maintaining our existing stock to provide our customers with a great place to live.

Value for money is championed by our Orbit Group Board and Executive team, who oversee the approval of our value for money strategy, financial business plan, and business change initiatives. We also have customer representatives on our boards to challenge us and ensure we make the right decisions that provide VFM not only for Orbit, but also for our customers. Our VFM culture is ingrained in all decision-making processes, ensuring alignment with the standards set by the Regulator. We are pleased to highlight our continued G1/V2 regulatory rating retention reaffirmed through our recent in depth assessment.

## Value for our customers

Our newly launched Customer Commitments outline our focus on placing our customers first. The document sets clear expectations for our customers on what standards they should expect from us as their landlord. We want our customers to feel safe and secure in their homes. We want them to feel understood, supported, and valued, and we want them to trust us to do the right thing.

In response to concerns around the increased cost-of-living, we have continued to support our customers via our dedicated cost-of-living hub. This provides our customers with the latest advice and practical information on ways to reduce their outgoings and manage their finances. We have also launched a new rewards scheme which allows our customers to collect points towards shopping vouchers when they share their experiences with us.

Our revitalised and innovative offering, including our Better Days service, provides sector leading support and leverages industry-specific knowledge to help customers, especially those who depend on our support.

We have invested £2.9m into our industry-leading Better Days programme enabling us to deliver an estimated £5.9 million in social value across all our customer support measures in addition to £5.1 million of Cost-of-Living support from our grants, welfare benefits, debt, and energy advice provision. These services are delivered in partnership with leading specialist organisations to help our customers maximise income, reduce debt and make savings on energy bills. A total of 7,683 customers have been supported within this Cost-of-Living support programme this year.

A damp, mould and condensation (DMC) helpline has been introduced to assist our customers who have been affected by DMC issues, where they can receive expert advice and guidance via our partnership with National Energy Action. This year we have referred over 500 customers to National Energy Action (NEA) for energy support to reduce the likelihood of future issues. Winter warm packs have been issued to our customers to enable them to monitor moisture levels. The hygrometers contained in the pack alert customers to open windows or turn on heating. We have also distributed DMC guidance to our customers.

Our cross-functional Damp, Mould and Condensation Task force have introduced policies and procedures to ensure that all reports of damp and mould are inspected and diagnosed. We have invested in specialist equipment and training to improve our diagnostic capabilities and expertise, increasing the chance of early intervention. Improvements to our data will help us monitor damp, mould and condensation more effectively and enable us to take preventative action when required. We 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 we focus on reported cases of damp, mould and condensation as an absolute priority.



We have launched our new Anti-Social Behaviour (ASB) Strategy to reduce incidents of ASB and the harm it causes across our communities by ensuring incidents are dealt with quickly and effectively using a multi-agency model and a combination of prevention, early intervention, support, and enforcement. Early results indicate that our new approach could lead to around a 40% reduction in cases in our hotspot communities – those being intensively managed - and it has also helped to identify more Tenancy Fraud cases within these areas. It is estimated that each case of tenancy fraud costs the public purse £42,000, so from the 82 cases identified this year we will have saved the public purse an estimated £3.4 million.

## Valuing our people

We take pride in being an inclusive employer and remain dedicated to equipping our colleagues with structured learning and training. We regularly review professional training and development to consider the appropriate qualifications and standards for social housing colleagues in different roles. We provide funding towards professionally recognised qualifications to upskill our colleagues, and we also deliver various leadership development programmes focused on personal leadership growth, building strong leadership skills, and fostering the development of high-performing teams. These initiatives ensure we have a workforce that is equipped to achieve our corporate strategy.

## Value from our IT strategy

Our IT strategy has VFM at its heart. Orbit has optimised its use of cloud services enabling cost efficiencies along with further rationalisation of third-party suppliers, improved IT security and resilience. A benefit of cloud services is that we can adjust them to our needs, scaling them to meet business demand, and turning off services not required out of hours, thereby driving cost savings. New multi-term agreements and licences negotiated during the year with Microsoft and the system integrator will smooth and minimise the effect of Microsoft's increase in licence prices, and fix rates for the next 3+ years ensuring value for money. Our system integrator supports with the integration of all sub systems we use. Through contract negotiations with our various IT providers we were able to save £355,000 against our assumed positions this year, with a further £304,000 of ongoing annual savings.

Our network refresh project is well underway, delivering better network performance, enhanced resilience and improved security at lower cost. This project will be fully complete in May 2024.

We are continuing to invest in essential colleague equipment via a rolling programme of laptop replacement and reducing the number of non-essential mobile devices, generating a saving now and in the future by reducing IT support and replacement costs.

To ensure project investment is suitably scrutinised for value for money and effectiveness, we review all project investment at our portfolio steering group. The group consists of members of Executive Team and Leadership Team who act as the gatekeepers for all proposed business cases and initiatives. Projects are scrutinised to ensure we invest in those that provide both the best value for Orbit and also the best possible outcomes for our customers. Completed portfolio steering group projects have delivered financial savings of £4.05 million this year, this includes £1.6 million of savings generated from our voids project, which has reduced the number of days turnaround on our void properties and £1.5 million continued savings from the implementation of Microsoft Dynamics 365.

## Value in data and reporting improvements

During the financial year 2023/24, we made significant progress in fulfilling the key objectives outlined in our Data Strategy. A pivotal outcome is the establishment of the Central Data Platform, named 'DataSphere', leveraging Microsoft technology. This platform serves as a robust hub for storing, transforming and reporting on data sourced from various systems. It makes data accessible to business users streamlining Power BI reporting by consolidating data sources and facilitating seamless data triangulation.

The expansion of Power BI across the organisation has provided opportunities for upskilling colleagues in data analysis, modelling, and report development using a modern data tool to ensure more effective decision making. Our HR reports have provided daily self-service reporting for the People Directorate and virtual team members can build their own reports using the pre-built data models. Our Procure to Pay reports have started to deliver benefits including visibility previously difficult to obtain due to necessary system controls.

## Value from our office strategy

Our three-year office strategy is now fully implemented. We achieved operational savings of £200,000 per year, this is in addition to the £10 million saving over a 15 year period from our initial office transformation work, which has seen our number of offices reduce from 19 down to 13 as a result of consolidating offices that were under-utilised. We have created agile environments to support our Work Smart agile working policy. The policy sets out our approach to hybrid working, which allows colleagues to split their time between attending the office and working remotely. Under Work Smart, many of our colleagues can work from any location that best meets our customers' needs and meets Orbit's business requirements – whether that's from an office, out in our communities, or from home. It not only supports us in delivering our ambitions but can also create a better work/life balance. We have moved away from static offices within our development operations, and we now have mobile offices on our large construction sites, which we can lift and shift to other sites. This saves us money on procurement, setting up IT infrastructure and compliance checks. We are developing our office strategy for the next three to five years to ensure that we optimise our operating model.

## Value through energy efficient homes

Following the completion of our Social Housing Decarbonisation Fund (SHDF) Demonstrator project upgrading the energy efficiency of 69 homes in the Stratford-upon-Avon area last year, we have now upgraded the energy efficiency of a further 141 homes in the West Midlands as part of SHDF Wave 1. Orbit has invested £8.2 million in whole house retrofitting in addition to £1.4 million grant funding.

We are now well underway with our SHDF Wave 2.1 project to upgrade an additional 212 properties. This project benefits from funding by SHDF of £2.1 million with co-funding of £5.8 million invested by Orbit and is due to complete by September 2025.

These largescale projects are carefully planned to target homes that have low energy performance ratings of EPC D or below, but also where key property components (roof, windows, doors etc) are due for replacement, to ensure value for money and reduce carbon emissions. Our customers will benefit from reduced running costs as a result of living in more energy efficient homes.

Our Decarbonisation Framework outlines the main areas of focus for our net zero trajectory. The recent award of the Decarbonisation Framework contract tender to Wates provides better value. This means we can accelerate our programme of works and make around 300 customers' homes cheaper and easier to heat during the 2024/2025 financial year than we had originally planned.

## Value via densification

The past 12 months has seen the final year of the initial phase of our densification programme, designed to increase our number of properties in key local authorities to improve repair efficiency and strengthen relationships with key stakeholders in those local authorities. The strategy has continued to make progress increasing our average local authority density from 527 properties to 548 properties per local authority. This year we concluded the sale of a nationwide Private Retirement Leasehold portfolio of 1,401 units and a Shared Ownership portfolio of 374 units. We are now working towards densities of 650 units per local authority by disposing of properties in 24 local authorities where only 2% of our portfolio is situated and with fewer than 100 assets per local authority. We will reinvest any surplus generated from these activities into more affordable homes in our key geographical areas and in the maintenance and improvement of our existing homes.



## Value from procurement activities

As well as the savings gained on the re-procurement of the decarbonisation contracts our Procurement team always aim to attain best value contracts. This is achieved through competitive market testing in line with our standing orders and an efficient tendering process. This year annual savings of in excess of £50,000 were achieved on our new employee benefits portal licence costs and lone work devices, which keep our colleagues safe whilst working on our estates.

Through use of our energy broker we were able to review gas costs across our schemes to ensure we were receiving the best value on offer. We renegotiated and renewed our contract with our current supplier Total Gas and Power and reduced our annual costs by £352,000, which will benefit our customers through a reduction in their service charge.

Against the backdrop of a challenging insurance market within the social housing sector, we have been able to secure cover for our entire portfolio which covers 25 areas of risks, from our properties through to Directors and Officers liability. Our insurance rates provide best value for this risk portfolio and we are one of few providers who have been able to secure cyber liability insurance at a rate which was favourable compared to the previous year; this is testament to the investment we have made over the years to strengthen our technical defences, raise awareness of this threat within our business and the steps we have put in place to respond to a potential cyber breach. This cover is particularly difficult to source due to the increased threat of cyber attacks in the current geopolitical environment and increasing nature of financial crimes from online fraud.

## Value from new technology

New technology in the form of Geographical Information Systems (GIS) has enabled us to deliver ongoing savings. The technology allows us to create sales plans in-house rather than using conveyancing solicitors. This year 169 sales plans were created, saving us £33,800.

## Value driven by good governance and robust planning

The Orbit Group Board oversees and approves the financial planning process, ensuring that Orbit achieves a balance between building safe, quality, affordable homes our customers love and maintaining existing properties to exemplary standards, fostering a positive work environment for our colleagues, and safeguarding the financial security of Orbit.

In 2023/24 we began developing our 2030 Corporate Strategy, which outlines our ambitions for the next six years. Our 2030 Strategy renews our strategic approach and sharpens our operational focus, as well as continuing to see us play our part in tackling the UK's housing crisis. Every element of the Strategy has been created through the lens of the customer, from our revised purpose and vision to our new Values, Customer Commitments, Colleague Commitments and Employer Promise, and it was developed in close collaboration with colleagues and customers. Our 2030 Strategy sets out how we will continue to provide safe, sustainable, and affordable homes that our customers love, by delivering and regenerating new homes sustainably, investing in the safety, quality, and energy efficiency of our homes, and ensuring a laser-sharp focus on customers' priorities. Supported by our Sustainability Strategy, we will also continue to focus on maximising our positive social and environmental impacts. These include, becoming Net Zero Carbon and delivering on our 30by30 biodiversity target (which aligns with the United Nations convention on Biology Diversity and the Wildlife Trust's vision to protect at least 30% of Orbit's land to allow for nature's recovery by 2030), to improving energy affordability for customers today, whilst also providing energy efficient homes that meet the needs of the future.

Over 700 colleagues across 30 sessions contributed to our 2030 Strategy, sharing their views on what we do well and not so well, helping affirm our strategic ambition.

## 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 rent collection, void rent loss, 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 people. It is essential to ensure that colleagues are employed at the right salary levels, reflecting Orbit's target position of a median benchmarking employer, and that colleagues 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 **22.7%**
- EBITDA MRI **105.0%**

### Efficiency

- Home Occupancy **98.93%**
- Rent collection levels **99.29%**
- Void Rent Loss **1.59%**

### Effectiveness

**Multi award-winning company:**

- RoSPA Gold Award for Customer Safety - 6th consecutive year
- RoSPA Commended for Health & Safety in the Public Service and Local Government Sector
- BS9997 accreditation
- WhatHouse? Gold – Best Partnership scheme
- NMHF award – Most Innovative Property Service for BIM in Partnership with Parametrix
- 2024 Housing Digital Innovation Awards – Best Digital Experience (Landlords)
- 2024 Housing Digital Innovation Awards – Best Digital Innovation Team
- 2024 Housing Digital Innovation Awards – Best Asset Management Innovation
- 2024 In-house Outstanding achievement award
- 2024 In-house Gold Award for Customer Satisfaction
- Home Builders Federation's (HBF) National New Homes Customer Satisfaction Survey – 5 star rating

## 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	Southern Housing
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 homes and sustainable 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

Our 2030 vision is that Orbit is a not-for-profit organisation striving to provide the best customer experience of any Housing Association in the country; building and maintaining homes our customers love, both environmentally sustainably and at scale; delivered by happy colleagues who jump out of bed each day to make a social difference.

Our UKCSI and Tenant Satisfaction scores have highlighted that we need to improve the service we are currently providing to our customers. This is further supported by 16 severe maladministration determinations against us this year, relating to our poor response to damp and mould issues in some of our properties. The majority of these involved works that were completed in 2021 and 2022; since this time, we have made many improvements to our services, including introducing a task force approach on damp, mould, and condensation, changes to our repairs service, customer support operations, supply chain arrangements and complaints handling;

but we recognise that there is still a lot of work to do to ensure our customers have an accessible complaints service focused on resolution. Our 2030 strategy puts customer service improvements at the heart of our actions.

We have worked closely with the Housing Ombudsman to understand the issues raised and engaged an external consultant to undertake an independent review of our practices (see link to report below). This report has made 13 recommendations, each of which has been captured in our Assurance Programme designed to close the service gaps highlighted by the Housing Ombudsman determinations, by either confirming that changes already implemented have been effective, or ensuring any remaining actions are being addressed. The Housing Ombudsman has been complimentary of our response to the maladministrations and the positive way we have embraced the review of our practices.

## Driving Improvement: Summary of Orbit report to the Housing Ombudsman



Read the full report here

We are aware though that there are further improvements that need to be made and as a result, we have launched our Customer Journey Mapping project aimed at improving our customer experience. The project is taking a deep dive into all the touch points of a customer's journey – from the moment they apply for a property to the day they leave their Orbit home for a new chapter. This includes our relationship and interaction with our sub-contractors. The detailed analysis undertaken will help us to understand what we do well and is helping identify further improvements that are being captured within our 2030 strategy.

An area where significant improvement is required is the delivery of our repairs service to our customers. Our main focus this year has been on the Repairs Transformation project which targets the root causes of the issues. Our review of our repairs service identified key areas for improvements including increasing our first time fix rates, reducing repair lead time, improving customer satisfaction and reducing compensation costs. The project also looks at reporting improvements to support our contract management.

Orbit takes pride in our Health and Safety culture and we continue to be sector leading. We have been awarded RoSPA Gold awards for Health and Safety and Customer Safety for the 6th consecutive year. We remain the only national housing association to have achieved BS9997 British Standards in Fire Risk Management systems. We are proud to have achieved an overall Health and

Safety Performance rating of 82.2% following a Quality Safety Audit undertaken by the Royal Society of Prevention of Accidents (RoSPA). This equates to a level 4 score out of maximum score of level 5 and we are currently in the top quartile for our sector. We aim to attain level 5 within the next 3 years.

Our arrears have been running at their lowest levels for eight years. We have achieved rent collection levels of 99.29% (2023: 99.42%) and our gross rent arrears as a percentage of rents receivable are 2.80% (2023: 2.56%). Our Tenancy Sustainment team continue to support in this improved performance. We have seen a reduction in rent lost to void property at 1.59% (2023: 2.19%) and we continue to work to achieve further improvements in this area. Our home occupancy rate has been in excess of 98.93% (2023: 98.57%).

We utilise funding received from Stratford District Council to pay for a Tenancy Intervention Officer. This role supports prevention of evictions and reduces customer arrears.

#### Highlights for the year include:

Around £100,000 has been saved this year on bulk waste collections and disposals in the Bexley area. We have delivered this service using our in-house estate services teams rather than external contractors. Orbit benefits from the local authority offer of free tip usage for commercial waste which has substantially reduced costs.

We have reviewed our managing agreements for agency managed supported housing properties to standardise them and move them onto an industry recognised agreement which is widely used across the sector. The new contracts provide more favourable terms for Orbit but also work better for our managing agents.

This year we have implemented more automation into our tenancy letting processes which has improved efficiency and generated savings. Decisions around tenancies are being made faster, new agreements are now no longer issued which has resulted in fewer tenancy errors, a reduction in legal action required, and a much quicker, stress-free process for our customers during a period that can for many be full of anxiety.

Our Better Days customer support provision continues to deliver an essential service. Some of the key headlines as to how it has supported our customers are:

- The Welfare Benefits Advice service we offer has helped our customers claim an estimated £2.7 million in benefit gains and over £94,000 in additional financial savings.

- Our Debt Advice Service has managed an estimated £1.5 million debt whilst providing free regulated debt advice for customers struggling with multiple debts.
- Welfare Benefits and Debt Advice Services, alongside our Tenancy Sustainment Coaches, have also had a positive impact on customers' rent arrears with an average reduction of £332 and £212 respectively.
- Our Energy Advice Services have supported customers to save an estimated £370,000 on energy bills as a result of tariff reviews and behavioural advice. 822 winter warmth packs worth £72,000 were distributed to our customers containing thermos-flasks, energy saving LED light bulbs, a wearable blanket, a wind-up torch and food supplies.
- Customer Grants Support have helped with provision of £378,000 worth of grants to support customers with hardship and cost of living.
- The Breathing Space programme continues to provide valuable mental wellbeing support with 804 customers accessing the service. 516 of our customers have reported improved health following our support, including mental well being.
- Our Employability & Skills platform, Skillzminer, has been providing support to over 100 customers with upskilling, CV writing and job applications.
- The Thriving Communities regional team have delivered over 520 face to face support activities and sessions including events and drop-ins in partnership with key internal colleagues and local voluntary and statutory organisations.
- We have moved 598 of our customers out of temporary accommodation and into secure housing.
- Community Hubs have been providing a safe environment for our customers promoting a sense of belonging and building a thriving community. 534 customers visited one of our five hubs this year.
- Our Tenancy Sustainment job coaches have supported 170 customers into employment this year by using the 'better off calculation' method. On average our customers who have moved into employment are £654.41 better off each month.
- 907 customers reported that we have had a positive impact on their neighbourhood following our support in reducing ASB, crime or vandalism.
- Social and hobby groups are being ran across our independent living schemes and last year 428 of our customers attended these groups.



## Safe, Quality, Affordable Homes

Orbit remains committed to creating a better society, building affordable homes and communities, and doing so in socially responsible and sustainable ways. We believe that good housing is a basic human right, fundamental to our health, wellbeing and quality of life. We want to work with the Government to help the sector provide a better economic outcome, safer communities and a healthier nation for our customers. To further illustrate this, we have published a manifesto (Good housing is the key) which sets out the main actions we would like to see from Government over the next five years to drive the greatest impact and set housing up for success.

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 and we are proud that for the first time since 2016, we have achieved a 5-star rating in the Home Builders Federation's (HBF) National New Homes Customer Satisfaction Survey. The 5-star rating is the highest possible award presented by the HBF and means over 90% of our customers would recommend us to a friend. 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 around 5,700 new and regenerated homes by 2030 to meet housing need. In 2024 we delivered 870 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.

With our Homes England Strategic Partnership, we have secured an additional £127.5 million grant funding under the government's 2021-26 Affordable Homes Programme, with 189 starts-on-site registered to date of the 1,500 new affordable homes that will be delivered with grant funding from this programme.

During the year we achieved 72.4% delivery of our planned property investment programme, which involves ensuring our customers' homes are kept in a state of good repair, replacing kitchens, bathrooms, windows, roofs for example. During April 2023 we concluded negotiations with our key suppliers to update our contracts and ensure that they delivered best value for our customers and Orbit. As a result, there were some delays in mobilising our programme of works, and together with labour and materials shortages impacting our supply chain, this has resulted in not fully completing that programme. Alongside these programmed works we continue to invest in net zero carbon and building safety works to improve customer homes. We have also refurbished a number of properties as they became void. In all we have invested £61.7 million in capital programmes and nearly £57.7 million in other works, resulting in £119.4 million spent on the repairs and maintenance of customers' homes.

## Sustainable Business

Our Sustainability strategy is embedded into our corporate strategy and is central to achieving our vision of building thriving communities. It has four key themes: Our Customers, Quality Homes and Places, Our Planet, and Our People. The environmental pillar of our Sustainability strategy is Orbit Earth.

### Our Customers

Our total social value delivered for customers and communities in the financial year 2023/24 is £22.4 million. For our sustainability commitment we have delivered £61.5 million in social value since our baseline in 2021.

This captures social value delivered through our Better Days programme, our tenancy sustainment services, our independent living for over 55s and our supplier's 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 the industry recognised social value tool the UK Social Value Bank. The graph below displays the number of customers helped in 2023/24 and the social value created.

### Social value outcomes



- Homelessness **£232,000**
- Employment and training **£5,149,000**
- Social groups and hobbies **£418,000**
- Financial inclusion **£5,037,000**
- Health and wellbeing **£8,335,000**
- Neighbourhoods **£3,209,000**

## Quality Homes and Places

We are committed to the development of new homes with a focus on sustainability. We endeavour to achieve an EPC rating B for all new homes; in the year 2023/24 85.55% of our homes had an EPC Band C or above rating and are equipped with renewable and water saving technology, supporting our customers with the cost-of-living crisis and rising energy costs. In the year we have built 722 affordable properties.

We continue to improve standards in our existing properties with 99.69% of homes meeting the Decent Homes Standard.

### Our Planet

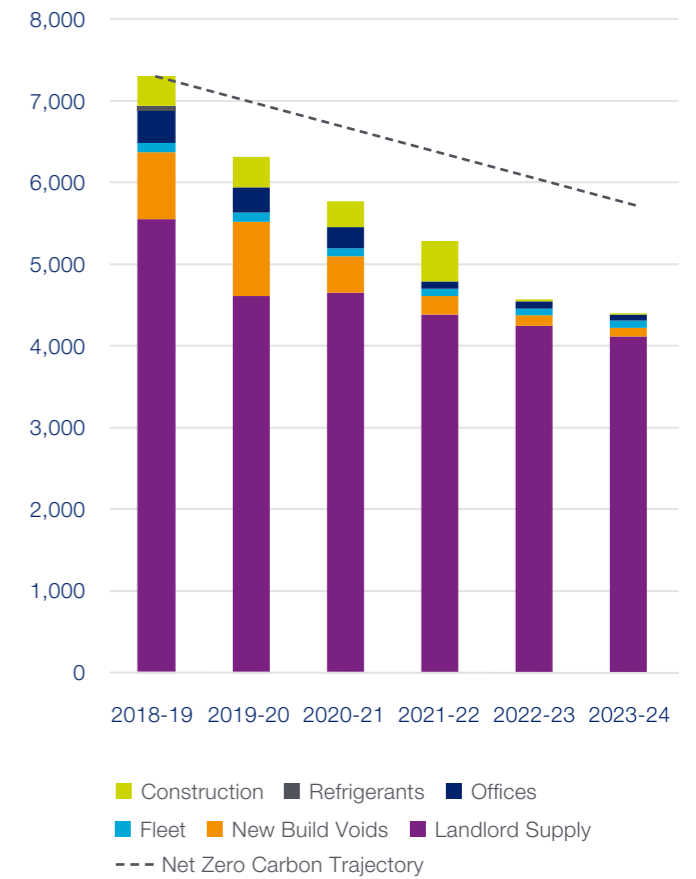
Orbit's Our Planet initiative has three main priorities: Climate action to net zero carbon, enhancement of outdoor spaces to improve the quality of natural resources and sustainable consumption to manage resources, material and products responsibly.

Ensuring that as a 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 customers' homes and supply chain by 2050. We are committed to carbon reduction and improving energy efficiency.

Orbit's total carbon footprint in 2023/24 was 4,398 tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e). 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 3.3% with a 39.7% reduction on our 2018/19 baseline year. This is due to introducing energy saving measures in our offices and reducing gas consumption at Orbit Homes plots.

## Orbit Decarbonisation Journey to date 2023/24 annual consumption (tCO<sub>2</sub>e)



The Energy advice service has piloted LED lighting upgrades across nine Independent Living schemes in 2023/24. Collectively these upgrades will save customers over £165,000 per year, on their energy bills and help Orbit reduce its maintenance costs. The upgrades have introduced sensor controls and have brightened up the feel of communal spaces by increasing the lux (light level intensity) levels. Customers have been involved every step of the way and post installation customer feedback has averaged over 9.5/10 for satisfaction. Following on from the success of the pilots there will be an acceleration in the switch to LEDs in more schemes during 2024/25. We have also implemented a new solar panel system installation at our Caesar Court scheme that will generate green electricity for the next 25 years at the scheme. This will ensure energy costs are more affordable for our customers.

We have completed an extensive review of our energy use under the Energy Saving Opportunities Scheme (ESOS) in 2023/24. Our ESOS auditor has visited a wide selection of our offices, construction, and accommodation sites and reviewed all of our gas, electricity, and fuel data to produce a series of energy saving recommendations. These will help us to further reduce our energy consumption in the coming years.

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.

Since launching our 30by30 biodiversity approach in June 2022, we have completed improvement works to 14 existing estates across our portfolio, benefitting over 1,200 Orbit homes. Improvement works include adding wildflower meadows, installation of new hedgerows and the creation of fruit orchards for residents to enjoy. In 2023/24 alone we completed 10 estate improvements, and this has generated over £6,700 in Social Value for our communities through grants from our suppliers or staff volunteering hours.

We have secured a £1,000 grant from The Medical Protection Society (MPS) which added to our budget of £11,000 for delivering biodiversity improvements across our estates in Bexley. We targeted five estates and planted 15 trees, 5,000m<sup>2</sup> of wildflower meadow and 3,000 hedge whips to improve customers' access to nature and improving habitat availability for our native wildlife.

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. Ground Control is a leading external maintenance business and biodiversity expert committed to enhancing and improving the physical environment.

Our Habitat Condition Assessment Tool has been designed in partnership with Warwickshire Wildlife Trust and published externally for our peers to use to assess the condition of their green spaces.

We launched our Zero Waste Targets across the business in 2023 and our Zero Waste Approach will be launched next year. The targets focus on reducing our construction waste, diversion from landfill and reducing our grounds maintenance waste. In 2023/24 we have reduced grounds maintenance waste by 34.75%. However, our office waste has increased by 30.9% due to an increase in our colleagues using our offices again.

The Advisory Service provides compliance checks and environmental improvements to our Orbit Homes Direct Construction Sites, Independent Living Schemes and our offices. It seeks to support our Zero Waste Working Groups to identify potential waste savings on schemes and examples of good practice.

The Advisory Service takes into account the 22 key areas of Environmental Legislation across Orbit and ensures compliance. 134 actions have been raised for 2023/24 of which 102 have been completed and there have been no major environmental incidents or non-conformances with legislation. Housing Developers that have had significant major environmental incidents due to poor environmental management have faced fines and suffered reputational damage. Through the controls we have in place we have avoided any environmental prosecutions or fines.

### Our People

To ensure that our colleagues are adequately skilled alongside our environmental sustainability qualifications, we have launched Orbit Earth e-learning. The Sustainability Team also offers The Institute of Environmental Management and Assessment (IEMA) Sustainability Skills Training for Managers and we are planning to train 95 colleagues within the business.

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.



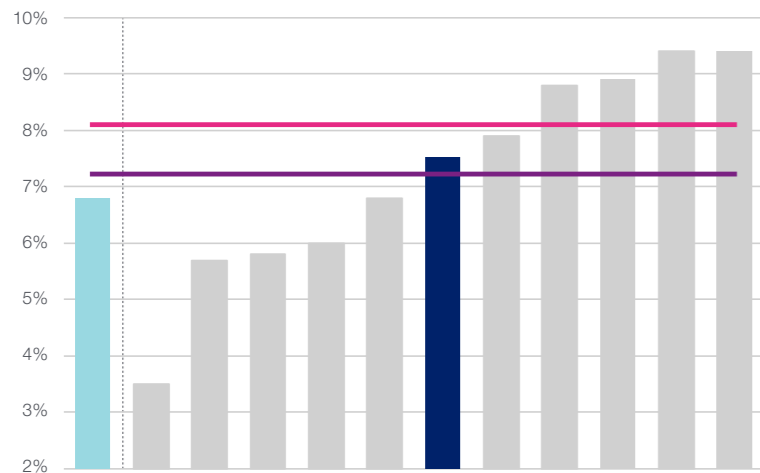


## Responsible Business

Orbit's financial delivery remains resilient despite the significant geopolitical and macroeconomic headwinds. Our target reflects our commitment to achieving efficiencies around discretionary spend and our focus on contractor management and core repairs delivery. The peer averages stated are based on 2022/23 performance.

### Reinvestment (%)

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



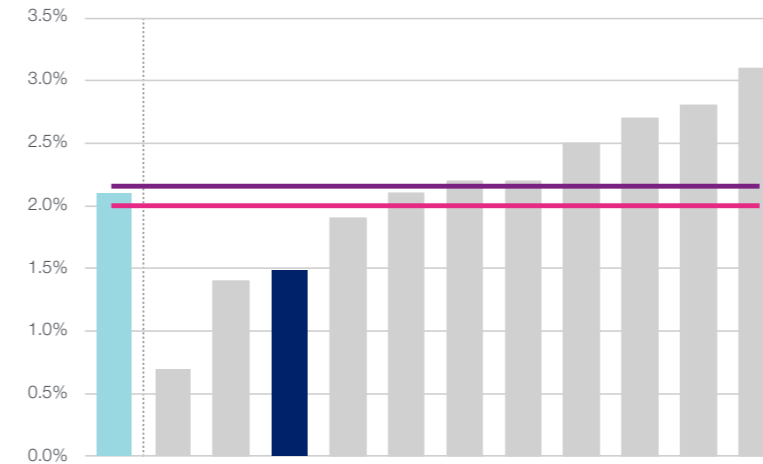
This year Orbit's reinvestment metric has increased from prior year by 0.7% reflecting increased investment into both new and existing assets. Growth in this metric is achieved despite an increase in the value of properties held. Our reinvestment metric is 0.3% more than our peer group average but 0.6% below the benchmark for housing associations with 30,000+ units. Orbit had anticipated achieving a reinvestment percentage of 10.0% in 2024 however reduced expenditure on development in response to a softer property market and reduced capital repairs programme due to contractor delays, has seen us come in under this target.

Orbit remains committed to building thriving communities, with a 8.4% target for 2025 reflecting increased development and repairs and maintenance expenditure.

Value Chain Alignment	Key:	Orbit 2023:	Orbit 2024:	Orbit 2025 Target:
		6.8%	7.5%	
Economy	Peers 2023	Peer Average:	Benchmark:	8.4%
		7.2%	8.1%	

## 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 1.5% against a target of 1.8%, which is a reduction of 0.6% against prior year, 0.7% below our peer group and 0.5% below the benchmark for housing associations with 30,000+ units.

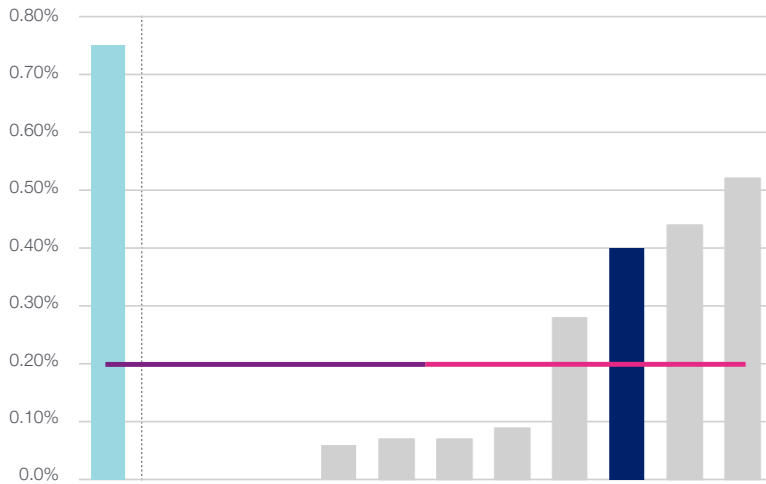
630 new properties were added to our property portfolio this year through new development and acquisition, a reduction of 270 on prior year, 372 units for Affordable/Social Rent and 258 Shared Ownership properties. Our development aspirations were not achieved this year, due to the slowing of build activity to reflect the macro-economic environment and we were also affected by the unfortunate closure of a contractor, Ilke Homes.

We are continuing our commitment to building thriving communities and our 2025 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 2023:	Orbit 2024:	Orbit 2025 Target:
		2.1%	1.5%	
Economy	Peers 2023	Peer Average:	Benchmark:	1.7%
		2.2%	2.0%	

### 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.



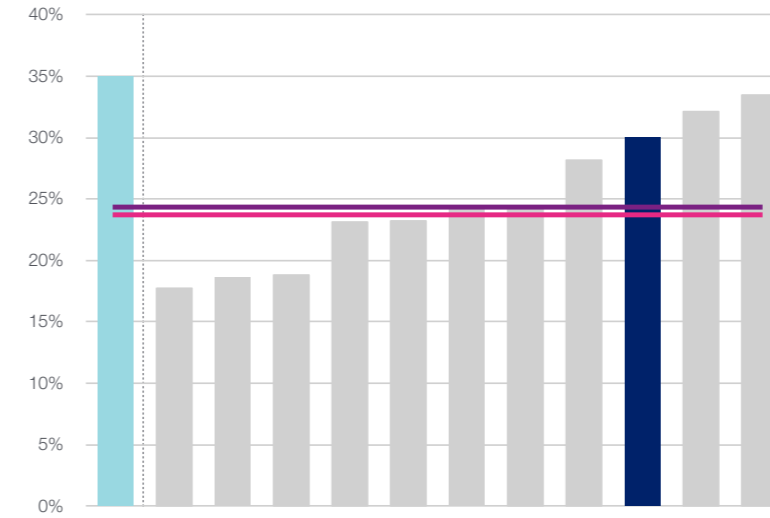
Orbit has achieved a New Supply Non-Social percentage of 0.4% which is a reduction of 0.4% against prior year. This is 0.2% above our peer group average and above the benchmark for housing associations with 30,000+ units.

This year Orbit has delivered 154 non-social homes (2023:335). Our target for non-social development for 2025 is in line with current activity and remains higher than our peer average, as we continue to build homes that meet a variety of needs.

Value Chain Alignment	Key:	Orbit 2023:	Orbit 2024:	Orbit 2025 Target:
		0.8%	0.4%	
Economy	Peers 2023	Peer Average:	Benchmark:	0.4%
		0.2%	0.2%	

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

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



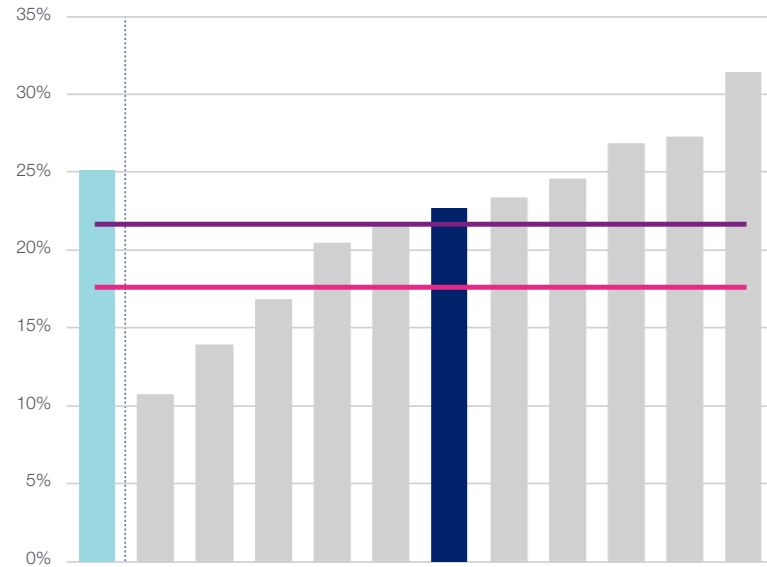
Orbit has delivered an Operating Margin (SHL) of 30.0%, a 5% reduction from prior year and also 4.1% below our expected target of 34.1%. In line with the experience of the wider sector we have seen a significant rise in repair costs. There have been inflationary cost pressures, a higher volume of repairs coming through from our customers and also higher damp, mould and condensation costs. Also increased spend on decant costs and compensation payments incurred during the year. However this remains 5.6% above our peer group average and has also exceeded the benchmark for housing associations with 30,000+ units by 6.3%. 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 2025, increases fractionally to 30.4% reflecting the continued investment into our housing assets.

Value Chain Alignment	Key:	Orbit 2023:	Orbit 2024:	Orbit 2025 Target:
		35.0%	30.0%	
Economy	Peers 2023	Peer Average:	Benchmark:	30.4%
		24.4%	23.7%	

## 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 22.7% has been achieved, which is down by 2.4% on prior year but still 1.0% above our peer group. It exceeds the benchmark for housing associations with 30,000+ units by 5.1%.

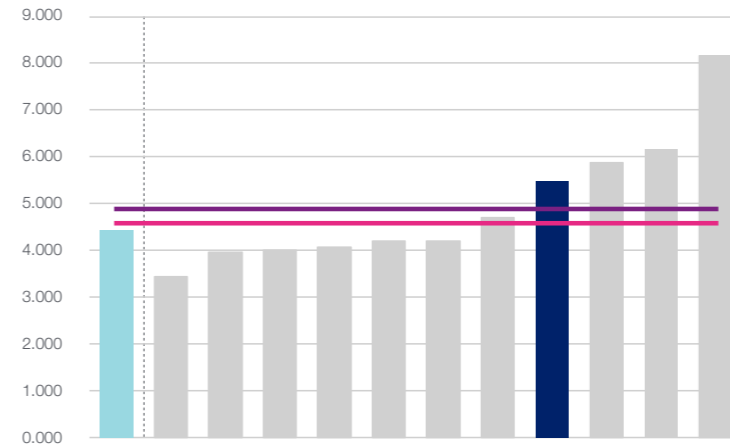
Orbit continues to play its part in reducing the housing crisis through the development of homes for sale and reinvesting surplus generated in building thriving communities. Operating surplus has reduced due to year on year inflationary cost pressures as experienced by the wider sector, together with increased levels of investment in properties through our repairs programmes with slightly reduced property sales margins reflecting rising cost to build.

For 2025, 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 2023:	Orbit 2024:	Orbit 2025 Target:
		25.1%	22.7%	
Economy	Peers 2023	Peer Average:	Benchmark:	23.0%
		21.7%	17.6%	

## 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 £5,487, which is a £1,051 increase from prior year, £616 above our peer group and £917 above the benchmark for housing associations with 30,000+ units.

Action is being taken to reduce our day to day spend but our overall maintenance spend has risen due to increases in revenue repairs costs in voids, property repairs and damp mould and condensation coupled with inflationary pressures. This has seen our cost per unit rise as we seek to improve the quality of our customers homes. Also, management costs have increased as a result of a growth in compensation and decant costs.

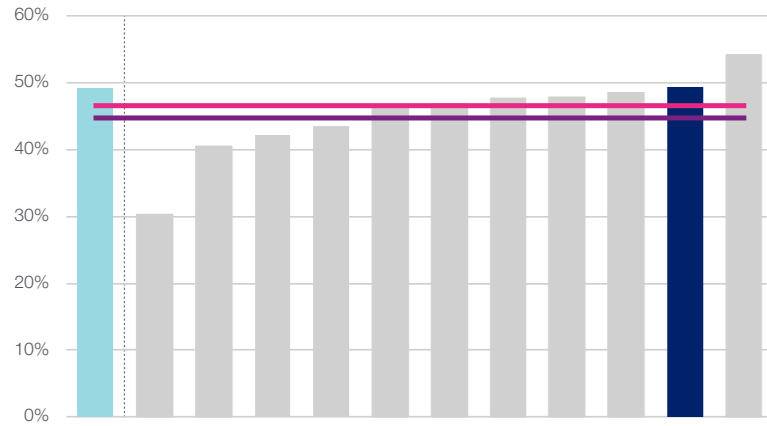
Our 2025 target will see a further increase versus our 2024 position as we seek to continually improve our properties.

Value Chain Alignment	Key:	Orbit 2023:	Orbit 2024:	Orbit 2025 Target:
		£4.436	£5.487	
Economy	Peers 2023	Peer Average:	Benchmark:	£6.048
		£4.871	£4.570	

Cost per unit (CPU)	Orbit 2024 (£000)	Orbit 2023 (£000)	Peer Average 2023 (£000)
Management cost per unit	£0.913	£0.810	£1.140
Service charge cost per unit	£0.802	£0.781	£0.698
Maintenance cost per unit	£1.895	£1.448	£1.473
Major repairs cost per unit	£1.536	£1.049	£1.137
Other social housing costs per unit	£0.341	£0.348	£0.422
Total	£5.487	£4.436	£4.870

## 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. Furthermore, we continue to invest significantly in our existing stock to provide, good quality and safe homes for our customers.

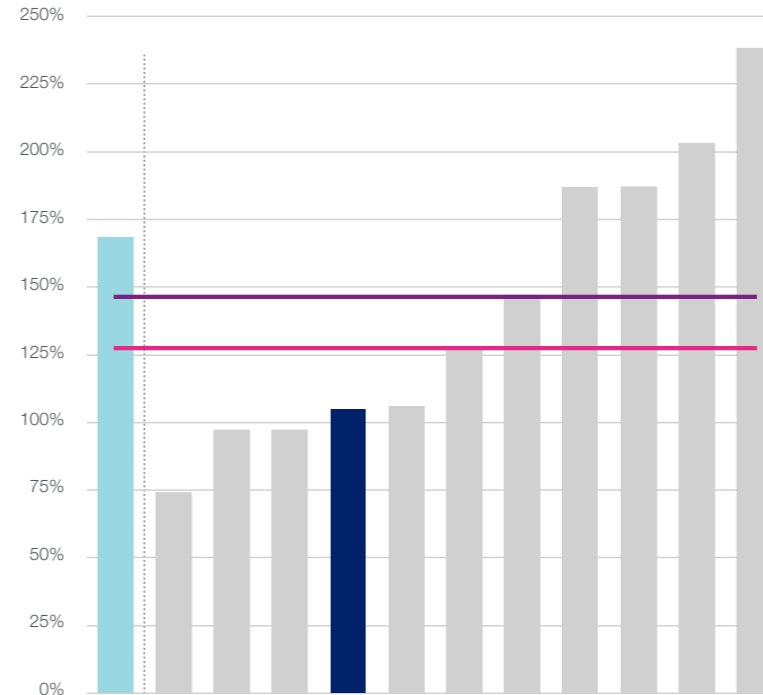
As a result, we have leveraged our balance sheet to support our strategic objectives resulting in a gearing metric of 49.3%, which is a slight increase of 0.2% against prior year due to increased debt position. This is 4.5% above our peer group average and 2.8% above the benchmark for housing associations with 30,000+ units.

Our 2025 target is a result of the continuation of our commitment to aid the national housing crisis and to continue provide quality and safe homes for our existing customers.

Value Chain Alignment	Key:	Orbit 2023:	Orbit 2024:	Orbit 2025 Target:
		49.1%	49.3%	
Economy	Peers 2023	Peer Average:	Benchmark:	51.1%
		44.8%	46.5%	

## 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.



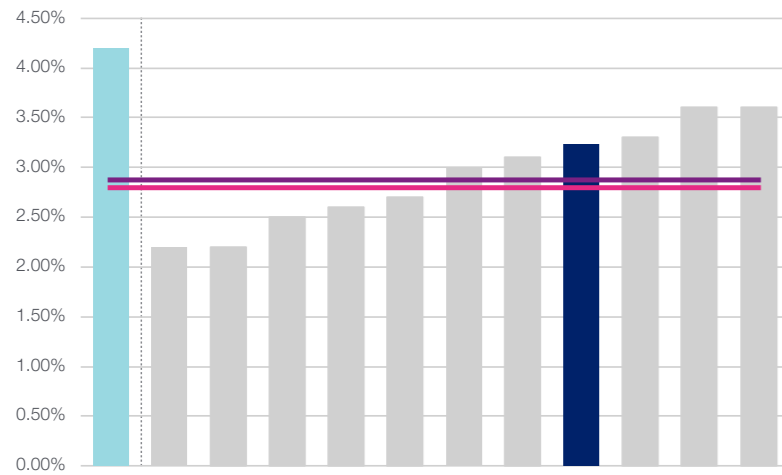
Our EBITDA MRI metric has decreased this year, by 64.2% to 105.0% due to increased investment in our capital programme and increased costs associated with damp, mould and condensation. Furthermore interest costs are higher due to increases in drawn debt.

Our 2025 target reflects our ambition to continue to significantly invest in our existing assets to improve quality. In addition, Orbit remains committed to delivering new housing stock, whilst enhancing the homes of current customers. 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 2023:	Orbit 2024:	Orbit 2025 Target:
		169.2%	105.0%	
Economy	Peers 2023	Peer Average:	Benchmark:	86.0%
		146.4%	127.4%	

## 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.



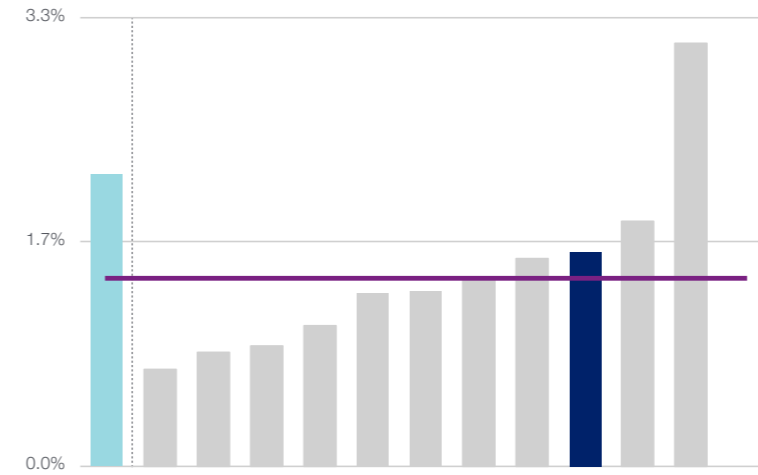
Orbit's Return on Capital Employed percentage of 3.2% is a reduction of 1.0% on prior year. But remains 0.3% above our peer group average and 0.4% above the benchmark for housing associations with 30,000+ units.

Decreased operating surpluses have been delivered year on year due to increased revenue repairs and reduction in surpluses from the sales of fixed assets, which has resulted in below target delivery for 2024.

We are expecting a small increase in ROCE in 2025.

Value Chain Alignment	Key:	Orbit 2023:	Orbit 2024:	Orbit 2025 Target:
		4.2%	3.2%	
Economy	Peers 2023	Peer Average:	Benchmark:	3.5%
		2.9%	2.8%	

## Void Rent Loss as a percentage of Rents Receivable



Orbit's void rent loss as a percentage of rents receivable is 1.6%, which is a 0.6% reduction from prior year and only slightly above our peer group average of 1.4%.

We have been focussed on reducing the value of rent lost through a dedicated improvement programme focussing on increasing the speed of void turnaround, the results of which can be seen through this metric. Our target next year is broadly in line with this years performance, as we expect the position to stabilise.

Value Chain Alignment	Key:	Orbit 2023:	Orbit 2024:	Orbit 2025 Target:
		2.2%	1.6%	1.8%
Economy	Peers 2023	Peer Average:		
		1.4%		

## Investing in our People

Our people are central to delivering the services and support our customers expect from us. We are focussed on creating a culture which reflects the importance of our customers in all we do. We want our colleagues to share a passion for our purpose and find Orbit a rewarding place to work, which will allow us to attract, retain and develop great colleagues.

We are facing an economic environment characterised by rapidly rising food prices, higher energy costs to heat our homes and more expensive living costs. As an employer, we recognise all these external pressures, and to support colleagues disproportionately affected by the impact of rising costs we provided temporary support allowance payments of between £500 and £1,000 during the year.

Orbit's Colleague Ambassadors continue to drive positive change throughout the organisation. They ensure all colleagues have the opportunity to be heard, and that the workplace is one in which colleagues can thrive. Acting as a critical friend our Colleague Ambassadors have played an important role in shaping Orbit's new values and will continue to support the business to deliver our 2030 strategy.

We have recently introduced our Colleague Commitments. These commitments set out our desired behaviours, which shape who we are and what makes us different. Developed for colleagues, by colleagues, they focus on the customer by delivering what our customers value. Our Colleague Commitments encourage our workforce to be Respectful Challengers – to provide respectful feedback. We want our people to be Ambitious Improvers – keen to progress and add value in their roles, proposing innovative ideas for improvements. Finally, we want our colleagues to be Caring Contributors – to be proud of our work, taking ownership of our responsibilities and encourage others to do the same.

Colleague well-being is a top priority for Orbit. Our "myHealth MOT Month" initiative offers access to a wide range of multimedia resources and supportive tools, complemented by our Employee Assistance Programme. Our "myHealth MOT Month" newsletter outlines ways to care for your mind, body and soul. We have also trained more than 50 colleagues within Orbit as Healthy Mind First Aiders who support and advise colleagues.

Our volunteering initiative goes from strength to strength. We encourage colleagues to take time away from their normal duties to be more active in the community, this could be supporting one of our schemes with some gardening or painting, or helping out at a

local food bank. This year, a total of 1,608 volunteering hours have been achieved by 276 colleagues, emphasising our commitment to making a difference in the lives of our customers.

This year we launched our new intranet, "The-O-zone" powered by SharePoint. It is fresh, dynamic, and instantly accessible on any Orbit device, be it a laptop, phone, or iPad, putting the entire world of Orbit right at our fingertips. The new intranet enables colleagues to stay updated with the latest business news, explore upcoming corporate and social events, and provides details of training and webinars being offered. Plus, we have been able to deliver a comprehensive people directory and organogram to allow our employees to easily connect with colleagues across the organisation.

Providing our colleagues with a variety of benefits has been important to us. We took note of the feedback about our previous systems and launched a new benefits platform this year. The new platform makes it easier for colleagues to access and understand the benefits package Orbit offers including private medical insurance, reduced priced gym memberships, and the option to buy or sell annual leave.

We pride ourselves on having a culture where colleagues have the chance to tell us what they think, how they feel and what they want us to improve upon. One of the ways in which we garner this understanding is through our in-depth employee engagement survey. We are pleased that 86% of our colleagues shared their thoughts with us in this year's survey. Our colleagues tell us they are proud to work for Orbit and are clear on our purpose and how their work contributes to our success.

### Highlights for the year include:

- 10,000 hours of face-to-face development has been delivered to colleagues
- Colleagues completed over 9,500 hours of online/ e-learning courses
- 50 colleagues were supported with professional qualifications

Of the 86% of our colleagues that completed the engagement survey 87% are proud to work for Orbit, 88% agreed we are committed to creating a diverse and inclusive workplace, 90% of colleagues are clear on our purpose and our engagement score overall is 83% (against a benchmark of 73% for similar organisations).





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