Value for Money Report

2025-26



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Introduction

We are the largest housing association with its headquarters in North Yorkshire, and we are a major employer in the area. We continue to work hard to maintain customers' homes, develop new homes to meet local demand and support our communities in everything that we do. Value for Money (VfM) is an important means of measuring the success of these.

This report reviews our VfM performance in 2025-26, drawing on the key metrics required by the Regulator of Social Housing (RSH) as well as our own measures for success. The report incorporates our self-assessment, a requirement of the Regulator, and illustrates our VfM achievements across the three themes of economy, efficiency and effectiveness.

This report represents an honest assessment of how we have spent our customers' money, with performance against targets sometimes good and sometimes less so. We have illustrated our VfM outcomes from the year 2025-26 across some case studies which we believe have had positive and meaningful impacts on the lives of customers and colleagues alike. We also report our target for future years, allowing a comparison of this report with both future and past assessments. We also outline the actions we will take during 2026-27 to further improve VfM.

About Broadacres

Broadacres Housing Association ("Broadacres") was established in 1993 as a council house stock transfer from the former Hambleton District Council. Since then we have grown to:

- own and manage 7,023 homes at 31 March 2026
- provide homes for a mixture of tenures and offer shared ownership
- expand the range of services we provide to include four extra care schemes, a women's refuge, young persons homelessness accommodation and services for people mental health issues, and
- employ over 400 colleagues including over 100 people within property maintenance and a further 100 delivering care and support services.

We are a significant contributor to the local economy. In 2025-26, we spent over £60m delivering our day to day services, investing in our existing homes and building new homes. We deliver most of our services inhouse and, where we need specialist services, we try to use local contractors.

Our homes reach from Stokesley to Eggborough and from Sedbergh to Bridlington. This area includes a wide geographical and significantly rural area, incorporating two national parks and one Area of Natural Outstanding Beauty. These present their own challenges to Broadacres as a landlord and our customers in their everyday lives.

Our purpose

The Association's vision, mission and objectives (together our purpose) are set out in our 2023-28 Corporate Strategy. We consulted with customers, colleagues, board members and other stakeholders about what Broadacres should do over these five years.

The outcome of these conversations are included in the Corporate Strategy, but there was some clear feedback:

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

We will do this by developing new homes, investing significantly in our existing homes, especially improving energy efficiency, developing our services so they are focussed on customer experience and by working with a wide variety of partners to contribute to the well-being of North Yorkshire. To do this we will invest in our people to ensure they have the skills to deliver our aspirational strategy.

Our purpose and progress against the measurable objectives from our strategy are reviewed regularly by the Board. The strategy was formulated by the Board and the delivery targets involve all Broadacres colleagues.

Strategic Value for Money

Value for Money is not solely about reducing costs. It is about ensuring that every pound invested in Broadacres' homes, services and people delivers the greatest possible benefit for current and future customers.

Our strategic approach to Value for Money is centred on maximising the value generated from our housing assets. The surpluses generated from our homes are reinvested to maintain and improve existing properties, strengthen services for customers and provide additional affordable homes for people in housing need across North Yorkshire.

During 2025/26 the Board commenced the Firm Foundations transformation programme to ensure Broadacres remains financially resilient and able to deliver its social purpose over the long term. The programme is focused on aligning our organisational structure, operating model and asset investment decisions with customer priorities and value for money outcomes.

Key areas of focus include:

- Reviewing our geographical operating footprint to ensure resources are deployed efficiently and services remain sustainable.
- Introducing a revised property standard to target investment where it delivers the greatest value to customers while reducing avoidable costs and void loss.

- Simplifying the Group structure and governance arrangements to reduce complexity, improve accountability and support faster decision-making.
- Modernising processes, systems and ways of working to improve productivity and customer experience.
- Ensuring all major investment decisions are supported by robust appraisal of both financial and social returns.

Through these activities we aim to improve operating margins, strengthen cash generation and release additional capacity to invest in existing homes and deliver new affordable housing. Strategic Value for Money is therefore not an annual exercise but a core consideration within Board decision-making, business planning and performance management.

Measuring Value for Money

We are reporting under our VfM Strategy 2023-26. Delivering VfM is integrated in what we do; measuring our costs relative to the quality of service we deliver for our customers.

We recognise that achieving VfM is not simply procuring the cheapest goods, service or components, but about the quality of the outcomes for the money we spend, our customers experience and connecting investment with performance over the short, medium and long terms

There are three areas of Value for Money considered throughout this report. A summary for each is also presented towards the end.

Economy	Minimising the cost of resources used while having regard to quality
Efficiency	The relationship between the output from goods or services and the resources to produce them
Effectiveness	The extent to which objectives are achieved and the relationship between intended and actual impacts

We measure progress against these metrics that align with our Corporate Strategy, as well as comparing ourselves against wider peer group of 9 other associations of a similar size and geographic base.

Value for Money

Economy

Minimising the cost of resources used while having regard to quality

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Efficiency

The relationship between the output from goods or services and the resources to produce them

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Effectiveness

The extent to which objectives are achieved and the relationship between intended and actual impacts

Broadacres

Value for Money performance in 2025/26

We have benchmarked our performance against a peer group of 9 other housing associations which have been selected based on size, region and rurality to give the most meaningful comparators. We have undertaken externally validated benchmarking exercises through the year to better understand our performance and identify areas for improvement.

Business health

Business health						
		Broadacres				Peers
Source	Measure	2023/24 Actual	2024/25 Actual	2025/26 Actual	2026/27 Target	2024/25 Median
Broadacres	Covenant interest cover	167%	148%	**147%**	165%	n/a
Regulator	EBITDA MRI* (as a % of interest)	86%	121%	**90%**	109%	128%
Regulator	Operating margin (social housing lettings)	23%	27%	**21%**	25%	20%
Regulator	Operating margin (overall)	16%	15%	**13%**	16%	15%

**EBITDA MRI approximates operational cash flows by taking earnings before interest, tax, depreciation and amortisation, including major repairs expenditure.*

We fell short of our Golden Rule of 150% on our interest cover covenant, but the 147% result still translates to a £1.0m headroom to the covenant agreed with our lenders. Our transformation plan will increase performance on this measure comfortably above our Golden Rule.

Our financial plan delivers cash flows in excess of our interest costs throughout which we recognise it is necessary to attract the additional finance we need to deliver our ambitious development plans.

Our overall operating margin is slightly weaker than our peer group and is 11% lower than our social housing lettings margin which is stronger than our peer group. A key driver for this is the support contracts which we have previously delivered at a loss. This approach isn't sustainable over the long term and we are now ensuring future contracts will deliver a positive contribution, even if the margin doesn't match that of our social housing lettings. This has been reflected in the recent LIFE contract for mental health support services where we acknowledged the full costs of the service in our bid.

Operational effectiveness

Operational effectiveness						
		Broadacres				Peers
Source	Measure	2023/24 Actual	2024/25 Actual	2025/26 Actual	2026/27 Target	2024/25 Median
Regulator	Headline social housing cost per unit	£5,583	£5,445	**£5,759**	£5,888	£5,013
Broadacres	Current tenant rental arrears %	1.8%	1.5%	**1.2%**	n/a	n/a
Broadacres	Empty homes at year end %	2.7%	3.3%	**2.7%**	1.9%	n/a
Broadacres	Average days to relet	76	102	**99**	n/a	n/a
Regulator	Return on capital employed %	2.1%	2.4%	**1.7%**	2.1%	3.2%

We recognise that we are an outlier from our peer group when it comes to headline social housing cost per unit. Our exceptional customer satisfaction, which is top quartile for 2025/26, and service offering has come at a financial cost.

Our headline cost per unit is 11% higher than our peer group after applying CPI from March 2026 to the benchmarked median from 2024/25.

We know that our repairs and maintenance costs is significantly higher per unit than our peers. That may be partially due to difference in overhead allocations, but is mainly driven by a very high empty homes property standard. Typically, our homes were kept empty for a long period of time while extensive works were carried out, including net zero measures and component replacements that were not yet due. Our new property standard, introduced in October 2025, has seen us reduce the average days to relet and hold less than half the empty homes at year end compared to the year before.

The second driver is our charges for support services which far exceed those of our peer group as we are a key delivery partner for North Yorkshire Council. The average cost per unit of support services was £430 in 2025/26.

Our return on capital employed is lower than our peers. This is caused by two factors: our operating margin is slightly worse than our peer group (influenced by our support contracts) and our housing property values are relatively higher.

Case study: Empty homes standard

We changed our empty property standard which means our homes are available to customers quicker than before.

Between changing the standard in October 2025 and the year end, we reduced the number of empty homes by 33.

That means 33 individuals or families were able to enjoy their new homes that otherwise couldn't have.



Homes

Homes						
		Broadacres				Peers
Source	Measure	2023/24 Actual	2024/25 Actual	2025/26 Actual	2026/27 Target	2024/25 Median
Broadacres	New homes delivered	157	118	**112**	92	n/a
Regulator	New social housing homes %	1.9%	1.6%	**1.9%**	1.6%	1.2%
Regulator	New non-social housing homes %	0.0%	0.5%	**nil**	nil	0.0%
Regulator	Reinvestment %	8.4%	6.1%	**6.7%**	6.8%	7.7%
Regulator	Gearing %	50%	50%	**50%**	52%	60%

**Gearing is based on the net book value of housing properties.*

We've continued to deliver against our target for new homes and exceeded 7,000 homes owned and managed during 2025/26. We're punching above our weight when compared to our peers for the number of new social housing homes built and we want to continue contributing to new supply. Every home built helps another individual or family in housing need.

Our strong relationships with the North Yorkshire Council, the Mayor for York and North Yorkshire, York and North Yorkshire Combined Authority and Homes England means we continue to access additional funding that enables us to build homes that otherwise wouldn't be viable.

With strong underlying cash flows forecast, future borrowing is only required for building new homes meaning that gearing never exceeds 52% in our financial plan.

Customer experience

Customer experience						
		Broadacres				Peers
Source	Measure	2023/24 Actual	2024/25 Actual	2025/26 Actual	2026/27 Target	2024/25 Median
TSM	Overall satisfaction	86%	87%	**89%**	n/a	81%
TSM	Repairs satisfaction (12 months)	90%	86%	**85%**	n/a	81%
TSM	Complaints handling satisfaction	48%	36%	**55%**	n/a	48%
TSM	Treats fairly and with respect	88%	89%	**91%**	n/a	87%

Our customers' overall satisfaction as reported in the Tenant Satisfaction Measures has continued to increase year on year, keeping ahead of our peer group and significantly above the national average of 71% for 2024/25. We're incredibly proud of our relationship with our customers and these scores are the result of continuously investing in it. This year we have undergone important consultations with our customers about our repairs service offering that will help us serve more customers, more effectively.

Our customers tell us that they are more satisfied with repairs completed by our inhouse teams. We are looking to improve subcontractor performance through a renewed procurement framework which introduces KPIs for key contracts and are considering where we may be able to provide better services inhouse.

Satisfaction with complaints handling has dramatically increased. We took our customers' feedback in 2024/25 seriously and implemented a dedicated complaints handling team which has markedly reduced turnaround times and improved consistency. The team has improved satisfaction whilst reducing the value of compensation payments by 24%.

Our money advice team has successfully secured £2.5m in additional benefits for those we've worked with, not all of which are our customers.

Communities

Communities						
		Broadacres				Peers
Source	Measure	2023/24 Actual	2024/25 Actual	2025/26 Actual	2026/27 Target	2024/25 Median
Broadacres	ASB cases	288	495	**535**	n/a	n/a
TSM	ASB satisfaction	69%	59%	**73%**	n/a	69%
TSM	Positive contribution to neighbourhood	77%	76%	**79%**	n/a	77%

Despite rising cases of anti-social behaviour, our specialised team have managed to improve customer satisfaction. We have achieved this by introducing the Noise App to support customers in gathering evidence on noise nuisance issues which remains the highest reported category of anti-social behaviour. We effectively tackled anti-social behaviour in the year, issuing

41 verbal warnings, 108 written warnings and taking legal action to evict 3 customers as a last resort course of action.



Case study: Community Development Fund

Our Community Development and Sustainability Fund has supported 45 projects across North Yorkshire, which we estimate have positively affected over 13,500 people.

This includes;

- a sensory therapy garden near Northallerton;
- a dad's surfing project in Scarborough; and
- a community bike park in Richmond.

The Regulator’s metrics

Economy

Headline cost per unit

£5,729

2025: £5,445

Efficiency

EBITDA MRI interest cover

90%

2025: 121%

Return on capital employed

1.7%

2025: 2.4%

Gearing

50%

2025: 50%

Operating margin % - social housing lettings

21%

2025: 27%

Operating margin % - non-social housing

21%

2025: 27%

Effectiveness

Reinvestment %

89%

2025: 87%

New supply delivered % - social housing

1.9%

2025: 1.6%

New supply delivered % - non-social

nil

2025: 0.5%

Economy

We have had a period of high investment in our homes, getting ahead on the EPC C and net zero targets. We have had ‘best-in-class’ property standards which has come at a significant cost, but means our homes are of a very high quality. We have had to refocus our retrofit efforts away from meeting EPC C by 2028 towards delivering the Minimum Energy Efficiency Standard which is more onerous.

Headline cost per unit

We spend significantly more per home than our peers, which is what has led to the successive deficits reported in our financial statements. Particular drivers for high spend are our repairs, our development overheads and support service contracts. We will continue to provide excellent services to our customers, but are focussing efforts on approaches that will maximise outcomes at a lower cost.

We have already improved our empty home turnaround times at the same time as reducing cost .We think we can build on this by improving our first time repairs, working with customers better to arrange appointments when they’re in and with our fleet procurement which is due for renewal in 2026-27. All of these measures should improve customer service, as well as reducing cost.

Efficiency

Efficiency isn’t about buying the cheapest supplies and components for out homes, but ensuring that the quality and lifecycle of our goods and services reflect the costs paid. As we invest in homes we need to make every £ count, not losing income from empty homes and ensuring we make use of the properties we own to borrow responsibility.

Operating efficiency

We can be more efficient in how we operate. Our headline costs per unit are higher than our peers and reducing it is a focus of our future transformation. This in turn will improve our operating margin and return on capital employed (which is the surplus we generate as a percentage of our assets less current liabilities).

Borrowing

We have low gearing for the sector, which means the value of the loans we have taken out is approximately worth half of the value of the properties we own. This means we could responsibly borrow more. During 2026-27, we are undertaking a funding exercise to borrow an additional £50m to support the development of more homes. This, in turn, will increase the value of the homes we own, keeping our gearing around 50%.

Effectiveness

Effectiveness is a measure of how successful we are producing the desired outcome or result for customers, how well we do things and how satisfied customers are that we have done our best. Broadacres reinvests money generated into our existing homes and building new ones. Customers have told us that they are happy with the services we provide, but that doesn't stop us continually seeking to improve.

Building new homes

Our performance on new supply from the Regulator's VfM metrics is better than our peers (1.9% vs 1.2%) – we are spending more on homes than others. However, the number of new homes we've built is a little behind (6.7% vs 7.7%). This is because it is relatively more expensive for us to build compared to others.

We built 112 new homes in 2025-26, that's 112 individuals or families that now have a home that may not have had otherwise. We know we are contributing to alleviating housing need in our area and will continue to develop across the region.

Satisfaction

We get direct feedback from our customers on their satisfaction with our services through the annual Tenant Satisfaction Measures (TSMs). The TSMs include an overall satisfaction rating and other ratings grouped into five main themes. Each theme includes a combination of data measured directly by Broadacres and data gathered through the tenant perception survey.

The themes are:

- Keeping homes in good repair
- Maintaining building safety
- Respectful and helpful engagement
- Effective handling of complaints
- Responsible neighbourhood management

We have seen satisfaction increase in almost all measures despite starting from a very strong position in 2025. These results tell us that our customers are happy with the services we are providing them – a good indicator of our effectiveness.

Tenant Satisfaction measures	2026	2025
Overall satisfaction	89.4%	87.4%
Overall repairs satisfaction	86.6%	85.5%
Satisfaction with last repair	85.4%	83.6%
Homes is well maintained	89.1%	89.3%
Home is safe	91.1%	92.1%
Listens to tenant views and acts upon them	80.7%	78.7%
Keeps you informed	82.7%	82.1%
Treats you fairly and with respect	90.7%	89.1%
Complaints handling	55.5%	36.1%
Communal areas clean and well maintained	71.1%	68.7%
Positive contribution to the neighbourhood	79.4%	76.4%
Handling anti-social behaviour	73.2%	58.5%

All TSMs are reported on our website at: broadacres.org.uk/your-feedback/customer-satisfaction-surveys/

What we want to achieve in 2026/27 and beyond

Based on benchmarking, we have identified measurable annual cost savings of £1.2m in 2027/28 and £2.4m from 2028/29 onwards and are actively working to realise them now. This will result in headline cost per unit aligning with our peer group by 2027/28 and demonstrates consideration of VfM through strategic decision making.

We have embedded value for money reporting alongside our monthly management accounts, so our Senior Leadership Team has full visibility of progress, and elevated its prominence across Broadacres.

We know that our colleagues understand our processes and points of inefficiency the best. As a result, we are running a value for money campaign across the organisation intended to generate further savings of 3% per year on top of our identified savings.

Key actions for 2026/27 include:

- Bring our repairs response times in line with peers to reduce the average cost per repair and increase satisfaction by completing more work in-house;
- Streamlined property standard will improve empty homes turnaround time, reducing void loss;
- Consult our customers on our housing services offer, focussing on what matters most to them;
- Deploy new systems to improve rent collection;
- Review our contracted-out repairs services to improve satisfaction; and
- Review our management structure.

A new Value for Money Strategy will be brought in that is aligned to the transformation plan and will put us on a strong footing for the Corporate Strategy 2028-33. It will supplement the Regulator's VfM metrics with the 12 strategic key performance indicators.

Conclusion

We have delivered impactful change during 2025-26 and plan to build on this through 2026-27 to ensure we further improve value for money. We recognise that we have spent unsustainably in some areas to achieve great outcomes and there will be a focusing of efforts on reducing headline cost per unit while maintaining strong customer satisfaction and outcomes.