



2025/26 - 2027/28

OceAn

HOUSING

COMPANY PLAN

- FIT FOR
THE FUTURE

OceAn
HOUSING

OceAn
GROUP



Gilbert & Goode

BACKGROUND

Ocean Housing Group is an ambitious organisation which is focused on making a difference to the communities it serves in Cornwall, providing homes of all tenures and good quality landlord services. In short, Ocean's mission is to be:

'An innovative provider of quality homes and services, with residents and staff at the heart of Ocean and Ocean at the heart of the community'

To achieve this mission, Ocean Group has established five 'Golden Threads', which direct its priorities and the way that it works:

1. To have residents at the heart of everything we do
2. To maintain strong and effective governance
3. To provide good quality services, right first time
4. To provide innovative, energy efficient, good quality homes
5. To be an employer of choice



Ocean Housing Group (OHGL) is the parent company of the group and is a registered non-charitable housing provider. Ocean Housing Limited (OHL) is a subsidiary of OHGL and is a charitable registered housing provider of affordable homes.

OHL owns a significant property portfolio of over 4282 rented, 116 shared ownership, 156 leasehold dwellings and manages 469 homes for ReSI Homes Limited (as at Feb 2025). As a not-for-profit organisation, all income is reinvested back into the management and maintenance of existing homes and the provision of new affordable homes.

OHL sits alongside its sister company, Gilbert and Goode Limited (G&G), our commercial residential development company. G&G aims to generate income to support the core business - OHL.

OHL is responsible for delivering many of OHGL's Corporate Strategy objectives as well as the following strategies:

- **Tenant and Resident Partnership Strategy 2023 - 25**
- **Asset Management and Energy Efficiency Strategy 2024 - 2030**
- **New Homes and Land Strategy 2024 - 2030**

OHL also plays a key role in contributing to the delivery of the group-wide **Equality, Diversity and Inclusion Strategy and People Strategy.**

Our People Strategy sets out Ocean's plans, demonstrates our commitment to being an employer of choice and supports the learning and development of existing staff. Ocean Group achieved Investors in People Gold status in December 2022. At the end of January 2025 OHL had 162 staff posts. OHL operates within the Group's Risk Assurance Framework and has a risk-appetite of 'cautious', which is reflected in the Company Plan priorities.



STRATEGIC PLANNING PROCESS

This Company Plan is an internal document, which sets out OHL Board's priorities and work plans for 2025/26 onwards to ensure the Board fulfils its responsibilities under OHGL's governance arrangements.

The Company Plan is produced as part of the annual strategic planning process. This process is led by Board members, with input from tenant representatives at regular joint planning events. Other key documents that form part of this process include:

- Our customer promise or Ocean Service Standards
- Ocean Housing's Performance Bulletin Indicators
- The five-year Repair, Maintenance and Improvement Plan
- The 40-year Business Plan and Annual Budget

CULTURE AND BEHAVIOURS

Strengthening the culture of OHL is a key part of the Fit for the Future programme.

We are striving for a top performance culture where:

- Only the best will do
- Expectations are clear
- Standards are set and visible
- Non-performance is challenged and not accepted
- Values are at the heart of what we do
- We always do the right thing
- Strong systems of control and compliance

Good progress has been made in 2024/25 with a new OHL Behaviours Framework for all staff and managers setting clear expectations and assessment process and an OHL Standards and Control Framework for each team setting expectations on policy and procedure compliance, and performance targets to meet service standards.

Implementation of a revised structure for OHL has accelerated to ensure that it is fit for purpose to support the necessary culture and transformational change to be delivered by the Fit for the Future programme. The new structure offers multiple benefits including increased focus on consumer regulation and policy compliance, support for the Managing Director of OHL role, consolidated and strengthened customer service delivery, increased management and team leader capacity in Neighbourhood Services, and greater career opportunities, succession planning and talent maximisation.



“ Values are at the heart of what we do ”



Below is a summary of key actions to be delivered over the next 12 months. A more detailed three-year action plan has been developed and can be found at Appendix A setting out measurable milestones and pay-back on investment targets up to 2030.

OCEAN HOUSING'S FIT FOR THE FUTURE OBJECTIVES - 2025/26

New Affordable Homes:

1. Deliver 108 new affordable homes (part of 398 target 2025/26 to 2029/30)
2. Develop revised technical specification for new affordable homes to ensure compliance with environmental standards and to generate medium term repair and maintenance savings
3. Reduce the average shared ownership sales process to 10 weeks
4. Review working relationships and efficiencies between OHL and G&G

Stock Investment:

1. Commence new rolling stock condition programme and estate condition survey
2. Launch Warm Homes: Social Housing Wave 3 programme
3. Scope and research self-service repairs service
4. Offer assurance and evidence property health and safety compliance remains at 100%
5. Offer assurance and evidence DMC service compliant with Awaab's Law
6. Consider commissioning structural survey for Park House as part of Building Safety Case
7. Assess and implement implications of further guidance on Fire Safety Personal Evacuation Plans (PEP)
8. Complete staff training and best practice instructions on procurement
9. Prepare for tendering of planned maintenance services
10. Implement year 1 of 3 year rolling procurement programme

Standards and Performance:

1. Produce new Compliance Framework for monitoring policies and procedures including training for staff and checking of compliance
2. Implement the Consumer Standards Improvement Plan
3. Implement actions to meet good practice around Knowledge and Information Management
4. Implement Social Tenants Access to Information Requirements (STAIRs)
5. Roll out year 1 of Equality, Diversity and Inclusion tenant data collection project



Customer Experience and Tenancy Management:

1. Finalise new estate improvement programme and advise tenants
2. Introduce a pilot for pro-active tenancy health checks
3. Expand the Intensive Housing Management Service to tenants of older persons accommodation
4. Introduces the next phase of the void standard
5. Establish approach to direct lettings to achieve aim of balanced communities
6. Implement service charging for building and fire safety activities
7. Plan for the co-ordinated management and improvement of shared spaces, reviewing funding opportunities
8. Test data integrity for potential application of rent collection AI tools
9. Scope and procure new tenants' portal to aid future self-service
10. Complete consultation on flat rate management fee for service charge administration
11. Develop Tenant Welfare Dashboard

People:

1. Commence professional qualifications/ standards implementation (repeats for 3 years)
2. Commence accountability framework training and implementation
3. Commence SMART working review

Finance:

1. Achieve an operating surplus of £8.75m and achieve an operating margin of 28%
2. Deliver income generation targets from asset sales – cash receipt of £8.9m
3. Deliver a stock capital maintenance and improvement programme of £9.6m
4. Deliver Annual Value for Money Plan target £115k

Financial Summary Year Ending:

March - 2026

Rent	£000's	24,339
Shared Ownership - Surplus	£000's	943
Operating Surplus	£000's	8,571
Asset Sales and Staircasing	£000's	6,265
Surplus before Gift Aid and Tax	£000's	10,431
Gross Development Spend	£000's	7,951
Capitalised Repairs & Maintenance	£000's	18,437
Operating Margin	%	28%
Red Line	%	>28%
Interest Cover (Santander)	%	436%
Red Line	%	>150%
Gearing (Santander)	%	42%
Red Line	%	<60%
Asset Cover (Metlife)	%	143%
Red Line	%	>130%



REPORTING AND TRANSPARENCY

OHGL requires OHL Board to regularly monitor the delivery of the Company Plan including the Fit For the Future Action Plan, strategies and policies, Tenant Satisfaction Measures, and other performance targets for key areas such as property compliance, the management of risk and its financial performance. The OHL Strategic and Divisional Risks Register is reported to every Board meeting with commentary required on any changes made between meetings. In addition, the Board are presented at each meeting a 'deep dive' analysis of two particular areas of

risk to allow Board members to get detailed appreciation of key risks affecting the company. Quarterly stress testing of the Business Plan and applying mitigation actions is updated and stress test scenarios applied against it.

OHL Board is accountable to tenants for the overall delivery of its strategic objectives, plans and service standards, which involves regular reporting to and scrutiny by tenants and residents. OHL uses planning events, formal meetings, newsletters, its website and other digital platforms to share information about decisions and its performance.

“Ocean supports the creation of job opportunities and apprenticeships in construction and other professions...”

OHL is committed to contributing to the wider economic and social prosperity of Cornwall and its residents and welcomes the opportunity to work in partnership with other public, private and voluntary sector organisations. The Corporate Strategy and this Company Plan have been influenced by the strategic plans of local partner organisations. Ocean recognises that it can use its resources to help deliver shared objectives.

The critical shortage of affordable housing and level of homelessness in Cornwall, continue to galvanise organisations to forge strong partnership working. Over the last 12 months the Homechoice Partnership, chaired by Ocean Housing, has completed the review of the Homechoice Register and allocations policy, and procured a new IT systems to improve the experience of those applying for a home in Cornwall. We continue to support Cornwall Council with its challenging statutory responsibilities around housing and homelessness, this includes direct lettings to reduce the number of households in temporary accommodation.

BEING A GOOD BUSINESS PARTNER

Ocean continues to be a lead partner in the Cornwall Housing Partnership working with the Council, Homes England, town and parish councils, developers and landowners to deliver new affordable homes, with our current New Homes and Land Strategy focusing on the purchase of section 106 homes across the county.

Ocean is a partner within Cornwall Council's Health, Social Care and Housing memorandum of understanding group which seeks to forge new collaborations across key sectors to improve health and housing relationships across the county.

Ocean has been a strong performer within the West of England Combined Authority Consortium, which successfully bid for Wave 1 and Wave 2 Social Housing Decarbonisation Funding (SHDF). Ocean was the first organisation to successfully complete their Wave 1 programme and is on-track to fully deliver its two-year Wave 2 programme, with a Wave 3 bid awaiting consideration.

There is no end in sight for the cost-of-living crisis, with 60% of low-income households going without essentials in the previous six months and 5.4m households experiencing food insecurity on the previous 30 days. 4.3m households were in arrears with at least one household bill or credit commitment (source Joseph Rowntree cost of living tracker winter 2024). Our Financial Inclusion team work hard to maintain knowledge of, and close relationships with, the ever-growing network of voluntary and charitable organisations who support those in crisis.

As a large employer in the county, Ocean supports the creation of job opportunities and apprenticeships in construction and other professions, working with local colleges and schools. Labour and skills shortages are affecting Ocean and our sub-contractors alike. Ocean invests in its relationships with subcontractors in a competitive market.



A LOOK BACK ON ACHIEVEMENTS IN 2024/25

Many of our achievements this year have been delivered as a result of our the Fit For the Future Year 1 Action Plan and Company Plan Action Plan, as highlighted below and on the following 3 pages.

Customer Experience and Tenant Engagement:

- Completed our first Tenant Satisfaction Measure (TSM) submission to the Regulator of Social Housing (RSH) and positive Internal Audit outcome
- Received confirmation via the Regulator for Social Housing's sector report that Ocean Housing is above median for all perception TSM and within 1.5 percentage points of the top quartile for most when compared to our peers across the country
- Updated the Ocean Service Standards and aligned them to the new Consumer Standards before sending to all tenants with additional information on our legal and regulatory responsibilities, to increase transparency
- Strengthened compliance in the Customer Experience team by introducing new skills assessments to check adherence to policy and procedure
- Introduced Knowledge Base, a web-based information portal, to the Customer Experience team, centralising all information used by the team to deal with customer enquiries efficiently into one place to improve first point of contact resolution
- Updated the Ocean telephone system improving integration with digital platforms and returning outbound calls via the main Ocean Housing telephone number identifier
- Completed a number of new development openings, scrutiny events and Community Action Days to complete our Together With Tenants action plan and create opportunities for tenants to get involved
- Completed our first submission to the Housing Ombudsman of compliance with the Complaint Handling Code
- Designed an ICT process for the collection of tenant data including equality, diversity, inclusion (EDI) and vulnerability ready for implementation in 2025/26



New Homes:

- Enabled 107 local households to move into new affordable homes - 64 rent and 43 shared ownership*
- Delivered Ocean's largest shared ownership sales programme in our history, with an expected outturn at 68 sales. Our average sales time is expected to end the year at 10 weeks, down from an average of 12 in 2023/24
- Completed a regeneration of the Polgrean Place estate in St Blazey, providing 60 new homes, 2 commercial units and a community space. The estate has now transformed from a mono - tenure of 60 x 2 bed flats for rent into a sustainable community of 9 shared ownership homes and a mix of 1, 2 and 3 bed houses for rent, including 16 purpose-built flats for older people
- Secured grant from Homes England to convert an open market home to social rent in Hayle, complementing our existing homes in the Town which has an extremely high housing need
- Secured grant under the fourth Cornwall Council Funding Programme for a new scheme in Mylor Bridge which will enable us to deliver 37 affordable homes in this unaffordable area
- Entered into contract on three large s106 schemes with external developers, with 2 more expected to commence before the end of the 2024/25 financial year
- Became finalists for two nationwide industry awards for the Regeneration Scheme at Polgrean Place for 'Best Development' and 'Neighbourhood Transformation', bringing attention to the impressive works that we carry out



*figures quoted as at 10 February 2025

Tenancy Management:

- Helped 523 households with support from the Simon Griffith's Hardship Fund amounting to £42,000*
- Let 49 homes to statutorily homeless households including 10 directly to households in temporary accommodation*
- Chaired the Homechoice Partnership which successfully completed a review of the allocations policy and common assessment framework
- Successfully transitioned our Ocean Extra supported housing service customers to reputable alternative providers as we ceased providing this loss-making service
- Worked in partnership with Cornwall Council and Carefree to set up the first young care leavers scheme at Ben En Chy offering self-contained accommodation for 6 people
- Reduced the number of empty garages and car spaces available to rent to 15 (3% of the portfolio)
- Completed the transition of 648 fixed term tenancies to lifetime tenancies
- Supported tenants during the cost-of-living crisis using a 'predict and prevent approach' to tenant debt with current rent arrears to 1.65 % and former tenant arrears to 0.81% - Q3 and are on track to meet or even exceed the end of year target of 1.20%
- Dealt with 258 Cause for Concern cases supporting vulnerable households
- Strengthened our Anti-Social Behaviour policy and procedures, leading to significantly improved customer satisfaction
- Established the Ocean Housing Safeguarding Board to oversee our work with vulnerable tenants
- Reduced patch sizes by recruiting two new Neighbourhood Services Officers which has facilitated a more proactive approach to the management of anti-social behaviour and property condition issues
- Increased our communal cleaning team so all internal communal areas are cleaned at least once every two weeks
- Spent approximately £40,000 on estate improvements including car parking improvement and new CCTV



Stock Investment:

- On track to fully deliver Year 2 of our Wave 2 Social Housing Decarbonisation Fund programme upgrading 270 homes in total to Energy Efficiency Programme (EPC) C and securing £1.75m of grant funding with £1.75m Ocean match funding
- Submitted a Wave 3 Warm Homes: Social Housing Fund bid of £8.53M via the West of England Combined Authority for a total programme cost of £17.58M, to deliver an accelerated three-year Energy Efficiency Programme C programme covering 1,153 properties
- Nearing completion of the fifth year of stock condition surveys and EPC surveys, with a new rolling programme to continue in 2025/26, ensuring up to date data is informing our long-term investment plans
- Estate condition survey scoped and tendered to begin in 2025/26 subject to budget
- Maintained 100% statutory property compliance for gas and electrical safety, with Internal Audit assurance ratings of substantial for both design of controls and operation of controls for both areas (Beavers and Struthers report 19 August 2024)
- Prepared a Building Safety Case for Park House flats ready for submission upon request to the Regulator for Building Safety
- Amended the voids letting standard to include non-slip washable flooring to bathrooms and kitchens where required

Financial Resilience/Value for Money:

*figures quoted as at 10 February 2025

- Generated £3.01m for reinvestment in existing housing stock from the sale of 21 poorly performing assets on the open market*, with a further £3.13m of potential sales in conveyancing. This has fallen short of the Resilience Plan target of £7.6m, in part due to lower than required turnover of suitable voids for sales and an average lower sales price of £143k, than the assumption of £160k.
- Progress against 2024/25 Value For Money (VFM) target is below target due to some proposed initiatives not delivering the anticipated savings, and increased budget pressures off-setting the benefit from savings made.*

People:

- Accelerated implementation of a revised Fit for the Future Structure for Ocean Housing as a key strand of the FFF transformation programme in December 2024, with a transitional period in Quarter 4
- The revised OHL structure created 9 promotion opportunities from team leader to assistant head of service level, also strengthening succession planning
- Created and began implementation of an OHL Behaviours Framework for all staff and managers setting clear expectations and assessment process
- Created and launched an OHL Standards and Control Framework for each team setting expectations on policy and procedure compliance, and performance targets to meet service standards
- Trained managers on a standardised approach to supervisory and team meeting to ensure quality conversations and holding staff to account for performance
- 6 existing employees applied and were offered other roles within the Group
- Supported 2 staff to commence professional development/courses of study and we are supporting 1 new starter with their professional apprenticeship
- Offered employment to one apprentice who moved into permanent role and enabled one apprentice to pursue a further apprenticeship in their desired trade
- Recruited 4 new apprentices to the new roles of Heating Engineer, Property Maintenance Operative and two Housing Management Apprentices

Risk Management:

- Delivered the Fit for the Future Year 1 Action Plan, Consumer Standards Year 1 Action Plan and Housing Ombudsman Action Plan with minor exceptions where tasks were legitimately delayed.
- Achieved Tenant Satisfaction Measures (TSMs) perception results in 2024/25 (year to date) for 6 indicators that are above the Regulator for Social Housing's 2023/24 TSM upper quartile and 11 above median quartile
- Created a new Head of Standards and Performance post within OHL's revised FFF structure to ensure focus on Consumer Standards, an assurance framework evidencing policy and procedure compliance, tenant engagement and complaint handling
- Implemented Year 1 of the new Data Strategy with a focus on data quality within the OHL QL IT system



“On track to fully deliver Year 2 of our Wave 2 Social Housing Decarbonisation Fund programme...”

UNDERSTANDING OUR EXPOSURE TO RISK

This section looks at the key risks that Ocean are be exposed to, which broadly aligns with the OHGL Strategic Risk Register and Regulator for Social Housing (RSH) Sector's Risk Profile (Oct 2024).

Rising repairs and remediation spend

The Regulator for Social Housing has reported that substantial investment by social landlords in existing homes has weakened the sector's financial position, which can also be seen in a number of recent regulatory judgements (Jan 2025). Providers spent a record £8.8bn on repairs and maintenance, 13% (£1bn) more compared to the previous year and 55% (£3.1bn) above the pre-pandemic level of £5.7bn reported in 2020. This increased spending was driven by a focus on improving tenants' homes including fire remediation, building safety and energy efficiency measures. The sector's operating margin (excluding fixed asset sales) remains at historically low levels.

The regulator recognises that providers are facing difficult trade-offs between maintaining financial resilience and investing in new and existing homes, with many providers scaling back their development ambitions due to investment in existing homes. Projected spend on repairs and maintenance has increased by 11% on last year's plans and is now equivalent to £10bn per annum over the next five years.

Ocean has similarly experienced a sharp rise in demand for responsive repairs services in addition to our planned increase in investment in energy efficiency and other capital programmes. Our ageing stock, climate change manifesting in more frequent and more severe storm damage and a proactive approach to damp, mould and condensation (DMC) has seen unprecedented service demand. Increased demand, together with an over reliance of external contractors, has resulted in a significant budget overspend in 2024/25. OHL had to seek a waiver from Group Board as the operating margin will fail to meet the Internal Red Line of 28%. All other loan covenant Red Lines are comfortably met.

Two internal action plans are in place to address identified weaknesses. Increased repairs demand forecasts over the next 5 years for day-to-day repairs, DMC and storm damage related repairs are adding significant budget pressure, which is having an adverse impact on our interest cover, which will require a fundamental strategic change to restore our financial resilience by the end of the decade.



Ocean's Resilience Plan 2030

It is vital that Ocean delivers on-going Resilience Plan targets up to 2030, which are in the process of being reset as referenced above. Good progress was made during 2023/24 in delivering our Resilience Plan with 2 of the three remaining strands meeting target. However, none of three on-going targets will be met in 2024/25.

Asset Sales - the Asset Sales target significantly increased in 2024/25 to £7.6m cash. A lower-than-expected turnover of suitable void property that meet our sales criteria has hampered achieving this year's target. In addition, the average sales value being achieved is less than forecast meaning that a greater overall number of homes may have to be sold to meet the cash target by 2030. We estimate we will fall short of the annual target by £1.3m. The targeted sale of occupied worst performing assets begins in 2025/26. The criteria for selling void properties may need to be expanded if we are to reach our cash generation targets.

Annual Value for Money (VFM) savings and FFF VFM savings - The Fit for the Future review requires upfront investment, with savings largely to be delivered from increased asset sales, acceleration of the energy efficiency plan and a lower cost affordable social rented housing pipeline. A tracking mechanism is being established to ensure efficiency pay-backs are achieved.

In addition to the FFF VFM savings target, there is a requirement to deliver annual VFM efficiency savings of circa. £110k per annum. In 2024/25 the target was increased to include pay benchmarking costs, and previous investment in ICT development support totalling £271k. As in 2023/24, projections indicate the outturn for 2024/25 will fall well short, as proposed initiatives have taken longer to deliver and a lack of big-ticket ideas to generate the anticipated level of savings. It is becoming increasingly challenging to identify areas of efficiency, due to our existing underlying low operating costs, previous efficiency initiatives and FFF VFM projects. The annual VFM target is being revisited in light of previous years under delivery and the impact of increased repair and maintenance spend has adversely affected our interest cover metric. The repair and maintenance service will need to be the focus for cashable efficiency savings with an annual budget of circa £20m.



Gilbert and Goode –

The Resilience Plan targets in respect of G&G are that by 2030, the company is to have:

- Sustainable pre-tax profit of £4 million
- No debt from Ocean Housing
- Capacity to pay £2 million annual gift aid sums

2024/25 has been a challenging year, particularly sales in Devon, which has slowed G&G's overall recovery plan, but the delivery of an action plan this autumn is helping G&G's to get back on track. The company targeted a £2.7 million profit before tax, from a £30 million turnover, with 51 open market sales expected. The year end outturn for 2024/25 is forecasting a £23 million turnover and £500,000 profit before tax. The number of open market sales is expected to be 38. G&G had to seek a waiver from Group Board as the profit margin will fail to meet the Red Line of 6.5%. All other Red Lines are comfortably met.

The key G&G objectives as covered in the 2025 Business Plan are:

- Double turnover to £50 million over the 5 years to 2030
- Seek a sustainable annual profit before tax of £4 million by 2030

The regular reporting of G&G performance to OHL Board and the parent company - Ocean Housing Group, ensures continuous oversight and risk assessment. OHL Board also receive an annual due Diligence Report on G&G.



Commercial Activity

Ocean Housing has continued to successfully deliver its commercial contract with ReSI Homes for their recently acquired shared ownership portfolio, providing management company services to individual homes, buildings and estates. Ocean has exceeded the comprehensive range of challenging contractual performance targets, including income generation. Ocean Housing Board receive regularly performance information on Key Indicators to ensure oversight of our contract commitments. This contract is due for review/break clause at year 5.



Tenant Expectations

Tenant expectations have continued to grow in the last 12 months with sustained media focus on the sector particularly around damp and mould. This has been alongside the introduction of Consumer Regulation with the publication of regulatory judgements and sector-wide Tenant Satisfaction Measures results, and heightened Housing Ombudsman challenge and scrutiny.

The Regulator of Social Housing's Tenant Satisfaction Measures (TSM) Headline Report published in November 2024, enabled all social housing tenants to assess their landlord's performance against other landlords across the sector (over 1,000 units).

Ocean's results for 2023/24 were:

- Above Median Performance: Ocean exceeds the median for all indicators except complaint handling
- Near Upper Quartile: Ocean is within 1.5 percentage points of the upper quartile for 8 out of 12 indicators
- Top Quartile Achievements: Ocean surpasses the top quartile for 2 indicators – TP08 (agreement that landlords treat tenants fairly and with respect) and TP10 (maintenance of clean and well-kept communal areas)

Ocean's tenant satisfaction, recorded through TSMs, has been fairly consistent, with seven out of the twelve indicators showing higher levels of satisfaction than in 2023/24. The lowest levels of satisfaction are for listening to views and acting upon them and approach to complaint handling, where Ocean's performance was below the median for the sector as reported by the Regulator of Social Housing. A range of actions are in place to drive up these results.

The Housing Ombudsman has continued to intensify how it investigates and determines complaints. The Housing Ombudsman has also increased the number and frequency of sector reports, expecting landlords to adopt the best practice identified and change policy, process and service delivery.

In the Housing Ombudsman Annual Complaints Review 2023/24, they reported:

- An increase in determinations from 2641 in 2022/23 to 5465 in 2023/24
- Maladministration increased by nearly 20% on the previous year accounting for 73% of all decisions due to landlords
- A 4% rise in the rate at which the Ombudsman found severe maladministration, now making up 7% of all decisions up from 131 to 856

Ocean's formal complaint levels have continued to increase in 2024/25, however compensation payments are currently lower than this time last year. Ocean's trend analysis shows that property condition (particularly damp, mould and condensation) repairs backlog, anti-social behaviour and poor communication attract the most complaints. Improving performance in this area is central to strengthening our relationship with tenants.

“... seven out of the twelve indicators showing higher levels of satisfaction than in 2023/24”



Government, Legal, Regulatory and Sector Changes

On 2 April 2024, the Regulator for Social Housing went live with its new regulatory consumer standards and Code of Practice, including its four yearly inspection regime. Ocean has done much to prepare for the new consumer standards. Our self-assessment against the draft standards reported to Board in November 2023, provided good assurance that we are broadly compliant. The self-assessment identified some gaps and where further improvements are required to strengthen our level of compliance. Any action that does not feature in the three year Fit for the Future Action Plan is driven by the multi-year Consumer Standards Action Plan. Progress is routinely reported and scrutinised by OHL Board.

Revisions to the Decent Homes Standard are awaited which are likely to include a requirement for all stock to reach Energy Performance Certificate C by 2030, new requirements (not specified) relating to the state of repair of homes and DMC, and new requirements on the safety and security of homes. Awaab's Law will see a phased implementation. From October 2025, social landlords will be required to address damp and mould hazards that present a significant risk of harm to tenants within fixed timescales as well as addressing all emergency repairs within 24 hours. In 2026, requirements will expand to a wider range of hazards beyond damp and mould, which are likely to include excess cold and excess heat, falls, structural collapse, fire, electrical and explosions, and hygiene hazards. In 2027, the requirements of Awaab's Law will expand to apply to the remaining hazards as defined by the Housing Health and Safety Rating System (HHSRS) but excluding overcrowding. Ocean's DMC Policy is being revised to ensure early compliance but delivering of the R&M action plan is needed if service targets are to be met.

The government launched a consultation on a direction to the Regulator of Social Housing on new Social Tenants Access to Information Requirements (STAIRs). STAIRs aim to introduce a new standard that will require social landlords to be transparent with their residents and share data about the management of their homes. The Social Tenant Access to Information Requirements (STAIRs):

- Enable residents to request information about their home's management. There will be specific requirements about how these requests are processed, including a timeframe to respond within.
- Require housing associations to proactively publish information via a publication scheme. The consultation also outlines how complaints about the scheme would be addressed.

Ocean is well advanced in preparing for the introduction of STAIRs. There are cost, time and staff resource implications created by setting up and administering the scheme. The full impact will not be realised until it is implemented and embedded, which the new FFF structure has sought to anticipate.

The Government's Rent Consultation Paper issued as part of the new government's budget, proposed a 5-year rent settlement of CPI + 1% from 1/4/26 – 31/3/31 (CPI + 1% already agreed for 25/26), with an intent for a further 5-year settlement after this. The government are open to views on the benefits of a longer-term rent settlement (up to 10 years) including a rolling 5-year rent settlement, recognising the need for certainty to invest in new and existing homes.

Ocean along with other landlords are facing significant increased procurement administration and associated costs due to the new Procurement Act 2023 which came into force on 24 February 2025. Ocean's Procurement Strategy and procedures have been revised to ensure compliance.

The Government's new Competency and Conduct Standards come into force on 1 April 2025 with the aim of raising the level of professionalism across the housing sector. Improved professionalism will see around 25,000 managers required to have a housing management qualification equivalent to a Level 4 or 5 Certificate or Diploma in Housing, or a foundation degree from the Chartered Institute of Housing. This could have a significant impact on training budgets, not including staff resource and time, to become compliant. The Fit for the Future Action Plan has measures and a budget provision in place to address these areas.



Public Services in Cornwall

Public sector services in Cornwall remain under severe strain and in particular health and care services. For Cornwall Council to return a balanced budget, their proposed savings total £47.8m, on top of measures worth £0.8m planned for 2025/26. All service departments are required to make savings including some housing services.

The level of homelessness in Cornwall has worsened with 23,228 applicants on the Homechoice register and the Council have over 941 households in temporary accommodation, a rise of over 100 in 12 months (Homechoice report Jan 2025). Employers state that a lack of suitable/affordable housing is a barrier for some potential employees.

Many of Ocean tenants rely on statutory services, which look set to have further restricted gatekeeping. Continued public sector budget cuts are having a knock-on effect on our ability to maintain the quality of services to tenants and our estate environments. Vulnerable tenants are increasingly turning to Ocean as the 'fourth emergency service'. At any point in time, Ocean has between 40 - 60 tenants who are supported by our Safeguarding and Vulnerable Persons Coordinator, and we currently have 67 known property condition cases. This is before we embark on a trial pro-active tenancy health check programme. Cornwall Council will no longer routinely fund property clearance for Ocean tenants.

In 2024/25, at 10 February 2025, Ocean had made 39 safeguarding referrals with only 46% being accepted. Antisocial Behaviour cases to date this year total 131 and are often linked to tenant vulnerability. Whilst our partnership working is very effective, Ocean's tenancy enforcement legal costs are increasing significantly.



Macro-Economic Environment

Inflation has continued to fall from the 11.1% peak of 2023 and has now returned to near the Bank of England target. The Consumer Price Index (CPI) was 1.7% in September 2024. The latest Bank of England forecasts are for CPI to remain relatively near target over the medium term rising to around 2.7% in Q4 2024/25, before falling gradually to 1.5% by Q2 2027/28 (Source - RSH Sector risk profile Oct 24). Inflation on construction costs of 22% was experienced during the 2-year period 2022/23 and 2023/24 and continue to have an impact, despite inflation costs during 2024/25 falling to around 3%.

Department of Works and Pension benefits that are linked to inflation and will rise by 1.7% in April 2025. The basic and new State Pension will be uprated by 4.1% from April 2025 (source - House of Commons Library Nov 24).

The average UK household can expect a yearly increase of nearly £270 to household bills (Source - The Independent 2 Jan 25), with continued pressure on household finances. From the 1 January 2025 Ofgem's (Office of Gas and Electricity Markets) energy price cap rises by 1.2% to £1,738. This follows a 10% increase in October 2024 and is expected to rise again in April 2025. Ofwat (Water Services Regulation Authority), announced in January 2025 that water bills will on average increase by 26% or £123 forecast for 2025/26. Cornwall Council are proposing a council tax increase of 4.99% for 2025/26. This is equivalent to an extra £1.82 a week for a Band D property.

The Institute of Grocery Distribution report that food and drink inflation stabilised at around 2% in the autumn and early winter 2024. It is estimated that food and drink retail inflation over 2025 will average 2.4 to 4.9%.

Ocean Housing will be applying the maximum rent increase of CPI plus 1% - 2.7% for 2025/26 across all rented homes, garages and parking spaces. However, cost levels remain much higher than previously, with further pressures such as an increased employer national insurance contributions. Ocean's borrowing costs are at a fixed rate with the exception of the revolving credit facility of which we have drawn down £16m as at 31 December 2024.

Housing Market and Planning

House prices in Cornwall remained fairly flat during 2024, with the average home selling for £301,000, which was very similar to that at the end of 2023 (Office for National Statistics). House prices are expected to increase slightly during 2025, with consensus being among industry bodies that we should expect increase of between 2.5% and 4% (Savills, Knight Frank).

The Bank of England reduced the base rate from 4.75% to 4.50% at the start of February 2025, with expectations that it will fall further to 4.25% by the end of 2025. This relative stability and positive feeling about interest rates has started to be seen in mortgage rates, which currently sit at around 4.6%.

According to the Office for National Statistics the average property value in Cornwall in November 2024 was £301,000 and the average gross full-time salary was £31,737, giving a ratio of 9.5 times the median full time average salary. This is an improvement from 2023 when the ratio was 10.1, however, affordability continues to be a major barrier.

OHL shared ownership sales remained buoyant during 2024/25. This year, 2024/25, represented the largest shared ownership sales programme in our history, with a target of 75 homes to sell during the year. With some schemes delayed we expect to outturn at 68 sales, for which all have had strong interest. Our average sales time is expected to end the year at 10 weeks, down from an average of 12 in 2023/24. The sales pipeline for 2025/26 reduces back to more typical levels, with around 26 homes expecting to sell.

Analysis of sub-contractor tender prices received by Gilbert & Goode show that build cost inflation rose much slower than in the preceding 2 years, at around 3% during 2024/25. 2025/26 is expected to deliver a similar rate according to both Building Cost Information Service and Gilbert and Goode.

The Natural England embargo of new homes surrounding the Camel estuary due to rising phosphate levels is still in place.

Building standards on new homes continue to increase, with Government's Future Homes standard coming into force late in 2025. These changes have introduced more cost to the development of new homes and have been included for within the costs received for our upcoming scheme at Mylor Bridge.

The Government issued a new National Planning Policy Framework in December 2024, which reset the housing targets for Cornwall, increasing them by 63%. This weakens Cornwall Council's Local Plan as they cannot demonstrate that they have a 5-year housing supply in place to meet the required numbers, which will mean that many more potential schemes should be able to obtain planning permission, as it removes their ability to object to them on various grounds. As such, s106 opportunities are likely to increase as developers take advantage of this.



Labour and Skills Market

The UK employment rate for people aged 16 to 64 years was estimated at 74.8% in September to November 2024, which is largely unchanged on a year ago. The UK unemployment rate for people aged 16 years and over was estimated at 4.4% in September to November 2024. This is above estimates of a year ago, and up in the latest quarter. The unemployment rate in Cornwall is 2.9% (Source - Total Population Jan 2025). The UK economic inactivity rate for people aged 16 to 64 years was estimated at 21.6% September to November 2024. This is below estimates of a year ago, and down in the latest quarter. The median expected basic pay increase remains at 3%. (Source - Office for National Statistics Jan 25).

There continues to be particular labour shortages in construction building safety care and support. At the end of December 2024, staff turnover in Ocean Housing was 9.26%, down from 12.55% at the same time last year. The average time to fill vacancies was 67 days up from 57 days last year. Long-term vacancies continue to mainly affect Property Services with trade, energy and surveying posts requiring the most rounds of recruitment. This has affected our ability to meet service standards, especially in Property Services. A lack of staff, difficulty recruiting and a shortage of external contractors continues to be a risk to delivery of repair services.



“ This year, 2024/25, represented the largest shared ownership sales programme in our history ”



Climate Change and Social Housing Energy Efficiency Targets

The UK has set in law a target to bring all greenhouse gas emissions to net zero by 2050. The Social Housing White Paper also states that Registered Providers must achieve Energy Performance Certificates (EPC) 'C' by 2030, to shortly be embedded in the revised Decent Home Standard. To achieve this, housing associations will need to take a fabric first approach to insulate many of their homes. Under the last Government proposals this was also to include the ban on fossil fuel heating solutions to new homes, although the Labour Government have since said they will not preclude this if required standards can be met despite the inclusion of such heating systems. Decarbonising homes is not only an essential part of tackling the climate emergency, but it also combats fuel poverty, creates jobs, and creates warmer homes. The biggest risk in meeting delivery targets are currently material and supply chain delays, price increases and labour shortages.

To support the proposals the Government has allocated £1.29 billion as part of the Autumn 2024 Budget for the Warm Homes: Social Housing Fund Wave 3, to be delivered from 2025 until 2028 by eligible social housing landlords. This in addition to the £179m in Wave 1 and the £778m in Wave 2.1. The Government target of achieving 'Net Zero Carbon' by 2050, means carbon emissions from homes, transport, farming and industry will have to be avoided completely or, in the most difficult examples, offset by planting trees or removing CO2 from the atmosphere some other way, similar to Cornwall Council's objectives within its 'Climate Change Plan' 2019, which followed the Government's declaration of a 'Climate Emergency' in May 2019.

The Future Homes Standard is a requirement of the planning system, which means all new homes built from 2025 should not require retrofit to achieve net carbon zero by 2050. Ocean Housing is reviewing its new build technical specification in consultation with Gilbert and Goode to meet these requirements including all new homes reaching a minimum EPC B.



Data Quality and Security

Every aspect of Ocean's service delivery relies on the use of technology – both hardware and software. Data quality is a strong focus for both the RSH and the HOmb who have published guidance and who emphasise the need for good quality, data driven decision making. Ocean is increasing its data collection on tenants as a key Fit for the Future project and working towards compliance with the Housing Ombudsman Knowledge and Information Management guidance.

Ocean's Data Strategy was launched in April 2024 and a review of data quality has been incrementally rolled out across OHL's IT system – QL, prioritising key areas such as property compliance. Staff at all levels of the organisation are involved in taking increased responsibility for data cleansing and accuracy. Cyber security awareness and training has continued during 2024/25 and our corporate approach strengthened.

Ocean has received increased Subject Access Requests (SARs) which are both time intensive and expensive to produce. In 2024/25, at 10 February 2025 we had received 20 SARs. Most requests are linked to either a formal complaint on property condition/DMC/repair or anti-social behaviour. Improving service quality in these areas would reduce such requests.



“ Every aspect of Ocean's service delivery relies on the use of technology . . . ”






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