

# Value for Money

As a registered provider we are required to demonstrate compliance with the Regulator of Social Housing's Value for Money Standard. As a small community-based landlord, we face challenges in input costs that are different from some larger providers, and it is important that we manage these effectively and demonstrate the value of our maintaining independence. In the main, we demonstrate this by providing a high quality and personal service for residents, where we really know our customers, our homes and our local community. This is a key focus of our new mission and strategy.

During 2023, we continued to provide good value for money compared to the sector as a whole and our peers. Our headline social housing cost per unit was £4,230 compared to a sector weighted average £5,251 or £5,720 for smaller providers (<2,500 homes - RSH published figures for 03/2023 accounts) Costs increased significantly during the year in line with a general upward cost trend for the whole sector. Nevertheless, we delivered a much higher level of investment in our own homes and expect this trend to continue as we bring energy efficiency work and invest in measures that affect the day to day well being of our residents.

We provided additional value in the year by expanding our housing stock, with 11 new social and affordable rented homes delivered in the centre of Petersfield. These homes benefited from £360k of grant funding and offer real social value in an expensive area where accommodation is in short supply.

Registered Providers are expected to report on value for money metrics to measure economy, efficiency and effectiveness on a comparable basis across the sector. The suite of defined performance metrics provides a tool for registered providers to demonstrate that they are making best use of their assets and resources to stakeholders, including tenants and the regulator. The metrics are calculated using a standard formula for all Registered Providers. This enables stakeholders not only to review the performance of PHA Homes to previous years, but also to compare our performance with that of our peers.

<b>Value for Money Metrics – 2023</b>	<b>2023</b>	<b>2022*</b>	<b>Sector S/Card &lt;2500 Homes 2023</b>
<b>Operating Margin (overall) %</b>	<b>23.06%</b>	<b>31.61%</b>	<b>16.8%</b>
<b>Operating Margin (social housing lettings only) %</b>	<b>25.70%</b>	<b>30.94%</b>	<b>18.7%</b>
<b>EBITDA MRI interest Cover %</b>	<b>174.39%</b>	<b>228.42%</b>	<b>170.7%</b>

#### **Development - Capacity and Supply**

<b>New supply delivered (Social housing units) %</b>	<b>3.24%</b>	<b>0.00%</b>	<b>0.70%</b>
<b>New supply delivered (Non-social housing units) %</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Gearing %</b>	<b>25.86%</b>	<b>21.12%</b>	<b>32.90%</b>

#### **Outcomes Delivered**

<b>Reinvestment %</b>	<b>11.60%</b>	<b>0.63%</b>	<b>3.70%</b>
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#### **Effective Asset Management**

<b>Return on Capital Employed %</b>	<b>2.54%</b>	<b>9.93%</b>	<b>2.10%</b>
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#### **Operating Efficiencies**

<b>Headline Social Housing Cost Per Unit</b>	<b>£4,230</b>	<b>£3,590</b>	<b>£5,720</b>
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\* net of exceptional impact of the Rogate & Terwick HA Transfer of Engagements in that year

**Social Value**

As a small local provider, we are able to offer a very responsive and personal service for residents. Most of the homes that we own are within 2 miles of our office and our team are available for face-to-face discussions or enquiries. We are a small team and everyone in the team carries out a variety of roles and tasks. There is everyday communication about individual issues and properties and a high level of business wide awareness of any risks or concerns.

Staff pride themselves on going the extra mile to support residents who experience practical challenges or hardship. In the year under review, we were particularly delighted to help a family with special and complex medical needs to achieve a transfer to more suitable accommodation, making a huge difference to their lives. We also provided more than £16,000 of financial support through hardship grants and the HACT fund and helped a number of residents with furniture for their new home.