Value for Money Statement for the year ended 31 March 2026

Value for Money

Our VFM Strategy supports our core mission, “to be a high performing, community rooted landlord and employer, shaped by our tenants and trusted by our partners”. We aim to optimise the use of our assets and resources to invest in our people and our communities to deliver this.

The Board has an approved approach to VFM, as detailed in its Value for Money Strategy, reflecting the requirements of the Value for Money Standard issued by the Regulator of Social Housing.

The Vision for the VFM Strategy is:

We use the resources available in the best way possible, to achieve the same for less or more for the same, and create places where tenants live safely in affordable homes with equitable delivery of services across our communities

The VFM Strategy covers everything we do both at an operational and strategic level. It means making the best use of the resources available in the best way possible, to achieve the same for less or more for the same and create places where tenants live safely in affordable homes with equitable delivery of services across our communities.

We assess VFM by adopting the 4E’s:

Economy	Efficiency	Effectiveness	Equity
Securing the right price and reducing avoidable cost.	Using time, systems and resources well.	Delivering meaningful outcomes and better services.	Ensuring benefits are fair, accessible and inclusive.

In simple terms we aim to make the best use of every pound we spend to;

- Provide better services for our tenants
- Invest in our existing housing stock
- Invest in our staff and key relationships
- Contribute to the delivery of much needed new affordable rented homes

Considering our current position, the VFM objectives are as follows:

- Continuous improvement in process and services
- Accountability when using our resources and decisions based on a solid business case
- Consistent and regular messaging at all levels of the organisation
- Equip colleagues with tools to drive a high-performance culture which embeds our values and benefits stakeholders
- Utilise contracts register to monitor contracts with regular contract management and added value benefits
- Utilise partnerships and long-term relationships to generate greater outcomes for stakeholders
- Ensure procurement is planned and used effectively to secure cost savings and/or better services
- Deliver more affordable homes and help create sustainable communities
- Ensure the value of our assets and costs relating to them are understood to assist asset management
- Look to maximise any external grant streams and partnerships
- Clear KPIs and reporting across the organisation
- Demonstrate VFM to tenants and other stakeholders
- Comply with relevant VFM reporting requirements and benchmarking
- Sharing of best practice and discussions on improvements
- Increase peer benchmarking information across the business, to challenge performance and improve services

Performance Metrics

Our Board monitors performance against the key metrics directed by the Regulatory Standard on a quarterly basis and recognises these as a consistent base from which to build an indicative financial view of the organisation and those that we compare ourselves against.

In addition to the mandatory metrics taken from the VFM Standard our Board also monitors a small number of bespoke metrics to form part of its performance oversight. The following table demonstrates how we have performed on these metrics during 2025/26 compared with targets and prior year results and against our peers within the sector.

2025/26 highlights at a glance

Performance this year shows continued investment in homes, delivery of new social housing units, strong tenant satisfaction and positive financial resilience. The Board will continue to focus on areas where targets were not fully met, including operating margin pressures, cost per unit and the long-term balance between reinvestment, growth and affordability.

	2025/26 EHA Actual	2025/26 EHA Target	2024/25 EHA Actual	2023/24 EHA Actual	2022/23 EHA Actual	2024/25 RSH Median
RSH Metrics						
Metric 1 - Reinvestment %	**5.85%**	**5.68%**	3.26%	3.05%	2.60%	7.6%
* Metric 1b – Major Repairs %	**3.08%**	**3.16%**	2.49%	2.80%	2.23%	n/a
Metric 2a - New Supply SH %	**0.87%**	**2.52%**	0.29%	0.27%	0.12%	1.3%
Metric 2a - New Supply SH-units	**16**	**13**	5	2	0	n/a
Metric 3 - Gearing	**33.04%**	**35.8%**	30.26%	40.26%	44.95%	45.5%
Metric 4 - EBITDA MRI	**147.97%**	**151%**	132.80%	134.45%	128.54%	113%
Metric 5 - Headline Social Housing Cost Per Unit	**£4,824**	**£4,252**	£5,012	£4,403	£3,822	£5,576
Metric 6a - OP Margin (SHL)	**25.9%**	**32.1%**	25.8%	32.9%	32.98%	20.5%
Metric 6b - OP Margin (Total)	**26.6%**	**30.1%**	30.4%	33.78%	30.23%	17.6%
Metric 7 - ROCE	**4.04%**	**3.90%**	3.69%	4.84%	4.09%	3.1%
EHA Metrics						
Metric 8 - Management Cost per Unit	**£1,645**	**£2,046**	£1,531	£1,474	£1,311	n/a
** Metric 9 – Arrears as % of Rent Debit	**1.31%**	**1.50%**	1.24%	1.67%	1.27%	n/a
Metric 10a- % of Void Rent Loss	**1.39%**	**1.71%**	1.45%	1.17%	0.89%	n/a
Metric 10b – Out of Management Voids	**11**	**2**	0	0	2	n/a
*** Metric 11 - % of tenants satisfied with the overall service provided TP01	**88%**	**80%**	83%	85%	92%	n/a
Metric 12 - Bad Debt Indicator	**£203,000**	**£210,000**	£197,014	£290,000	£215,647	n/a

*** methodology changed April 2023 to TSM Q.TP01

Our metrics like many similar organisations, reflect a snapshot of where we are in our own journey whilst the backward look trend is helpful to provide context.

Further explanation of performance against our VFM metrics follows;

Metrics 1a – Reinvestment and 1b Major Repairs %:
Reinvestment metric considers investment in properties (existing stock as well as new supply) as a % of total properties. *(This helps to demonstrate that EHA is putting its finances to good use by maintaining and improving stock as well as adding to the asset base)*

The result shows a significant improvement on last year and higher than target.

Metric 2 – New Supply of Social Housing (SH):
The Association delivered sixteen new units this financial year. This was higher than target.

Metric 3 – Gearing:
Gearing measures, the proportion of borrowing in relation to the size of the asset base*. (It is similar to mortgage lenders loan to value ratio)* This metric is lower than target.

Metric 4 – Earnings Before Interest, Tax and Depreciation Amortization – Major Repairs Included
This measures financial performance before factoring financing cost, depreciation or accounting policies on major repairs. *(It approximates cash generated to cover interest payments and is a key indicator for liquidity and investment capacity).*

This has increased on the previous year.

Metric 5 – Headline Social Housing Cost Per Unit:
This uses costs within the accounts and divides the total costs by the number of properties to provide a cost per unit.

With higher costs than budget, the cost per unit figure is higher than target, but lower than the previous year.

Metric 6a – Operating Margin (Social Housing Lettings only) and 6b Operating Margin (Total)
Operating Margin measures the profitability of operating assets before any interest and exceptional expenses are considered. *(It is a key indicator for the efficiency of an organisation)*

The Operating Margin (Social Housing Lettings Only) was lower than target.

The Operating Margin (all operations) for the period was also lower than target.

Metric 7 – Return on Capital Employed:
Return on Capital Employed compares the operating surplus to total assets, less current liabilities. *(It is a common measure in the commercial sector to assess the efficient investment of capital resources)*

The ROCE for the year is higher than target and higher than the previous year.

Metric 8 - Management Cost per Unit:
At £1,645 management costs were lower than the targeted level.

Metric 9 – Arrears as % of Rent Debit:

The Arrears as a % of Rent Debit is below target, however, an increase on the previous year.

Metric 10a - % of Void Rent Loss and 10b Out of Management Voids:
Void rent loss over the year was within our target plus a decrease on the previous year. We have 11 properties out of management due to the proposed demolition of Cookson Court.

Metric 11 - % of tenants satisfied with overall service provided

The basis of calculation changed in April 2023, whereby the target percentage reduced from 90% to 80%. We moved from a monthly in-house survey to an externally delivered quarterly tracker survey of the TSM Perception Survey questions and the basis of Metric 11 changed to match TSM. Q.TP01 Taking everything into account, how satisfied or dissatisfied are you with the service provided by EHA. The trend information up to 2022/23 was based on the previous monthly survey question 'would you recommend EHA to family and friends.

Metric 12 - Bad Debt Indicator:
Our bad debts are currently lower than target, this has increased slightly on the previous year.

Benchmarking: using external data to test, challenge and learn

What we used	How we used it	How to read it
The Regulator of Social Housing's Global Accounts 2025 provide a sector-wide reference point for benchmarking our value for money performance.	We compared our results with quartile data, local providers and similar rural associations to understand relative performance and identify learning opportunities.	Benchmarking is a guide, not a conclusion. Results reflect a single year and may be influenced by factors that are not visible in the published data.

The table below sets out how the Association compares with the Regulator of Social Housing's published 2025 Global Accounts data, highlighting where performance is stronger, where further challenge is needed, and where context is important.

Registered Provider & (no. of units)	Financial Year End	Re-Invest. %	New Supply (Social) %	Gearing %	EBITDA MRI Interest Rate Cover %	Headline Social Housing Cost per unit, £k	Op Margin (SHL) %	Op Margin (Overall) %	ROCE %
Arawak Walton HA 1,110	31/03/2025	2.6%	0.0%	42.0%	136%	4.97	19.9%	19.8%	4.1%
Arches Housing 1,354	31/03/2025	8.6%	2.5%	41.5%	137%	4.21	18.9%	21.0%	2.8%
Cornerstone Housing 1,411	31/03/2025	7.3%	1.8%	34.5%	257%	5.32	21.1%	20.0%	3.0%
Durham Aged Mineworkers 1,744	31/03/2025	2.4%	0.0%	10.2%	163%	5.01	10.0%	9.9%	1.2%
Eden HA Ltd 1,992	31/03/2025	3.3%	0.3%	30.8%	131%	4.98	31.6%	30.4%	3.7%
English Rural Housing 1,555	31/03/2025	4.4%	2.0%	35.3%	167%	4.07	25.9%	24.6%	3.2%
First Garden Cities 2,357	31/03/2025	13.6%	2.5%	42.4%	227%	5.03	30.3%	30.9%	3.7%
Hundred Houses Society 1,362	31/03/2025	3.7%	0.8%	21.1%	256%	5.37	25.6%	26.0%	2.9%
Manningham 1,428	31/03/2025	8.5%	2.7%	43.5%	141%	4.94	30.1%	29.1%	2.6%
Pickering & Ferens Homes 1,453	31/03/2025	3.1%	1.7%	15.3%	662%	5.26	20.9%	21.3%	2.5%
Tuntum HA 1,588	**31/03/2025**	5.3%	0.8%	57.2%	115%	**5.34**	23.7%	23.3%	3.0%
Unity HA 1,387	31/03/2025	4.7%	0.0%	22.7%	104%	5.56	23.0%	20.1%	2.6%
Warrington HA 1,353	31/03/2025	3.9%	0.0%	19.5%	105%	6.13	14.1%	10.1%	1.4%

Willow Tree HA 1,484	31/03/2025	3.0%	0.3%	34.7%	112%	5.13	18.5%	17.1%	2.3%
Average of Peer Group under 2,500 units	31/03/2025	5.3%	1.1%	32.2%	194%	5.24	22.4%	21.7%	2.8%

Lower Quartile	**Global Accounts 2025**	**5.3%**	**0.5%**	**34.4%**	**64%**	**4.98**	**15.1%**	**11.9%**	**2.3%**
Median		**7.6%**	**1.3%**	**45.5%**	**113%**	**5.58**	**20.5%**	**17.6%**	**3.1%**
Upper Quartile		**10.0%**	**2.2%**	**54.7%**	**153%**	**7.00**	**26.1%**	**23.3%**	**3.7%**

Direct comparisons are difficult and should be treated with caution.

The association is geared higher compared to most of this comparison group. However, our gearing is coming down, in line with our strategic objective. Our headline cost per unit, operating margin and return on investment are all better than the median. Taken in the round, these value for money metrics indicate a reasonable performance for the year.

Global Accounts 'Best in Class'

Our Board wished to see greater dialogue and exchange of learning take place with our identified 'best in class' associations. We will look to secure efficient and effective learning from our identified 'best in class' organisations in the year ahead.

Value for money gains: turning good cost control into better outcomes

Our focus	Our test	Our impact
Embedding a culture where colleagues actively control costs, challenge spend and look for better ways to deliver services.	Assessing each gain through the 4Es: economy, efficiency, effectiveness and equity.	Capturing both cashable savings and wider benefits, including better systems, saved time and improved services.

The examples below show how value for money has been delivered over the last 12 months — not only through direct financial savings, but also through stronger processes, better use of resources, improved service quality and fairer access to benefits.

Project	Outcome - Economy, Efficiency, Effectiveness & Equity
MRI Housing – Implementation of Modules in our Housing Management System (MRI) Continuation of the implementation of MRI Asset System, included successful negotiation of pricing for the purchase of new modules. Customer Central (CRM), Safer Communities (ASB) and Property Inspector Mobile	**Economy** – Saving over a 5-year contract £108,000 Original module prices per year inclusive of VAT Customer Central £17,327 Safer Communities £14,256 Property Inspector Mobile £10,560 Negotiated prices per year inclusive of VAT Customer Central £8,663 Safer Communities £7,128 Property Inspector Mobile £4,752 **Efficiency** – This creates improved business processes and service to tenants.

	Effectiveness – There is now enhanced reporting capability. **Equity** – These modules are used across EHA housing stock
Bathroom Replacements – Planned Works Re-procurement of our bathroom installer as part of the bathroom replacement planned works/investment programme for 2025-26. EHA worked in conjunction with Procure Plus to re-tender for the works to ensure financial savings	**Economy** – Cost saving of approximately £7,500 on the tendered prices against the previous year's programme costs. This enables EHA to stretch the budget further and complete more replacements. **Efficiency** – Contractors are better informed regarding our specifications, therefore reducing management time. **Effectiveness** – Better control of the specification, therefore reducing variation claims by contractors. **Equity** – Bathroom replacements provided to properties across the planned works programme.
Waste Audit 2025 - Improvements New hand towel dispensers Additional recycling bins Removal of most general waste bins Tea towels for drying in the kitchens Food waste bins.	**Economy** – Initial expenditure was required for the new hand towel dispensers in the toilets and kitchens, have resulted in a visible reduction in the volume of paper towel usage and thereby reducing the total waste produced. This equated to approximately 7.15kg saving per week, equivalent to 371.8kg per year (that's 3320 toilet rolls). **Efficiency** – Results have shown that, the actions we implemented, have resulted in an increasing percentage of waste now being sent for primary recycling (from 64% to 80% of the total waste). **Effectiveness** – It is evident that less waste is being produced.
Kitchen Replacements – Planned Works Re-procurement of our kitchen installer as part of the kitchen replacement planned works/investment programme for 2025-2026. EHA worked in conjunction with Procure Plus to re-tender for the works and ensure financial savings.	**Economy** – Cost saving of approximately £40K on the tendered prices against the incumbent supplier which means there is the ability to stretch the budget further and complete more replacements. **Efficiency** – Contractors are better informed regarding our specifications and expectations, therefore reducing management time. **Effectiveness** – Better control of the specification, therefore reducing variation claims by contractors. **Equity** – Kitchen replacements provided to properties across the planned works programme.

Kitchen Programme – Invoice Review Proactive invoice monitoring process in place; demonstrated that the first invoice review on the new kitchen programme evidenced areas where the new contractor was inadvertently charging us for the same work twice, (once within the spec and a second time as a VO). Following this review, we were able to discuss this with our contractor and agree a reduction in the invoice of circa £1,500.	**Economy** – Cost saving of approximately £1,500 based on various savings within the first 11 homes of the programme. **Efficiency & Effectiveness** – By continuing to monitor contractors and their contract valuations, we are able to demonstrate control over the contractor and the programme and budget. **Equity** – this service is accessible for all colleagues across the organisation.
Employee Assistance Programme (EAP) EHA were paying £1,534.58 per annum for EAP services with Croners. Through our insurance provider we have Aviva Digicare+ for all employees, which is part of EHA's policy. This service replicates what we were paying Croner, therefore this has been cancelled which has provided a financial saving.	**Economy** – Saving of £1,534.58 per annum. **Efficiency** – Feedback from colleagues indicates that they find accessing services much easier through the dedicated App, which comes with the Aviva Service. **Effectiveness** – The service can be accessed outside of work, enhancing EHA's commitment to the wellbeing of our employees. **Equity** – This service is accessible for all colleagues across the organisation.
Stock Condition Survey Programme Successful renegotiation of the survey cost price (per property). Based on an extension of the working relationship with Storm Tempest we were able to agree a continuation of the survey costs agreed for the 24-25 programme. Costs will be held at £90 per survey (price does differ depending upon geographical location) for another year.	**Economy** – Cost saving of approximately £16K based on a saving of £25 per property (638 properties on this years' programme). **Efficiency** – By continuing with contractors for another year we can save time with onboarding and the training of a new contractor on our systems and stock profile. **Effectiveness** – We are able to ensure we deliver this years' programme within budget.
Rewilding Project – Improvement Suggestion As part of our 'rewilding project' we sought to provide a circular picnic bench at Lowther Village to help improve their surrounding area. This was completed by sourcing funds from the Fibrus Social Fund.	**Economy** – Cost saving of £500, as we sourced from an external provider (Fibrus). **Effectiveness** – The field that has been rewilded has a circular pathway cut out of the wild meadow to an area in the middle which required a bench. **Equity** – Available to all who live in Lowther Village, not only our tenants.

Roofing Programme Successful renegotiation of preliminary costs with contractor. Based on our industry knowledge and experience, it was highlighted that the programme and associated preliminary costs on the roofing programme were high and above the market rate, as well as being calculated using an extended programme duration. We completed market comparisons and these were discussed with the contractor.	**Economy** – Cost reduction of £13K on the original tender. **Efficiency** – The cost reduction means we can stretch the budget further by completing more replacements. **Effectiveness** – The contractor is aware of EHA's industry knowledge, commercial awareness and therefore would need to be more competitive moving forwards. **Equity** – Increase of replacements, allowing more tenants to benefit.
Mini Handrail Project at Alston Our principal contractor had quoted the works at £28K, based on industry knowledge and experience it highlighted that these costs were extremely high and did not represent VFM. The specification and tender were advertised to another contractor who returned a much more competitive price.	**Economy** – Cost reduction of £22K on the original tender. **Effectiveness** – The principal contractor is now aware of EHA's industry knowledge, experience of commercial awareness and therefore would be expected to be more competitive in the future. The new contractor is interested in pricing future work of this kind based on their initial costs. **Equity** – Project completed for Alston.

VFM Future Plans

Our 2026/27 VFM roadmap: building the culture, tools and evidence to deliver more value:

1. Embed a Culture of VFM	2. Maximise Benefit from Activities	3. Transparency Around VFM
Continue process reviews to identify efficiencies and improved outcomes. Review team structures and resources. Continue to embed VFM across the organisation and consider introduction of dedicated colleague VFM/procurement group. System improvements to equip colleagues with effective tools to provide tailored services. Improved added value returns from working with stakeholders.	Asset performance evaluation reviews to take place on stock profile. Cookson Court development review and appraisal. Progress development activities and utilise increased grant rates on development opportunities. Principal Contractor Review. Complete tenant profile work to assist better tailored services to tenants.	Improve KPI reporting and availability of data across the business. Review VFM reporting for tenants, colleagues and stakeholders. Increase benchmarking information across the business to challenge performance and improve services. Improve VFM reporting within documents to demonstrate regulatory compliance. Investigate best practice and share within the business.

Our VFM metrics looking forward are as follows:

	2026/27	2027/28	2028/29	2029/30	2030/31
Reinvestment %	4.23%	7.77%	5.88%	2.90%	3.04%
New Supply SH %	0.17%	1.2%	1.41%	0.0%	0.0%
Gearing	31.03%	31.09%	31.96%	30.63%	29.35%
EBITDA MRI	90%	85%	113%	114%	110%
Headline SH CPU	£6,015	£6,476	£5,748	£5,978	£6,247
OP Margin (SHL)	30.5%	29.6%	29.0%	28.1%	27.7%
OP Margin (Total)	27.28%	26.45%	25.92%	25.03%	24.65%
ROCE	4.06%	4.05%	4.16%	4.23%	4.15%