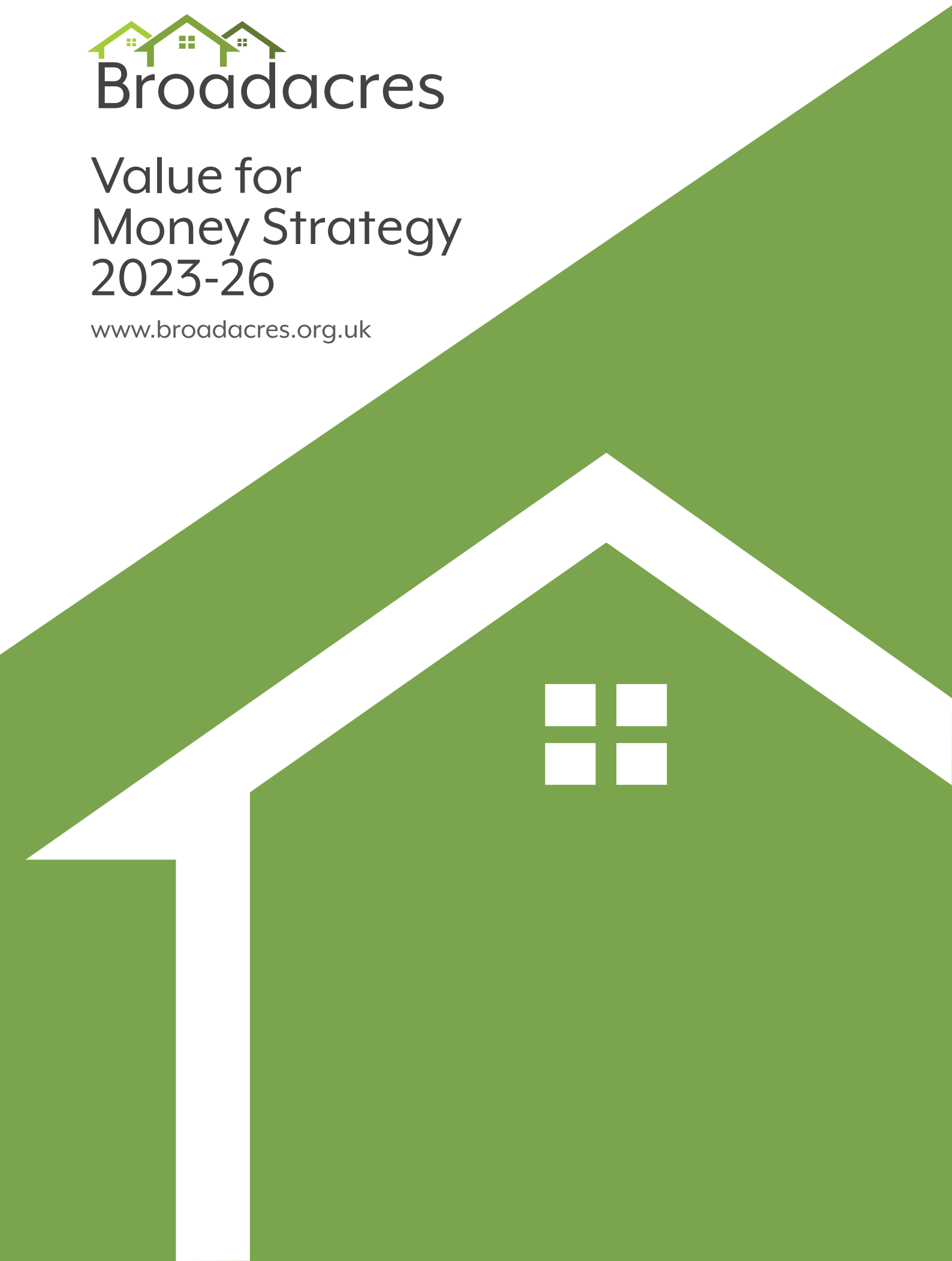
Broadacres

Value for Money Strategy 2023-26

www.broadacres.org.uk



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1. Executive Summary

1.1 About Broadacres

At Broadacres, our vision is:

‘To be the Best Rural Housing Association in the country.’

We are the only housing association of scale to be fully based in North Yorkshire. Established in 1993 as a stock transfer from the former Hambleton DC we now own and manage c6,800 homes across the whole of North Yorkshire. We provide homes for rent and low-cost home ownership including shared ownership. Our rental homes are a mixture of flats, bungalows and houses. They range in size from bedsits to four bedrooms.

We also have a range of accommodation designed to sit alongside support services. This includes extra care schemes, supported living schemes, a women’s refuge with outreach, young persons’ pathway accommodation with outreach, homelessness accommodation and schemes for people with learning disabilities and mental health issues. We deliver most of our services in-house and where we need additional specialist services, we try to use local contractors.

In a typical year we will spend £40m, which makes us a significant contributor to the local economy.

Our team is over 400 strong including 150 people within the property maintenance and facilities team and a further 150 supporting our customers in the community. We deliver our own cleaning and catering services. The decision to in-source most of our services ensures high quality and long-term relationships with our customers and enables customer requirements to directly influence our decision making on a day- to-day basis and at a strategic level.

The quality of the homes we offer is very important to our customers and to us. Our customers have told us of the challenges they face keeping warm, especially in a rural context.

Consequently, we have been investing in our homes significantly above the Decent Homes Standard and particularly in energy efficiency measures over the last five years. We plan to continue to do this. We have an active development program building homes for rent, shared ownership and where required outright sale. Our new homes are built above current requirements to enable us to anticipate future home standards and therefore to minimise the need to retrofit in the future which would not be a good use of future resources.

We are an ambitious organisation. We have changed from being customer service organisation to become a customer experience-based organisation.

The Group's vision, mission and objectives are set out in our new 2023-28 Corporate Strategy, published in 2023. It is based on consultation with customers, colleagues, board members and other stakeholders about what Broadacres should do over the five-year period of our strategy.

The outcome of all these conversations has been included in the new Corporate Strategy but there was some clear feedback which has informed our thinking:

- We understand the opportunities and challenges of rural life.
- We are focused on North Yorkshire.
- We are committed to working with partners to improve life in North Yorkshire.

We believe over the next five years we will achieve this by developing new homes, investing significantly in our existing homes especially improving energy efficiency, developing our services so they are focused on customer experience. In addition, by working with a wide variety of partners so we can contribute to the well-being of North Yorkshire.

This document is the first of two Value for Money (VfM) Strategies to align with the Corporate Strategy 2023-28. The second VfM Strategy will be published for 2026-28. Splitting the corresponding timescale of VfM reporting across the Corporate Strategy 2023-28 period will allow us to reflect the fast-changing nature of what contributes to our economy, efficiency and effectiveness, and how this will impact our customers.

1.2 Value for Money (VfM)

Delivering VfM is integral to what we do; this means measuring our costs (**inputs**) relative to the quality of service we deliver (**outputs**) and what it means for our customers (**outcomes**).

We recognise that achieving VfM is not simply procuring the cheapest services or components but about the quality and effectiveness of the outcomes for the money we spend, the customer experience, and connecting investment with performance over the short, medium and long terms. We are constantly choosing which items or services to buy and which to in-source with our limited resources.

We also need to judge what is the right balance between quality, cost and expectations. Customer feedback plays an important part of this equation, whether it's good or bad. Broadacres strives to learn from all customer feedback.

Value for our Customers' Money covers the three key areas of:

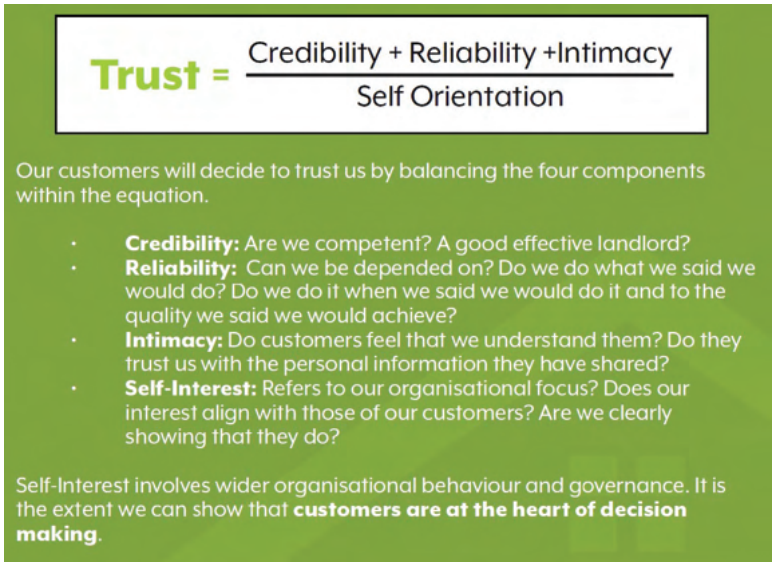
Economy	feeding back on what we do (our inputs), measuring our costs to keep them relative to the high-quality services we provide.
Efficiency	reflecting on how well we deliver our services relative to cost (our output); put simply measuring the value we provide against the inputs it uses.
Effectiveness	assessing the success of our customer experience, through what we deliver, (our outcomes).

We measure Broadacres' performance against these areas which are measures that align with our Corporate Strategy as well as comparing ourselves against wider peer groups.

1.3 Our Approach

Our VfM Strategy 2023-26 has Effectiveness as its key approach. Prioritising our outcomes which involves assessing the success of our customer experience, through what we deliver which comes as a direction of the Board. This aligns with another critical Strategy of ours in 2023, that of the Customer Strategy 2023-28.

We currently live in challenging times. Our customers have told us that. Higher inflation across all areas, notably energy and food have seen costs for our customers increase disproportionately compared to those on higher incomes with those on lower incomes being hit hardest by rising prices. In addition, the Group is facing increased financing and interest costs as well as rising costs more generally. The core purpose of our Customer Strategy is to protect and strengthen our relationship with our customers. This VfM Strategy is no different and focusses on building, protecting and maintaining our customers' trust. The Customer Strategy 2023-28 has the Trust Equation (set out below) at its core. This is adhered to in all that we do for our key approach to Effectiveness.



Achieving Effectiveness through customer satisfaction and delivering VfM is integral to everything we do, rather than being limited to an exercise which culminates in our regulatory, annual assessment shared with the Regulator of Social Housing.

1.4 VfM Governed by the RSH

Broadacres is governed by the Regulator Social Housing (RSH). Their Value for Money Standard requires us to articulate and deliver a comprehensive and strategic approach to achieving value for money in meeting our organisational objectives. The VfM Standard sets a specific expectation that our published evidence should enable stakeholders to understand:

- performance against the Group's value for money targets and any measures that the Regulator sets out;
- how the Group's performance compares to peers; and
- measurable plans to address any areas of under-performance, including clearly stating any areas where improvements would not be appropriate and the rationale for this.

The Regulator will continue to seek assurance that housing associations make best use of their resources and of their assets and have on-going plans in place to make improvements to the value for money in their organisations.

As a part of that assurance work, the Regulator will use its value for money measures to support its understanding of providers overall strategic delivery performance.

2. Aligning VfM with our Corporate Strategy 2023-28

2.1 Local & National Context

It is important that we align our VfM Strategy with our Corporate Strategy 2023-28. We've published our objectives in the Corporate Strategy but need to explain how we intend to pay for and measure the effectiveness of the services we will deliver. But it is important to provide first some context to the local economy and environment to which we operate.

We are lucky to live, work and play in beautiful North Yorkshire and are proud of our surroundings and culture. However, living here comes with different challenges, especially for those living in our homes, communities, and small towns. The housing market has evolved with house prices increasing significantly and the availability of rental homes declining due to the large number of second homes and holiday lets. This has seen affordability decline further and the demand for local social housing increase.

Located between the conurbations of Teesside in the North and West Yorkshire in the Southwest, North Yorkshire is deemed to have a two-tier economy. This is reflected by high levels of household income in some specific areas which are dependent upon out of area travel to work, whilst more locally there are characteristics of low wage levels and restricted employment opportunities. Average earnings, rents and prices to buy are set out below for North Yorkshire and England as a whole, excluding London. However, in North Yorkshire these numbers can vary significantly. Average monthly rent in Harrogate for instance can exceed £1,100 whilst in Scarborough monthly rents can be less than £700.

Region (April 2023)	Mean annual gross pay	Average monthly rent (3-bed accommodation)	Average price (3-bed semi- detached home)
North Yorkshire UA	£29,584	£857	£229,782
England (excl London)	£36,074	£1,039	£274,569

The affordability of homes, measured by the ratio of home prices against earnings, also varies significantly. In the former Scarborough BC area this stood at 6.7 multiples as at April 2023 and as high as 10.7 in the former Ryedale DC area. Other than the former Scarborough BC area, all of the other former districts in North Yorkshire exceeded the England national average of 8.2 times earnings to house price ratio.

In rural areas house prices are 36% higher than in urban areas (excluding London), There has been a 61% reduction in the number of houses to rent post pandemic.

Rent takes up 47% of household income in rural areas compared with 43% in urban areas.

The fuel poverty gap is almost twice as high (£501 [rural] vs £223 [urban]). Average transport costs are £113.90 per week in rural areas (urban is £76.20).

Sources: Rural cost of living: Overview of key differences in cost of living between rural and urban locations (July 2022). Rural Services Network and Office for National Statistics Housing Affordability data

Inflation, interest rates and the cost of living generally have all risen sharply over the past two years, following the global pandemic. Those on lower incomes have felt the squeeze the hardest and continuing to provide customers with somewhere affordable to live will be a constant theme and objective for Broadacres over the period of this Strategy.

We must also not lose sight of climate change which is already impacting on homes and services. Extreme weather events are becoming more common and affect our homes and services leading to increasing costs. The financial impact of zero carbon policies will be a theme for the next thirty years but improvements to reduce energy waste have been put in place since 2018.

Never has affordable, safe, and warm housing been needed more.

The purpose of providing affordable, safe and warm housing is at the crux of our mission. The purpose of the sector as described below by the National Housing Federation (NHF) is also at the heart of our own Corporate Strategy:

- To provide homes that are affordable to people in housing need.
- To provide safe, good quality homes and services.
- To offer services that enable residents to live well.
- To play our part in building successful places where people want to live.

2.2 Customers are at the heart of our decision making

Our Corporate Strategy 2023-28 outlines how we will keep customers at the heart of our decision making. Our Corporate Strategy 2023-28 has this as its theme throughout and is available here: **Corporate Strategy v2 (broadacres.org.uk)**

In summary, and having received feedback from our customers, we will seek to achieve the following:

Objective 1:	Great Customer Experiences – delivering services so customers feel safe and secure
Priorities	• Provide a great repairs service. • Continue to offer a variety of communication channels so customers can choose the one that suits them (telephone, webchat, email, appointment). • Ensure rent remains affordable. Provide positive advice and active support to customers. • Use data to create insight for service development. By understanding customer needs and expectations more deeply a tailored experience can be delivered to each customer. • Implementing new tenant satisfaction measures to complement our existing measures. • Keep reviewing customer engagement so the voice of customer is core to developing our services. Engaging under- represented groups actively and passively.

Objective 2:	Great Homes - investing in our existing homes and building new homes
Priorities	• Build 1,000 quality homes to provide choice for people who cannot access the market (focus on rent and low-cost ownership schemes). Aim that schemes should “feel like a Broadacres development”: modern, warm, complementing the local area. • All homes and communal areas continue to meet the evolving health and safety standards. • Development of long-term decarbonisation plan for our existing homes. • Involve customers in the review and setting of the standards they can expect relating to the quality of their home and planned programs to maintain them. • Review how we can gain even greater knowledge about our homes and how to sustain the quality. Involve customers in looking at component failure and under-performance. Use ‘Internet of Things’ monitoring devices to enhance insights. • Energy efficient program to include rewiring infrastructure; insulation and energy source plan for each home and a retrofit plan. Use empty home periods to accelerate improvements.

Objective 3:	Great Communities – being an active community partner of choice in North Yorkshire
Priorities	• Assist North Yorkshire County to deliver its commitments to more affordable homes, reducing the carbon footprint of North Yorkshire and improving infrastructure and boosting health and well-being. • Deliver quality accommodation-based supported housing provision for a range of customers. • Deliver the Neighbourhood Offer and Promise and develop them through the next five years, including a focus on anti- social behaviour. • Integrate a range of third-party local services into communities and neighbourhoods. For example: women's refuge, mental health, digital inclusion (skills and infrastructure). • Establish and formalise relationships with new North Yorkshire County and combined Authority and Mayor. • Build relationships with National Parks, estates, third party agencies and community groups.

This VfM Strategy 2023-26 (one of two to align with the Corporate Strategy 2023-28) also centres on customers being placed at the heart of decision making, by focusing on the effectiveness of achieving value for money. Like the objectives in our Corporate Strategy 2023-28 our value for money performance is measurable.

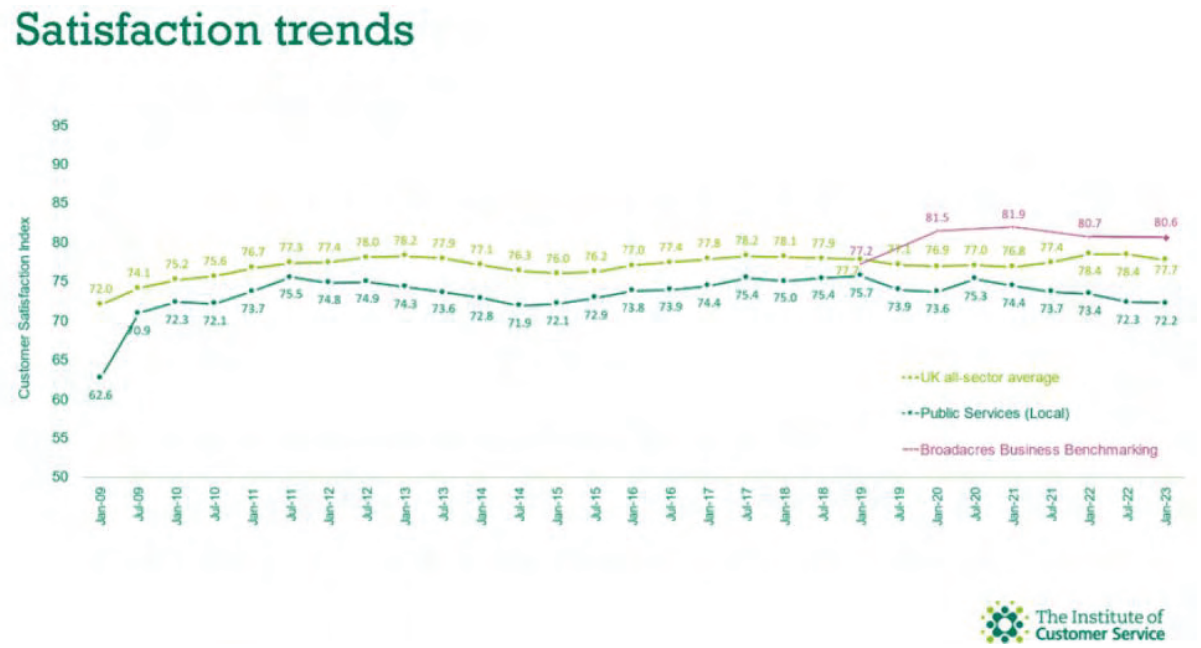
2.3 Outcomes

The targets and outcomes we have set in this VfM Strategy will be reviewed and reported annually. Our aim is to continue improving services for customers. Over the following pages we highlight the VfM measures for this Strategy. Some of these measures are set by the Regulator and others are Broadacres' own but they complement one another and tell the full story of how we meet customer demands and deliver the right outcomes.

However, our measure of VfM performance (good or bad) means little without our customers' measure of satisfaction – our Effectiveness. We have adopted the Regulator's Tenant Satisfaction Measures (TSMs) with effect from 2023. These build upon our existing portfolio of customer key performance indicators and measures.

These are 22 tenant satisfaction measures, covering five themes; Ten of these will be measured by landlords directly, and 12 will be measured by landlords carrying out tenant perception surveys.

Since 2018 Broadacres has used UK Customer Satisfaction Index (UKCSI) to measure customer satisfaction, reporting strong year on year scores. From 2020 Broadacres has benchmarked above the UKCSI all-sector average and Public Service (Local), the relevant sector for affordable housing (see chart below). Not only are customers reporting high satisfaction with the services we provide, but they also consistently report that they trust Broadacres and that as an organisation we show empathy and treat them with respect.



As well as benchmarking VfM performance measures in our annual reporting we will overlay these with summary Tenant Satisfaction Measure outcomes to provide a true evaluation of Broadacres' effectiveness. Our performance against the 22 TSMs can also be compared with peers, like our VfM measures. TSMs include, but are not limited to, the following measures:

- Overall satisfaction;
- Repairs completed within target timescale;
- Satisfaction that the home is well maintained;
- Satisfaction that the landlord listens to tenant views and acts upon them;
- Agreement that the landlord treats customers fairly and with respect;
- Effective handling of complaints; and
- Satisfaction that the landlord makes a positive contribution to neighbourhoods

3. VfM Strategy 2023-26 Planning

3.1 Roles and responsibilities

The Board sets the VfM agenda on an annual basis for colleagues to deliver the outcomes. As part of the Regulatory Standard, the Board must satisfy itself that VfM is being achieved and it is confident that the information it receives in respect of performance and data is sufficient for the Board to make that assertion.

Our Board measures and monitors value for money through:

- Regular financial reporting of income/expenditure and positions of assets/liabilities;
- Regular reporting on our strategic objectives/corporate plan;
- Regular understanding of our treasury position;
- Annual reporting on metrics outlined by the Regulator plus our own VfM measures;

- Annual detailed benchmarking of costs; and
- A regular focus on our priorities including spend on compliance, energy efficiency, new supply, larger contract spend and operating costs generally.

We have Board representation at our operational committees, including Group Asset and Development, Group Customer Experience, Group Governance and Remuneration and Group Audit and Risk, where VfM analysis and challenges are frequent. Each of our Committees directly report their findings to the Board.

Everyone has a role to play in ensuring we achieve our VfM objectives.

	Board	Executive	Colleagues	Customers	Contractors
VfM Objectives	Strategic direction, Leadership	Set targets, Leadership	Participate and shape plan		
Targets	Approval of metrics	Develop savings plan	Identify efficiencies	Consult	Dialogue
Delivery	Scrutiny Understanding	VfM culture Transform services	Ensure VfM considered in business cases	Scrutiny Identify efficiencies	Contribute and understand
Review	Monitor progress	Deliver VfM	Use benchmarks to drive improvement	Feedback	Feedback

Our periodic cycle of monitoring and measurement at Board, Directorate Management Team, Leadership Team and operational levels delivers updates, progress and outcomes of our VfM in practice. Progress against our annual Corporate Plan, including all aspects of VfM, is reported by the Leadership Team on a biannual basis to the Board, Committees and colleagues.

3.2 The measures and metrics

The Regulator's VfM Standard (and accompanying Guidance Note) requires Housing Associations to publish performance against their own VfM targets as well as the Regulator's series of common, sector wide metrics. The Standard states:

"Achieving value for money in meeting strategic objectives Registered Providers must ensure that clear, up-to-date strategic objectives are in place. These objectives must:

- deal with the medium to long-term future of the organisation
- include measurable targets based on outcomes, and
- be demonstrably linked to the aims and purpose of the organisation.

Associations must ensure that the reporting undertaken meets the requirements of the Standard, including the requirement to report against the metrics defined by the Regulator and to report value for money at a group level, taking into account all areas of the organisational structure. They should also consider their actual performance, previous year's performance, future forecasts and targets against forecasts in relation to strategic objectives. Registered Providers are also free to report any additional measurements that they consider would aid understanding of their performance."

The Regulator's seven VfM metrics are as follows:

Metric 1 - Reinvestment %	The Reinvestment metric looks at the investment in properties (Existing homes and New Homes) as a percentage of the value of all the homes owned.
Metric 2 – New Supply delivered %	The New Homes metric sets out the number of new social housing and non-social housing homes that have been acquired or developed in the year as a proportion of total social housing homes and non-social housing homes owned at period end.
Metric 3 – Gearing %	The gearing metric assesses how much of the adjusted assets are made up of debt and the degree of dependence on debt finance. It is often a key indicator of a registered provider's appetite for growth.
Metric 4 – Earnings Before Interest, Tax, Depreciation, Included (EBITDA MRI) Amortisation, Major Repairs Interest Cover %	The EBITDA MRI interest cover measure is a key indicator for liquidity and investment capacity. It seeks to measure the level of surplus that a registered provider generates compared to interest payable; the measure avoids any distortions stemming from the depreciation charge.
Metric 5 – Headline social housing cost per unit	The Headline social housing cost per home metric assesses the headline social housing cost per home as defined by the Regulator.
Metric 6 – Operating Margin %	The Operating Margin demonstrates the profitability of operating assets before exceptional expenses are taken into account.
Metric 7 – Return on capital employed (ROCE) %	The ROCE compares the operating surplus to total assets less current liabilities and is a common measure in the commercial sector to assess the efficient investment of capital resources.

Every year the RSH publish their review of Value for Money in the Sector. In 2023 they referenced the challenging economic climate in which we have all been living and working. Coupling this with a greater focus on the quality of homes and services, the Regulator highlighted that value for money is of increasing significance. Crucial to this is being open with all stakeholders, including customers and funders, when reporting on decision making and performance.

Customers are at the heart of our decision making (as the decisions we make directly affect their experience of us).

3.3 Economy (our inputs)

Overall, our Strategy is about continued investment; in existing and new homes, customers and communities and this is reflected in our higher cost indicators.

Everyone at Broadacres believes we are spending now to future proof our portfolio of homes as we embark on the journey to achieve 100% Energy Performance Certificate (EPC) C or above by 2028 for our entire stock. We still believe we are at least 18 months ahead of many other housing associations in the sector and will achieve this by 2028. As we move into the new Corporate Strategy (2023-28) our forecast spend on these costs will begin to reduce in terms of volume, reflecting the prior periods of investment and our homes will be more efficient for our customers.

Regulatory Measure:

Social Housing Cost per Unit (SHCPU)	The total cost of our services by each home we manage.

Other Measures:

Maintenance Spend	Total maintenance spend, excluding major repairs, split by the number of homes. A measure of how much on average we spend maintaining existing homes, excluding refurbishment, replacement etc.
Cash per Unit	Our cash balance at the year-end split by number of homes. A crude liquidity assessment at the end of the reporting period.
Effective Interest Rate	Our weighted average cost of debt.

3.4 Efficiency (our outputs)

Efficiency isn’t about buying the cheapest supplies and components for our homes but ensuring that the quality and lifecycle of our goods and services reflects the costs paid, as well as how well we deliver these to our customers. As we invest in homes, we need to

make every pound count, not losing income from empty homes and ensuring our debt levels reflect stable, long term and meaningful investment for our customers now and in the future. Energy efficiency is critical to everybody and the expense we are incurring now has the objective of helping current and future households save money.

Regulatory Measures:

Return on Capital Employed	Our operating surplus to our total; assets less current liabilities
EBITDA (MRI) - Earnings Depreciation and Amortization (Major Repairs Included) Before Interest, Taxes,	This represents interest cover for Broadacres and is a key indicator for longer term liquidity (access to money) and our ongoing ability to service our debt.
Operating Margin (Social Housing)	This measure reflects our surplus, or profitability, of total income over expenditure for our core business of providing homes for rent.
Gearing	This measure shows how our borrowing compares to our assets (homes) and our degree of dependence on debt finance.

Other Measures:

Operating Margin	This measure reflects our surplus, or profitability, of total income over expenditure for all that we do, including any market sales.
Major Repairs Spend	This measure takes total planned program spend on replacement bathrooms, kitchens, boilers, roofs etc. across the number of homes for the year.
Empty Homes available	An average measure of lost income on empty homes available for rent, reflecting the time taken to both ready the house and prepare customers for moving in.
Void Losses	This measure is lost income on empty homes where they are not available for rent, more often reflecting the time taken to undertake those disruptive replacements more easily achieved when there are no customers living there.
Debt per Unit	The total amount of borrowed funds across all our homes. This is a key measure for funders to ensure we don’t borrow too much.

3.5 Effectiveness (our outcomes)

Effectiveness is the measure of how successful we are producing the desired outcome or result for our customers. It's how well we do things and how satisfied customers are that we have done our best. Broadacres reinvests any money it makes from building new homes for sale into our existing customers' homes. That's how we balance our books and meet our debt obligations. Our customers have told us that they are happy with the services we provide but that doesn't stop us continually seeking to improve against these levels.

Customer satisfaction measures our effectiveness as much as successfully collecting rental income does.

Regulatory Measures:

Reinvestment	This measures our spend on new homes and capital investment on existing homes.
New supply delivered	This represents the number of new homes we have provided in the year.

Other Measures:

Rent Collection per Unit	Our total income in the period from rent across all the homes available for rent we have.
Rent arrears (net current and former arrears as % of rent and service charges received)	Monies owed to Broadacres for missed rent payments where customers are currently in our homes and where they have moved on. Critical performance measures for us reflecting customers' willingness and/or ability to pay rent.
Overall Satisfaction with Service	Overall satisfaction with Broadacres as a Housing Association.
Overall Satisfaction with Repairs & Maintenance	Satisfaction of customers when we haverepaired or maintained their homes.

Conclusion

The four key approaches to economy, efficiency and effectiveness, as directed by the Board, and no doubt subscribed to by our customers will be:

- To promote and embed a culture of VfM throughout Broadacres.
- To always understand our costs and performance and how we compare to others.
- To have customers at the heart of decision making.
- To exercise effective procurement and partnership working.

Now more than ever the Regulator (on behalf of customers) is asking questions of providers in the sector about investment in existing homes, and we already have a story to tell. Our Corporate Strategy commenced investment in existing homes in 2018 and we plan to continue doing so through to the end of the latest Corporate Strategy in 2028. We look towards meeting government targets for net-zero carbon by 2050. Ahead of then we anticipate all our homes being EPC C or better by 2028 against a government deadline of 2030. Some 84% of our homes currently meet this measure.

The benchmarking measures we have in place, alongside those determined by the Regulator, reiterate what and where our money is being spent and plans to continue monitoring these.

Appendix 1 shows our forecast outcomes of this Strategy, with targets determined in October 2023, with appropriate actions to achieve these outcomes.

If you would like to give us any feedback on this Strategy, we would welcome it and you can do so via: finance@broadacres.org.uk

Appendix 1: Forecast VfM Measures & Metrics (including action planning 2023-26)

RSH Measure	Metric	2022-23 Actual	2023-24 Budget	2024-25 Forecast	2025-26 Forecast	Action Planning 2023-26
Effectiveness	Reinvestment %	5.56%	5.5%	6.0%	4.83%	Over the period of the Corporate Strategy 2023-28 we propose reinvesting significantly in our existing homes, to improve their energy efficiency, as well as adding 1,000 new homes to our current portfolio. Reinvestment is a product of spend against total home values, all recorded at cost, so will never be a high outcome. c£16m will be spent on existing homes and up to 500 new homes will add to new supply over the period of this VfM Strategy.
Effectiveness	New Supply Delivered %	1.64%	2.0%	3.80%	2.17%	
Efficiency	Gearing %	47%	45%	46%	46%	Gearing will remain steady over the period as we delicately manage spending plans for the future with borrowed monies.
Efficiency	EBITDA (MRI) %	126%	130%	130%	181%	EBITDA forecasts always aim to be above an internal target of 120% (against a bank threshold of 110%). Between 120% and 130% reflects more normal operating behaviors. The forecast of 181% in 2025-26 illustrates income forecasts being higher that year from some home sales, with build plans in the prior years. Scheme plans for 2025-26 are expected to feature in later forecasts reducing this measure.
Economy	Headline Social Housing Cost per Unit	£4,775	£4,249	£4,155	£4,621	Headline SHCPU is forecast to reduce over the next couple of years as the volume of work required to improve energy efficiency slows as we nearer completing 100% of works in homes. However, higher prices for the remaining components may impact this. The later forecast is higher as grant income to achieve carbon reduction ends and the more difficult, expensive homes are included in the plan.

Efficiency	Operating Margin – SH %	20%	28%	28%	19%	Operating margin wholly attributable to Social Housing improves over the middle two years as more homes are handed over for rent. As above, for EBITDA, scheme plans for 2025-26 are likely to change this forecast as they feature in later planning.
Efficiency	Return on Captial Employed %	2.04%	2.50%	2.50%	3.48%	Return on our investments are reflected in rent receivable from new homes available for customers rather than a return on money spent on existing homes. The latter sees rent increase only in line with regulation.

Broadacres Measure	Metric	2022-23 Actual	2023-24 Budget	2024-25 Forecast	2025-26 Forecast	Action planning 2023-26
Customer Experience	Rent arrears (net current and former arrears as % of rent received)	2.84%	4.00%	4.00%	4.00%	A measure of Effectiveness. We forecast a worse position over the coming years than the most recent actual, recognising that customers may continue to struggle with the high costs of living. This is prudent.
Customer Experience	Rent Collection per unit	£5,578	£5,300	£5,400	£5,500	A measure of Effectiveness. Rent collection per unit is forecast to drop as more homes are added to our rental portfolio in 2023-24 but then increase as we have the benefit of each full year's rental income. Forecast arrears will impact this also.
Customer Experience	Overall Satisfaction with Service	81%	85%	85%	85%	Critical measures of Effectiveness. At Broadacres we have emphasised that an excellent customer experience is critical to our success. We already have a high level of satisfaction with our service but still want to improve on this.
Customer Experience	Overall Satisfaction with Repairs & Maintenance	97%	96%	99%	99%	
Great Homes	Major Repairs spend per unit	£1,529	£1,166	£1,013	£1,063	An Efficiency measure. Starting from a high point in 2022-23 we have forecast this measure to reduce over the period of this VfM Strategy. Like SHCPU above, this is forecast to reduce over the next couple of years as the volume of work required to improve energy efficiency slows as we nearer completing 100% of works in homes and associated grant reduces. However, higher prices for the remaining components may impact this.
Great Homes	Empty properties %	3.22%	2.25%	2.50%	2.75%	Efficiency measures. These levels are too high and the measure has become a focus of attention for the Management Team to action and update the Board. We continue to balance the need to invest in homes at the end of their tenancies, upgrade energy efficiency etc., without disrupting new customers. Some of the work we perform is intrusive and easier to undertake in empty homes. We see this measure reducing over the time of the Strategy reflecting our focus on the Customer Experience alongside longer-term value for money.
Great Homes	Void losses %	3.21%	3.00%	2.90%	2.50%	

Broadacres Measure	Metric	2022-23 Actual	2023-24 Budget	2024-25 Forecast	2025-26 Forecast	Action Planning 2023-26
Great Homes	Debt per home	£25,929	£24,000	£23,500	£27,000	An Efficiency measure. Our levels of debt are managed in accordance with our Treasury Strategy. Spend and timely repayment of loan funding will continue over the course of this Strategy. The increased measure in 2025-26 reflects drawing down all available funding in the timescale ahead of a refinancing exercise in 2026-27.
Great Communities	Maintenance spend per home	£1,592	£1,206	£1,248	£1,356	A measure of Economy. Starting from a high point in 2022-23 we have forecast this measure to reduce over the period of this VfM Strategy. Like Major Repairs above, this is forecast to reduce over the next couple of years as the price of works reduces and demand eases for concerns such as Damp & Mold. However, behavioral changes may see c£1,500 per annum a more normal measure.
Great Communities	Cash per home	£221	£1,201	£339	£400	A measure of Economy. Cash per unit will reduce as spend on new and existing homes continues and adds to the numbers of homes, we have at each year end. The reducing balance reflects utilising existing funds, but a minimum balance is maintained.
Great Communities	Effective Interest Rate	4.98%	5.15%	5.15%	5.15%	A measure of Economy. Opportunities were taken to access cheap debt when the interest rates were low. However, older debt was and remains relatively expensive. Currently 30% of our debt is variable and reflects the higher rates seen in 2022-23 and 2023-24. The refinancing planned for 2026-27 will look closely at the price and term of new debt to see if legacy loans can be repaid early. Here's hoping for a fall in rates in the interim period.
Great Communities	Operating Margin -overall	21%	23%	23%	21%	A measure of Efficiency. The overall Operating Margin improves over the middle two years as more homes are handed over for rent, generating more income for costs already incurred. As above, for EBITDA, scheme plans for 2025-26 are likely to change this forecast as they feature in later planning.

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