

Orbit Group

Value for Money Report 2021-22



building
communities

For the year ended 31 March 2022

Orbit customers enjoying our communal spaces



Value for Money

Our Strategy

At Orbit we take a holistic and balanced approach to value for money that supports our fundamental social purpose and ensures we make full use of our resources and assets to deliver the best service for our customers. Within this framework we believe that everyone deserves to live in a good quality and safe home and we continue to combine our social purpose and commercial expertise to build good quality, affordable and safe homes within thriving communities.

The nature of our approach recognises both financial and social value with our vision of creating diverse and thriving communities where our customers feel safe and supported. We are proud to be a multigenerational, inclusive employer with the personal growth and wellbeing of our people at the heart of our business. 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 by the Regulator. We are proud to have retained our G1/V2 regulatory rating.

Our Customer Promise puts our customers at the heart of all we do and sets out what they should expect from us as their landlord. Our promise communicates a clear set of commitments that customers can hold us accountable to, and helps us to deliver on the requirements of the Social Housing White Paper. Our services, available to every customer are designed to support financial inclusion, mental wellbeing, employment, skills and digital support. We are committed to ensuring that customers find us easy to communicate with. Whilst our Customer Hub continues to be the first port of call, customers who wish to contact us and engage with key information and services away from the phone have a choice of other digital platforms. These options are beneficial for customers who find person-to-person communication challenging.

Our ongoing ambition to offer a sector-leading, streamlined customer experience has continued this year with improvements to the accessibility and useability of our digital channels. Our customers have a choice of online communication channels to use anytime, anywhere on most modern devices allowing them to self-manage many elements of their tenancy.

Underpinning our Customer Promise, our Better Days programme has been developed and commissioned by behavioural insight, our customers and employees to create a customer-centred, comprehensive offer managing varied and complex issues.

We have also launched our new Customer Handbook and our updated our Customer Complaints system. Whilst we continue to develop our digital engagement platform, with the lifting of COVID-19 restrictions, we have seen a return to more face-to-face engagement resulting in a more integrated approach. The launch of 'Your Voice Festival' across our communities aims to increase awareness of our customer engagement activities and encourage participation from underrepresented customer groups. These sessions have identified service improvements and provided insight on which of our business change initiatives will have the largest impact on our communities.

With our increasing digital footprint, cyber security is a priority. The threat from cyber criminals and hackers is increasing and we ensure that cyber security is embedded into decision-making. Over the past year we have implemented several new security capabilities and amplified security culture across the business, investing in multiple layers of security tools and defences which seek to prevent, protect, respond to and monitor attacks.

This year has seen us deliver £10.4 million investment into our work with customers and communities and realise Social Housing impact of £8.6 million through our Thriving Communities programme.

Our agile working model WorkSmart allowed us to operate efficiently throughout the pandemic. Post pandemic our colleagues will work in a blended way from any location supporting our ambition of being Safer, Smarter, Faster, Greener. Our business hubs focus on bringing our people together to collaborate. We have reduced our carbon footprint and created value for money for our customers through reduced office overheads, subsistence and meeting costs. As we return to a full year post pandemic, we would expect a slight increase in these costs but aim to retain them below pre pandemic levels. We continue to review how we will use our office spaces in the future.

Orbit's total carbon footprint in 2021/22 was 4810 tonnes of carbon dioxide equivalent (tCO2e). This captures our total scope 1 and 2 carbon emissions from offices, fleet, landlord supply, re-let and new build voids and construction activities. In the past year we have reduced our carbon footprint by 6.9% with a 33% reduction on our 2018-19 base year. The main drivers for this are agile working, renewable energy in our offices and landlord supply with other energy efficient measures in our property and fleet.

As detailed in our Orbit 25 Strategy, ensuring that as a business we reduce our impact on the environment is important to us. We are committed to carbon reduction and improving energy efficiency. We aim to achieve this through using materials and products from sustainable sources and by creating greener places to live and work. We launched our net zero carbon roadmap, Orbit to Zero, during COP26. This confirms our vision of achieving net zero carbon in our own operations by 2030 and achieving net zero carbon in our customer homes and supply chain before 2050. Rising energy costs for our customers drive us towards targets set by the Regulator and Orbit to ensure that all our homes are EPC Band C or above by 2030. This year has seen us achieve 82.2% compliance.

In 2021 we launched our Environment, Social and Governance (ESG) strategy which provides our business with a formal and measurable structure to create thriving communities and a better society. ESG concerns are embedded in decision-making at all levels with actions benchmarked, measured, monitored and publicly reported. Our environmental sustainability programme Orbit Earth is the environmental pillar of our ESG strategy and is focused on our drive towards net zero carbon, creating environmentally aware places and spaces where communities can thrive together delivered through a sustainable supply chain.

We joined with 11 housing providers to create the Future Homes Consortium, working together to share best practice on sustainability, building safety and retrofit of our stock. This year has seen our Health & Safety teams continue to report 100% compliance in all areas of gas, water, fire, asbestos, communal electrical and lifting equipment safety. We have not had enforcement actions or serious injuries in any of our operations. We have also maintained our 100% compliance in personal data request responses and implementation of all high and medium audit recommendations.

We have been awarded £2.85 million in Social Housing Decarbonisation Fund (SHDF) grants to update a total of 205 properties in Stratford-on-Avon and the West Midlands Combined Authority area. Orbit has also invested £4.6 million into this project to generate knowledge and insight into the challenge ahead and explore the impact of selected sustainable technologies in a retrofit application.

Our Board-approved Densification Strategy, which aligns to our commitment to improving both our customer service offer and delivering improved value for money, has continued this year. This strategy allows us to deliver affordability through reshaping our stock portfolio. Densification of our operating areas underpins our vision to build thriving communities that meet the needs of our diverse customer base and maximise the efficiency of repairs partners to deliver value for money. This year we successfully completed a stock swap with Midland Heart Group comprising 1,100 homes of which Orbit acquired 526 and 604 transferred to Midland Heart. We transferred 180 properties in Elmbridge to PA Housing who already have a considerable presence in the area, ensuring the continuation of customer service. These activities generated income of £22.7 million to support the delivery of more affordable homes in our key geographical areas. We disposed of the remaining 20 shared ownership units from non-core areas in December 2021 which secured £1.8 million for re-investment.

The financial planning process, overseen and approved by the Board, ensures that Orbit achieves a healthy balance between building good quality, affordable and safe homes where our customers are proud to live, maintaining our existing properties to an excellent standard and creating a great place for employees to work whilst continuing to protect the financial health of our business. Our corporate strategy, Orbit 2025, is aligned to the Social Housing & Planning White Papers. It details our aspiration and vision of delivering the best customer experience, providing further significant investment into our homes and communities, maintaining our position as a leading UK developer of affordable homes, responding to the needs of a changing and diverse population, attracting developing and retaining the very best people, reducing our impact on the environment and focuses on safety and quality standards.

We continue to explore partnership and growth opportunities. As a part of this we entered into a Grouping Agreement with Swan Housing Association, with the aim of Swan joining the Orbit Group as a subsidiary. We believe Swan to be a complementary fit geographically for Orbit and, should the grouping go ahead, this would create a combined housing portfolio of nearly 60,000 homes and over 125,000 customers across the UK and unlock greater potential. This growth in scale will deliver increased value for money for a larger customer base. Our operations and governance strength will support housing and development opportunities and maximise our combined build programme to provide more homes across our core geographical areas.

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 and the percentage of

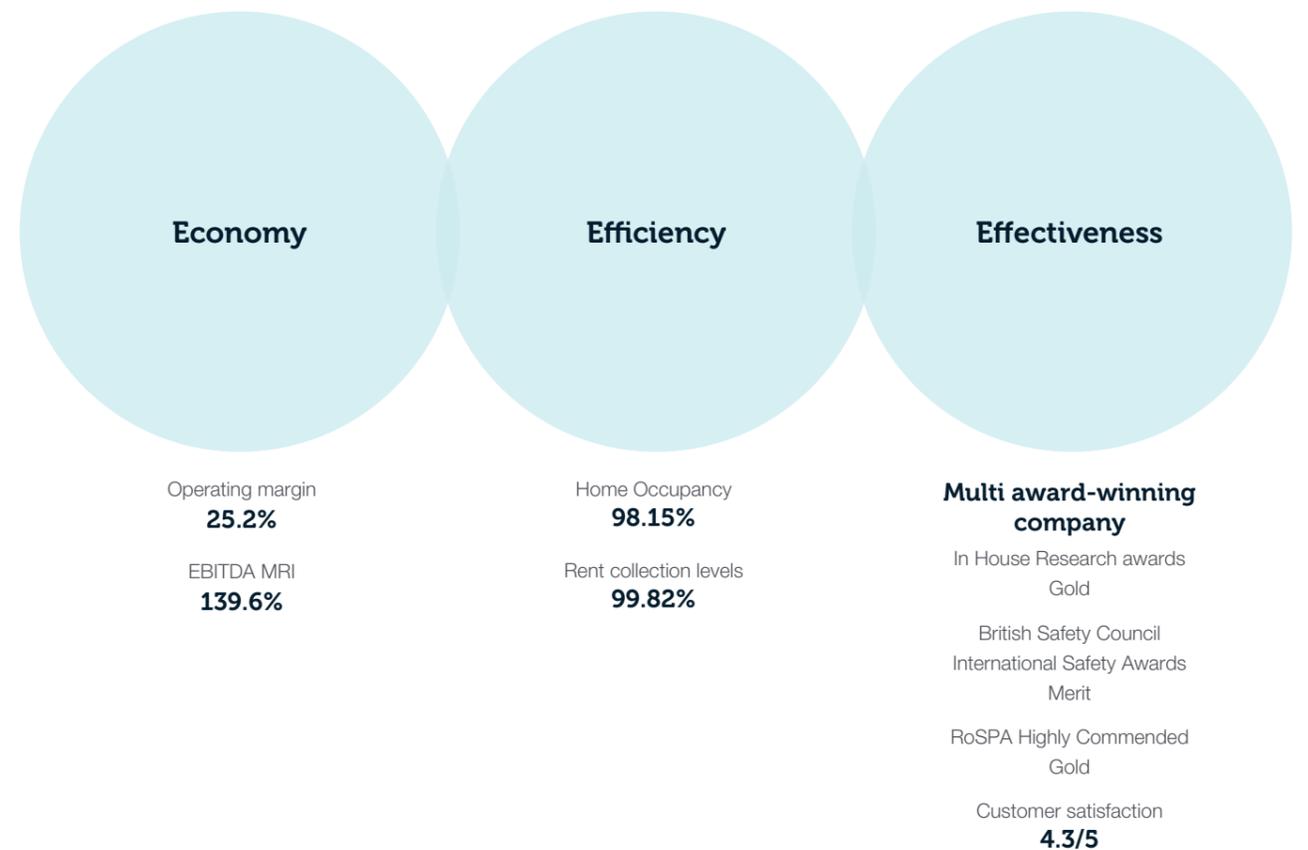
homes achieving EPC Band C or above. These additional metrics, coupled with the regulatory metrics, evaluate the performance of our value chain. All metrics can be aligned with Economy, Efficiency or Effectiveness. The three E's focus on different aspects and are defined as follows:

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: considers 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.



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 last three years, and as part of evaluation of our Value for Money Strategy we will be reviewing our peer group. Housing associations included in this 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. Please note that 2021 metrics for both Orbit and the benchmarks groups will be impacted by the pandemic period. Orbit is proud of its commitment to building good quality, affordable safe and energy efficient housing to create diverse and dynamic 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. We firmly believe that our strategy is the right one for us and our customers. As a consequence, we do not benchmark as favourably against metrics such as operating margin, gearing and EBITDA, or headline social housing cost per unit. Whilst we will always seek to deliver improved value for money year-on-year, we would not expect these scores to change significantly due to the nature of our core strategy and commitment to providing our customers with great places to live.

Our future operational priorities for the next 12 months include delivering our best customer experience at every opportunity and transforming our digital offer, developing a service that supports a diverse and changing population and maintaining our place as a leading UK developer of affordable homes. We are committed to providing a greater level of investment in our homes and communities and ensuring that profit is re-invested purposefully, meeting the development requirements of our strategic partnership with Homes England to ensure we maximise the use of the available grant to build affordable homes. We will continue to invest in new technologies and advanced ways of working including modern methods of construction and ensure we continue to attract and retain the very best people.



Kitchen diner in one of our homes at our Wellington Place development at Marham Park

Providing good value services

The impact of Brexit, COVID-19, rising food & fuel costs, changes to the benefits system and an unstable labour market are placing financial and emotional pressure on our customers.

Our Customer Hub continues to deliver an improved customer experience. We are proud to have been awarded Highly Commended for Best Online Service in the Housing Digital Innovation Awards. We ended the year with customer satisfaction of 4.3/5 (2021: 4.2/5). Gaining access to our customer's homes in the first part of the year prior to the lifting of restrictions has been challenging and the number of days to complete scheme repairs has increased to 37.36 days (2021: 30.4 days).

Against the backdrop of the pandemic we have seen arrears at the lowest level for 8 years and written off debt lowest for 6 years. We have achieved rent collection levels of 99.82% (2021: 100.5%) and our gross rent arrears as a percentage of rents receivable have decreased to 2.49% (2021: 2.7%). 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 2.37% (2021: 2.5%) and we continue to work to achieve further improvements in this area. Our home occupancy rate has been in excess of 98.15% (2021: 97.8%).

Orbit has a strong culture of health and safety and we are proud to have been awarded a prestigious 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 & Local Government Industry Sector Health and Safety Award. Our people are key to delivering our strong health and safety culture and this year we hosted our first Orbit Health and Safety Excellence awards in partnership with RoSPA recognising our people and partners who have shown commitment to keeping our customers and workspaces safe. Our Head of Health and Safety also received the Woman of the Year award at the Safety & Health Excellence Awards.

Orbit Homes has successfully delivered effective risk management protocols ensuring that we have some of the most COVID-19 secure construction sites in the country. We are proud to remain the only national affordable housing provider to have achieved BS9997, British Standards in Fire risk management systems. Our Fire Safety App developed in conjunction with Firemark Education received over 500,000 views and demonstrates our commitment to keeping our customers safe.

We are fortunate to have customers who volunteer their time to help us improve our services and influence the shape of future Orbit policies. Their collaboration is vital to our success and ensures our

services are genuinely customer-led. This year they represented Orbit and met with government officials from the Department of Levelling up, Housing and Communities and the Housing Ombudsman.

Highlights for the year include:

MyAccount self-serve portal - allows our customers to self-manage their tenancies and transact quickly online 24/7. Since its launch we have seen a 40% increase in active users. We are proud to have won the Best Customer Impact category in the National Housing Maintenance Forum Awards 2022.

Your Voice - launched this year, enables our customers to digitally engage and provide feedback, helping to shape Orbit services we offer. Quarterly performance webinars provide valuable insight which helps us to identify improvements and areas of focus.

Voicebot - artificial intelligence driven virtual assistant which enables our customers to interact over the phone. This tool can understand a spoken question and deliver an audio response and is available 24/7 offering support on areas including MyAccount and repairs. By capturing the customer response this provides us with data to develop this offer further. Reduced calls to our Customer Hub will facilitate resource that can be focused on other areas.

Browsealoud - this tool offers text read aloud and enlargement, bi-lingual translation, picture dictionary and simplify page tool.

Complaints handling service - streamlined process launched to improve customer experience enabling complaints to be logged onto our new reporting system, providing greater visibility across all areas of the business. Creation of a new quality assurance framework, separation of stage 1 and stage 2 complaints to allow independent review of complaints at stage 2. We have also produced a complaints leaflet which confirms transparency of the process. This provides our customers with an easily accessible route to share with us where things have gone wrong and to facilitate learning lessons for us to deliver an improved service.

Customer Handbook - launched this year, ensures we clearly set out services provided to our customers enabling them to successfully manage their tenancy. Included are sections on safety, maintenance, repairs, home improvements, Better Days and Tenancy Sustainment.

Refund process - review has resulted in a leaner and friendlier customer process. This will be rolled out in the new financial year.

Partnership with PayPlan - with millions of low-income families feeling the pressure of escalating personal debt this partnership enables us to gather data on our customers and the situations that they are



Independent Living customers enjoying the communal space at Tithe Lodge

challenged by. Through the partnership, £2.1 million of customer's debt is now being managed in an affordable way. Offering debt management support to our customers enables them to gain the skills to confidently manage their finances. 93% of customers felt more reassured and calmer about their financial situation and 79% felt more confident about their ability to manage their finances.

Improved Better Days service to our customers - this programme is an integral part of our Tenancy Sustainment Strategy and has been developed to create a customer focused offer to include support on financial inclusion, mental wellbeing, employment skills and digital support. We opened a Community Hub in Stratford-upon-Avon to create a physical space where our customers can access the support services they need.

The Hub will provide a local base for our Better Days services and touchdown office space for our colleagues and by leasing the space to the voluntary and community sector, we can create a valuable holistic offer that meets local needs.

Where possible we will use external funding, contractor social value and employee volunteering to support the delivery of services in our hubs. Our Thriving Communities team collaborate with Local Enterprise Partnerships, Local Authorities and Public Health to address localised social issues and reduce disparity in our more disadvantaged communities. 97% of users expressed satisfaction with our Better Days offer. We are also working in partnership with Stratford District Council who fund a local Tenancy Intervention Officer to visit customers in their homes taking time to understand their personal circumstances and supporting them to tackle the issues which led to arrears.

Breathing Space Mental Health Programme - this service offers free confidential mental health support. As a business we are committed to ensuring that our customers feel empowered to contribute to their local community and wider society. Improved mental health also contributes to reduced rent arrears and improved tenancy sustainment. The last year has seen a 42% increase in referrals with 87% of customers who used the service experiencing improvement in wellbeing and 72% experiencing a reduction in feelings of social isolation.

Good Quality, Affordable and Safe Homes

We are committed to providing good quality, affordable and safe homes and are proud to be one of the largest builders of affordable homes in the UK. We plan to deliver 6,500 new homes by 2025 to meet growing demand. In 2022 we have delivered 1,013 homes across all tenures against the backdrop of COVID-19, and the macroeconomic impacts on labour markets and supply chains. We are proud to have built 28.5% of our homes this year using modern methods of construction (MMC).

Through the introduction of our new design standards and housetype range we are committed to building energy efficient, cost effective and aspirational homes for all our customers. Drawing on customer research, best practice initiatives and regulations our new house range focuses on maximising light and space, reducing retrofit requirements and providing flexible, age-neutral space that can adapt to meet the changing needs of our customers. Our continued commitment to health & safety has seen us incorporate the RoSPA approved Safer by Design framework within our design standards. In June 2021 we became the first social housing provider to have our house designs successfully matched against this framework ensuring that a new home built by Orbit will be amongst the safest on the UK market.

Our new design specification can now be found on developments across the country and our new house types will start to roll out later this year.

Orbit is committed to the development of new homes, whilst also improving standards in our existing properties with 99.9% of homes meeting the Decent Homes Standard.

As Orbit continues to build new homes our primary focus remains on our core value of social housing. Almost 80% of the homes Orbit built in the last 12 months have been social in nature, whilst open market activity continues to contribute to future social housing developments through reinvesting the profits generated, supporting a broader housing mix to support our Thriving Communities.

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 £80 million in maintaining the quality of our existing stock portfolio to improve standards for our customers. This has been recognised through attaining two RoSPA Gold awards for maintaining our 100% Health & Safety ratings, demonstrating our commitment to the wellbeing of those who live in our homes.

We are committed to our energy efficiency programme to ensure that we move towards the Government's 2050 net zero carbon target and create homes for our customers that are safe and efficient to run. Our transition to a circular economy, where resources are sourced, produced, used and disposed of sustainably aligns to our environmental strategy. This is supported by our newly created Waste Action Group which is working to devise a zero-waste strategy.



Continuing our mission of building affordable, quality housing and reinvesting in our communities

We have continued to develop our design standards to reduce our carbon footprint, improve the quality and consistency of build and maintenance activity and minimise the requirement to retrofit.

Our sector is aware of the complex challenges that lie ahead in the decarbonisation of homes, but equally as important is the impact this will have on our customers. We are committed to working in collaboration with our customers to achieve outcomes that are beneficial to both our business and those who live in our homes. In May 2021, we gathered the views of 900 customers to understand our social rented households' priorities around the net zero carbon agenda. The study, jointly produced with the Chartered Institute of Housing is one of the first in-depth pieces of work of its kind in the sector. We have also undertaken research to assess how customers will be impacted by retrofitting works, both during the process and post completion and we will engage and work collaboratively with our customers to minimise disruption whilst retrofit works are in progress. The insight gathered from customers has confirmed that pressure is very real on heating and energy bills. This has enabled us to better understand how we can support our customers through decarbonisation of their homes.

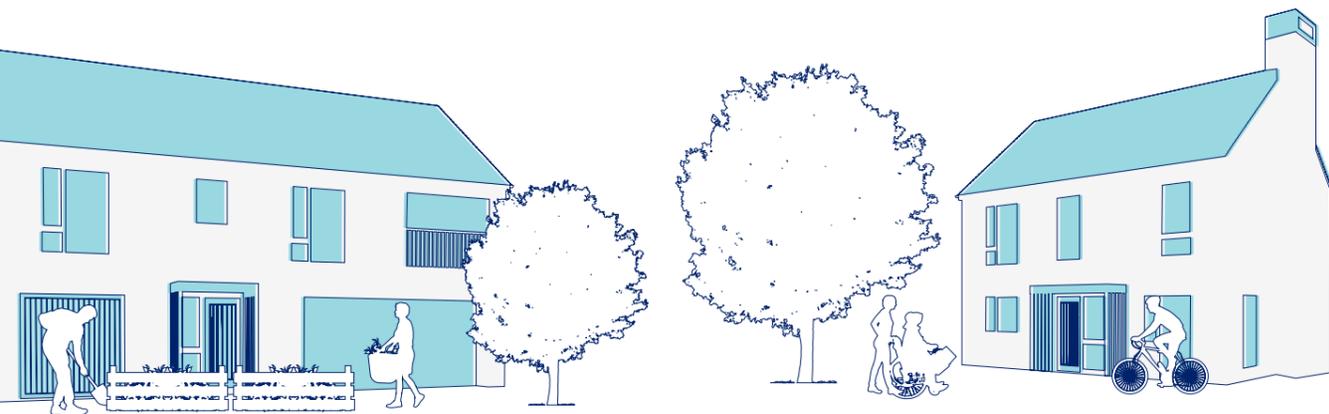
This year we have launched an environmental sustainability qualification for our colleagues which is internationally recognised. The first in-house course of its kind in the social housing sector, Environmental Sustainability Skills for Managers training is delivered by our Environmental Sustainability team and provides learners with a broad understanding of sustainability principles together with the skills to implement positive change as individuals, in their teams and the wider business. Our Carbon Forum manages our net zero carbon approach and through collaboration explores new technologies, co-investment and funding opportunities. This forum includes an innovation hub to trial new technologies with a focus on

energy efficiency measures such as smart thermostats, external wall insulation and intelligent air bricks. We are proud that both our Head of Environmental Sustainability and Head of Carbon & Operations have both been recognised for their contribution in Unlocknetzero's Climate Change Power List.

We are committed to ensuring that the outdoor spaces we care for are rich in biodiversity. Our customers will benefit from improved wellbeing and our communities from a sense of calm. We have continued to invest in our natural environment with the creation of pocket parks, tree planting and our continued partnership with the Wildlife Trust.

We were awarded our second Homes England Strategic Partnership fund, securing £104 million grant through the Government's Affordable Homes Programme (2021-2026). This grant will strengthen our strategic partnership with Homes England and help Orbit play its part in building 1,500 much needed affordable homes bringing the total number of homes to be delivered through this partnership with Homes England to 4,200.

To enable us to meet the 2023 standard required by the New Building Safety Regime, which will become law by April 2023, we have implemented our new Building Safety Strategy led by our Building Safety Steering Group and the Property Safety team. This strategy will implement a 'standards based' approach for our buildings utilising existing British and ISO standards to create a comprehensive risk management system which includes the Plan, Do, Check, Act model (PDCA) which are at the heart of the new Building Safety Regulator's regime. In addition, to ensure we are ahead of the new building safety requirements we will be conducting enhanced fire risk assessments, environmental reports and heat scanning.



Our Micklewell Park development taking shape



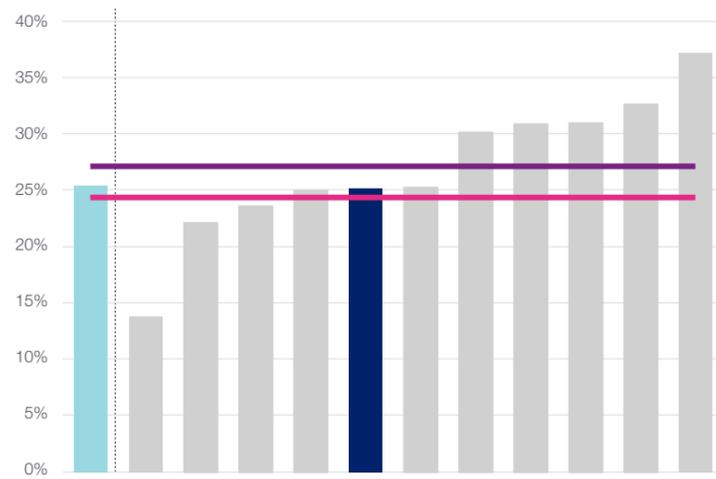
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Profit for a Purpose

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 deal with challenges that may arise. Our target reflects our commitment to achieving efficiencies around discretionary spend.

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 25.2% has been achieved, which is 0.2% lower than prior year, and 1.9% below our peer group. However, it has exceeded the benchmark for housing associations with 30,000+ units by 0.9%.

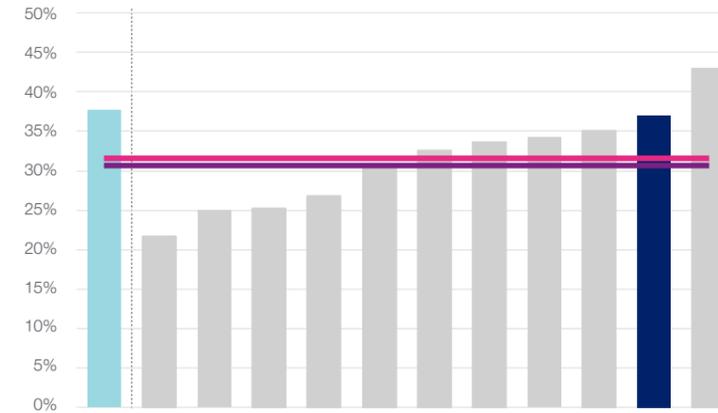
Orbit's commitment to playing its part in reducing the housing crisis through the development of homes for sale and reinvesting profits generated in building thriving communities results in a lower margin percentage.

For 2023, we are expecting a similar margin level to our current year delivery reflecting our increased investment in our housing assets.

Value Chain Alignment	Key:	Orbit 2021:	Orbit 2022:	Orbit 2023 Target:
		25.4%	25.2%	
Economy	Peers 2021	Peer Average:	Benchmark:	25.1%
		27.1%	24.3%	

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

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



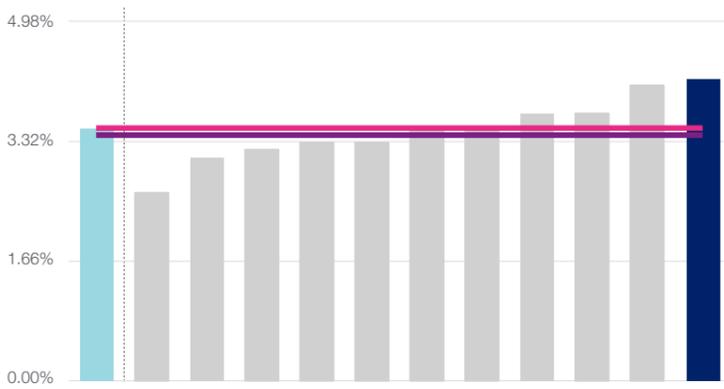
Orbit has delivered an Operating Margin (SHL) of 37.0%, a 0.7% reduction from prior year. However this remains 6.3% above our peer group average and has also exceeded the benchmark for housing associations with 30,000+ units by 5.4%. This metric demonstrates the strength of Orbit's underlying Value For Money strategy and ethos, highlighting our efficiency and effectiveness in the core social aspects of our business.

Our expected metric for 2023, remains strong at 37.1% and reflects the continued investment in our housing assets.

Value Chain Alignment	Key:	Orbit 2021:	Orbit 2022:	Orbit 2023 Target:
		37.7%	37.0%	
Economy	Peers 2021	Peer Average:	Benchmark:	37.1%
		30.7%	31.6%	

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 a 0.7% increase from prior year, 0.8% above our peer group average and 0.7% above the benchmark for housing associations with 30,000+ units.

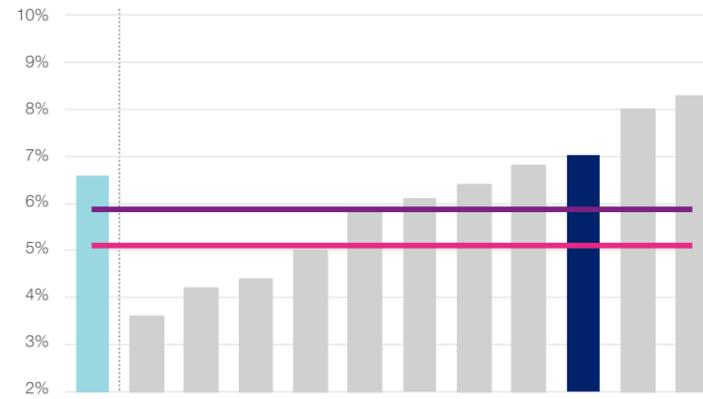
This is benefited by increased gain on disposal of fixed assets through our continuing stock densification programme. This programme continues to work towards delivering density in key geographical areas and has seen asset swaps delivered with other housing associations, as well as the sale of stock in non-core areas.

The continuation of this programme coupled with a strong operational focus will see ROCE increase in 2023.

Value Chain Alignment	Key:	Orbit 2021:	Orbit 2022:	Orbit 2023 Target:
		3.5%	4.2%	
Economy	Peers 2021	Peer Average:	Benchmark:	4.7%
		3.4%	3.5%	

Reinvestment (%)

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



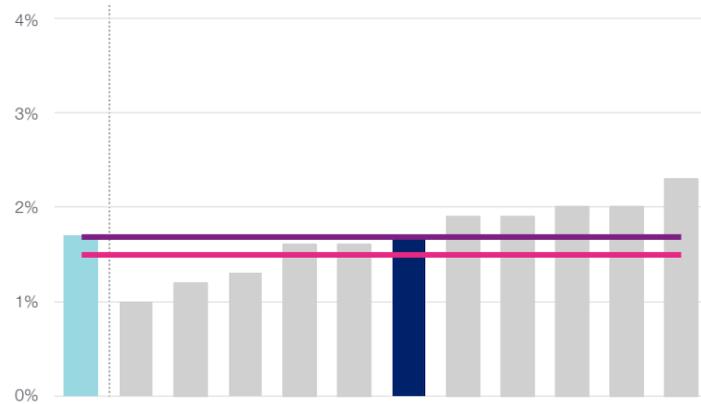
This year, post COVID-19 restrictions, Orbit's reinvestment percentage has increased by 0.4% to 7.0% largely driven by an increased capital programme. Our level of investment is 1.1% above our peer group average and 1.9% above the benchmark for housing associations with 30,000+ units.

Orbit remains committed to building thriving communities, with a 9.7% target for 2023 reflecting increased development, repairs and maintenance spend.

Value Chain Alignment	Key:	Orbit 2021:	Orbit 2022:	Orbit 2023 Target:
		6.6%	7.0%	
Economy	Peers 2021	Peer Average:	Benchmark:	9.7%
		5.9%	5.1%	

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.



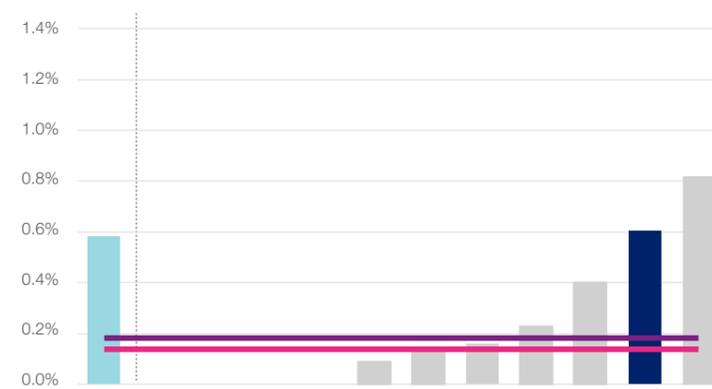
Orbit has achieved a New Supply Social percentage of 1.7%, which is the same as the prior year and in line with our peer group average. We are currently operating 0.2% higher than the benchmark for housing associations with 30,000+ units.

We have delivered a similar number of units into management in the year as COVID-19 restrictions eased allowing us to resume construction: 405 social/affordable rented homes (2021:474) and 299 shared ownership homes (2021:241). We also developed 56 properties for others which are excluded from these figures. We continue our commitment to contribute to addressing the UK's housing crisis and our 2023 target reflects this. Orbit's primary focus to deliver good quality affordable homes to meet a range of customer needs and in 2023 our development pipeline is geared up to deliver in excess of 1,000 new homes, the majority of which will be social in nature.

Value Chain Alignment	Key:	Orbit 2021:	Orbit 2022:	Orbit 2023 Target:
		1.7%	1.7%	
Economy	Peers 2021	Peer Average:	Benchmark:	2.4%
		1.7%	1.5%	

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.



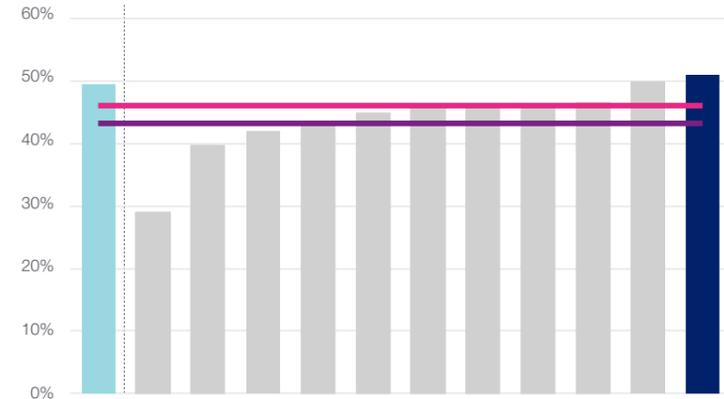
Orbit has achieved a New Supply Non-Social percentage of 0.6% which is in line with prior year. This is 0.4% above our peer group average 0.5% above the benchmark for housing associations with 30,000+ units.

Orbit has this year focused on delivering Social Housing properties against the challenges of the pandemic. We delivered 264 non-social homes (2021:252). We also developed 14 properties for others which are excluded from these figures. These profits will be reinvested into new affordable homes, as can be seen in our New Supply Social metric. Our targets for non-social development for 2023 are broadly in line with 2022 delivery, as we continue to build homes that meet a variety of needs.

Value Chain Alignment	Key:	Orbit 2021:	Orbit 2022:	Orbit 2023 Target:
		0.6%	0.6%	
Economy	Peers 2021	Peer Average:	Benchmark:	0.6%
		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. Furthermore, we have actively chosen to increase the level of investment in our existing stock to continue to improve the quality of our existing assets to provide, good quality and safe homes for our customers.

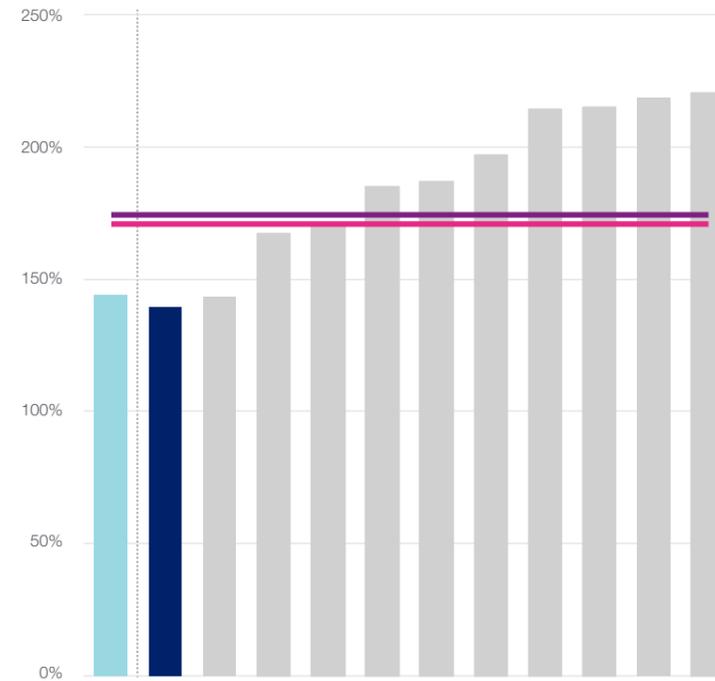
As a result, we have leveraged our balance sheet to support our strategic objectives resulting in a gearing percentage of 50.9%, 1.4% higher than prior year. This is 7.6% above our peer group average and 4.9% above the benchmark for housing associations with 30,000+ units.

The rise this year is due to reduced cash holdings increasing our net debt position which is only partially offset by our increasing asset base. We anticipate a reduction from 2023.

Value Chain Alignment	Key:	Orbit 2021:	Orbit 2022:	Orbit 2023 Target:
		49.5%	50.9%	49.5%
Economy	Peers 2021	Peer Average:	Benchmark:	49.5%
		43.3%	46.0%	

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.



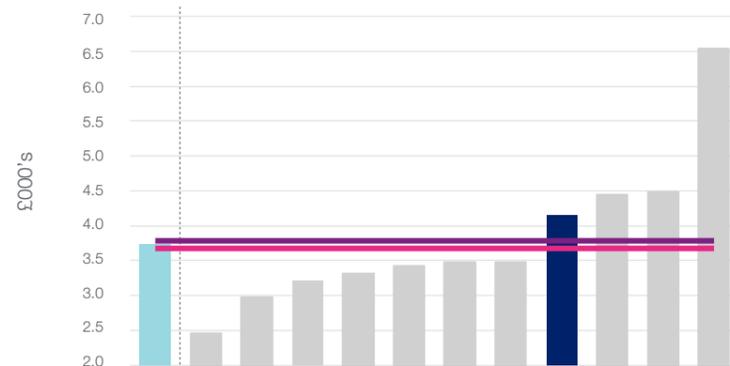
Our EBITDA MRI metric has marginally decreased this year, by 4.4% to 139.6%. Therefore our EBITDA for 2022 remains lower than the majority of our peer groups 2021 results reflecting our strategic positioning and the lower margin house sales that Orbit builds, whose profit is invested back into the business in order to increase our social housing portfolio. We have invested in excess of £80 million into our existing stock with 99.9% of our homes meeting the Decent Homes Standard. 82.2% of our homes are rated EPC Band C or above which benchmarks favourably against the 60.7% average for other housing providers. This reflects our commitment to providing good quality homes and we will continue to invest in our properties.

Our 2023 target reflects the continuing investment in our assets and our ambition to drive forward our sector leading EPC Band C target by 2030. Orbit remains committed to delivering new housing stock and improving the homes of current customers which will continue to see lower overall operating margin and EBITDA with significant improvements in these metrics remaining unlikely. Orbit will continue to measure the efficiency of its operations through close monitoring of the Social Housing Lettings operating margin.

Value Chain Alignment	Key:	Orbit 2021:	Orbit 2022:	Orbit 2023 Target:
		144.0%	139.6%	111.6%
Economy	Peers 2021	Peer Average:	Benchmark:	111.6%
		174.4%	171.0%	

Headline Social Housing Cost Per Unit (£000's)

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



Value Chain Alignment	Key:	Orbit 2021:	Orbit 2022:	Orbit 2023 Target:
		£3.742	£4.141	
Economy	Peers 2021	Peer Average:	Benchmark:	£4.650
		£3.778	£3.680	

This year, Orbit has achieved a Headline Social Housing Cost Per Unit of £4.141, which is a £399 increase from prior year, £363 above our peer groups 2021 results and £461 above the benchmark for housing associations with 30,000+ units, again these are 2021 results.

Prior year metrics for Orbit, the Peer Average and the Benchmark group have been impacted by the effects of the pandemic, which resulted in lower routine and major repairs, This year we have returned to more normal levels of component replacement and cyclical decorations. In addition we have increased investment in our fire and building safety activity which will continue in future years. COVID-19 lockdown also affected the number of properties returned in a poor state of repair leading to increased repairs on void properties. Management costs have increased driven by inflation and are significantly lower than the peer group average. The full year impact of licence costs following project work and investment in our customer services are reflected. Our 2023 target will see an increase versus our 2022 position as we continue to deliver our commitment to delivering good quality homes to our customers.

Cost per unit (CPU)	Orbit 2022 (£000)	Orbit 2021 (£000)	Peer Average 2021 (£000)
Management cost per unit	£0.844	£0.750	£1.014
Service charge cost per unit	£0.625	£0.642	£0.608
Maintenance cost per unit	£1.217	£1.240	£1.194
Major repairs cost per unit	£1.043	£0.672	£0.628
Other social housing costs per unit	£0.412	£0.438	£0.334
Total	£4.141	£3.742	£3.778

Investing in our People

Our people remain our most valuable asset and we are committed to providing opportunities for employment and development. Our diverse, open and inclusive culture ensures that we can attract, nurture and retain the best people who share our values. Our active People Agenda ensures that we conduct ourselves in a fair and safe way. It is important to us that our people have a rewarding and enjoyable work experience.

To help our employees with the increased cost of living we inflated the percentage increase by over 6% for those in lower salary bands, resulting in 57% of our people receiving an inflated increase. We continue our commitment to be a voluntary Living Wage employer and in many cases we are now paying above this level which is a positive step forward and aligns to our people-focused ethos.

Our Work Inspiration programme, which includes graduates, apprentices, internships and work experience, aims to attract and retain entry-level talent to provide a talent pipeline and career progression. We are proud that we saw one of our first cohort of graduates become Head of Service this year. This is testament to our culture and talent development approach and we are developing this further with a new Leadership Programme which will be launched imminently.

In addition to our work inspiration programme we offer group-wide training programmes to support and promote professional development for all our employees.

Aligned to our vision of a safer, smarter, faster and greener business we continue to offer a full package of virtual workshops, seminars, training videos, coaching sessions and safety courses.

Highlights include:

- **6,522** e-learning courses delivered
- **51** employees undertaking apprenticeship levy qualifications
- **564** employees attended diversity and inclusion training
- **4** Graduates and **1** Apprentice moved into permanent roles
- **6** Graduates and **9** Apprentices were recruited in year
- **70.5%** of promotions in the last 12 months were female colleagues

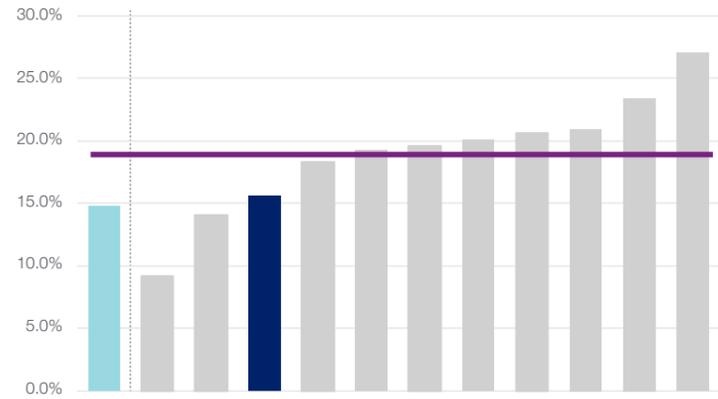
The wellbeing of our people is at the heart of our business and the COVID-19 pandemic has been challenging to our business and our people. The #ThisisMe wellness programme is designed to adapt to meet the personal experience of each individual and continues to provide support around physical, emotional and social wellbeing. The introduction of #ThisisMe Talks aim to celebrate, educate and encourage conversation. These sessions have included external experts and colleagues sharing their personal stories with subjects including mental health awareness, Trans awareness, racism, suicide, domestic abuse and coercive control.

Providing an inclusive workplace is important to us and we encourage our people to unlock their full potential and take a collaborative approach to Equality, Diversity and Inclusion (EDI). We place focus on an open and inclusive workplace where the differences that our people bring to Orbit are valued and equal opportunity is available for all. We are committed to delivering accessible services and outcomes for the diverse communities we serve with the commitment to improve the quality of service experience for all our customers. Our EDI Operational Forum ensures that our strategic vision is translated into clear operational plans and business outcomes. Our EDI Allies represent all parts of our business and play a key role in developing and delivering our EDI plan.

We are committed to the HouseProudPledge, Business in the Community and Armed Forces Covenant and we are proud to have retained our Disability Confident Committed status provided by the Department for Work and Pensions.

The pandemic has driven a change in the way we operate our business and use our office space. Our WorkSmart programme offers a blended way of working which has allowed us to adapt to government restrictions, maintain productivity levels and become a more resilient business. We have seen no detrimental impact to our culture as we embrace the new normal of Worksmart. This blended way of working enables our people to benefit from reduced commuting time, flexibility around childcare, other caring commitments and autonomy over their work whilst feeling supported and trusted. Our agile working spaces continuing to encourage collaborative working. We continue to review our office portfolio in line with our operating model.

Staff costs as a percentage of turnover (%)



Orbit staff costs as a percentage of turnover are 15.6%, which is a 0.8% increase from the prior year and 3.3% 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 profits to be reinvested into building thriving communities.

Value Chain Alignment	Key:	Orbit 2021:	Orbit 2022:	Orbit 2023 Target:
Economy		14.8%	15.6%	
	Peers 2021	Peer Average: 18.9%		15.0%

Social Value

Orbit's continued investment in our customers and thriving communities can be seen through the social value we create. An integral part of our Tenancy Sustainment strategy is our Better Days offer which aims to create sustainable communities and empower customers to fulfil their potential. Those customers requiring more intensive support are referred to our Tenancy Sustainment team who ensure that they assess each customer's situation and offer support with coaching, finding employment, managing isolation, advice on access to grants and benefits for a period of three to six months.

Highlights include:

- Supported **5,574** Orbit and non-Orbit customers to have a 'Better day'
- Referred **6,737** customers to Tenancy Sustainment of which 80% engaged with our service
- Supported **206** customers, preventing 100% of evictions and clearing rent arrears of £208,000
- Delivered **2,647** coaching sessions
- Supported **490** customers into employment, employment related training or volunteering
- Supported **1,400** customers with improved mental wellbeing
- Provided **1,043** customers with independent debt advice to manage debt totalling £760,000
- Provided **672** customers with winter fuel help, clothing, heaters, curtains, food and energy vouchers
- Provided **482** customers with emergency food parcels

Our commitment to social value reaches further than our Orbit community. We believe that everyone has the right to call a place a home, where they are treated fairly. Since the war in Ukraine began millions of families have been displaced and are in need of a temporary home where they feel safe. We are supporting the Government's 'Homes for Ukraine' scheme and are making 26 properties from our Independent Living and Supported Housing portfolio available for refugees, including extra care for those who require extra support. We have extended the support we offer our customers to refugees who are living in an Orbit property either as tenant themselves or where our existing customer have offered a spare room.

Those living in our homes will be welcomed into our communities with support from our scheme colleagues and will be able to access our facilities including our Better Days programme, which will help them access a tailored package of holistic and trauma-informed advice and guidance, and links into Local Authority and NHS support services. We are also offering support to our employees who are welcoming refugees into their homes, offering an additional week of annual leave and £250 retail vouchers to assist with purchasing essential items. We have also matched colleague's donations to the Disaster Emergency Committee's Ukrainian Humanitarian Appeal up to a total of £10,000.



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