Value for Money
2024/2025

Customer Approved

Introduction

This value for money report has been created for residents, to help you understand how we are performing against the targets set by the Regulator of Social Housing.

The Regulator of Social Housing is a UK organisation that oversees social housing providers like us. It sets rules and can step in if we don't follow these rules.

We aim to achieve value for money in all that we do and the Regulator's value for money targets look at whether we are making the best use of money and resources to deliver our services.

CREATED FOR RESIDENTS

We've updated this document following customer feedback. Feedback from the Resident Voice Panel (RVP) helped us improve the document so that it is easier to read and clearer to see how our performance has changed since last year.

HOW DO WE MONITOR VALUE FOR MONEY?

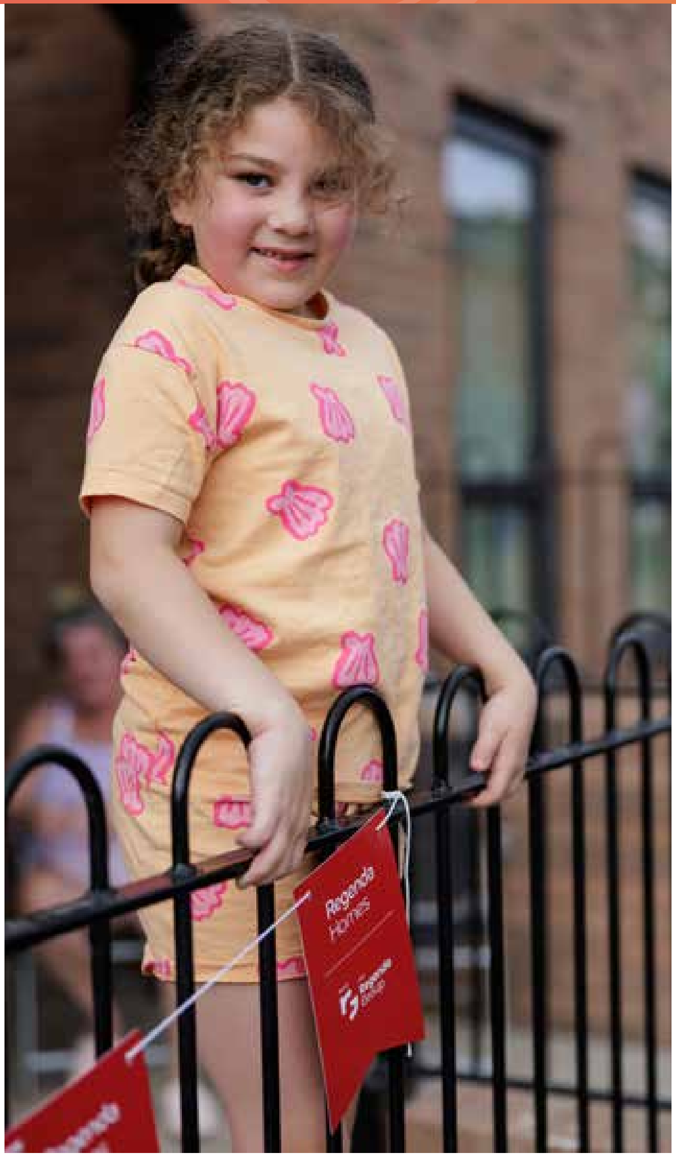
We set out our core purpose and strategic aims and objectives within our Corporate Plan, which has measurable targets to assess our performance over time, and next to others. To keep us on track, our Executive Team and Board regularly look at how we are doing against our targets.

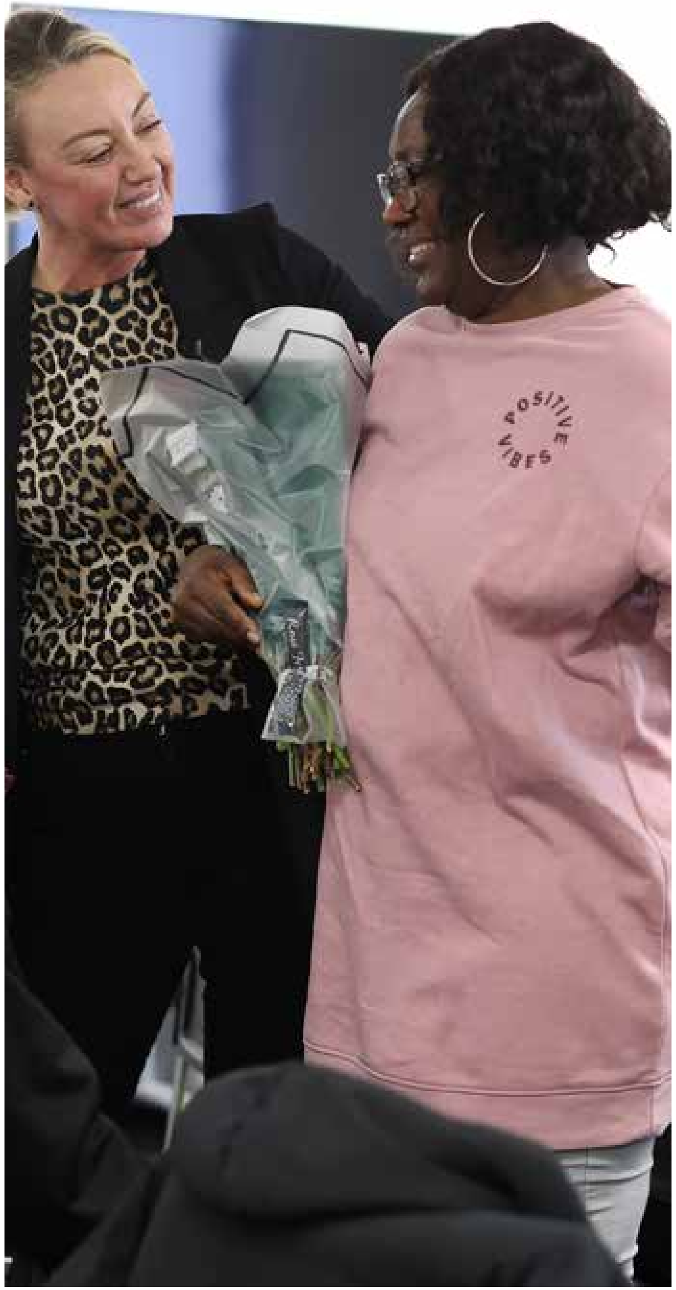
We publish our full financial statement on the website so you can see this in detail. It includes how we performed against our targets and next to others. Visit: www.regenda.org.uk/financial-statements

OUR CORE PURPOSE

We regenerate places and work with people to create opportunities they need to thrive. Affordable housing is our starting point, but we are a dynamic group of organisations doing very different things.

We work in places where we can make a difference and our commercial and charitable organisations work across the housing and construction sector, in care and support, and in education, training and careers.





THE WORLD WE'RE LIVING IN

In 2024/25, the social housing sector continued to face difficult social, economic and political factors.

Over recent years the UK economy has faced lots of challenges. There is still high inflation, higher borrowing costs, problems finding skilled people, and falling house prices. Alongside this, the housing sector is also affected by what's going on around the world, such as the Ukraine war and instability in the Middle East.

The need for more homes that people can afford to live in is growing. The cost of living, fuel poverty and poverty are continuing to have an impact on our income, as residents find it hard to pay rents.

We need to make a big investment in our existing homes to make them more comfortable to live in, safer, and more energy efficient.

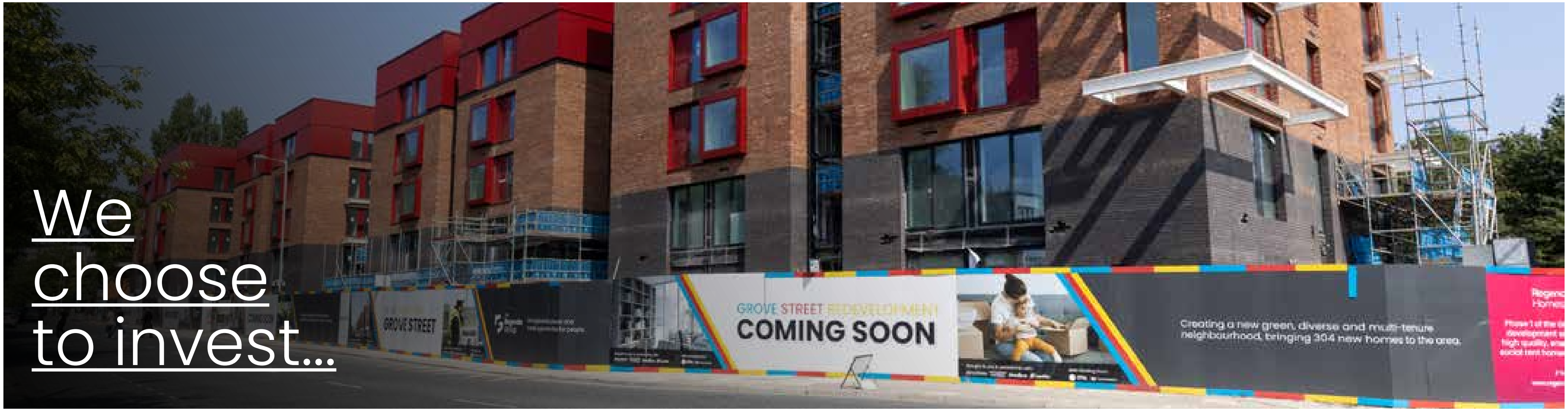
The formation of a new Government in July 2024, followed by the King's Speech of 17 July, introduced several changes to the sectors in which we work, especially the social housing sector. Some of these changes include the Renters' Rights Bill, Draft Leasehold and Commonhold Reform Bill, and Planning and Infrastructure Bill.

WHY IS THIS IMPORTANT?

We are committed to achieving our aims in this tough environment, and with limited money from the government (public funding).

To do this, we want to grow and diversify our activities to help us achieve our aims and improve our financial position. This means we work in places where we can make a difference, where traditionally private sector organisations do not. We believe these areas are really important for UK society and help us meet our core purpose.

We choose to invest...



IN OUR HOMES

Despite the challenges we face, we continued to invest £32.2m in our homes throughout the year. This included planned maintenance improvements such as new kitchens, bathrooms, boilers and doors.

We continue to invest in works to improve the energy efficiency of our homes so that all homes achieve EPC Band C by 2030.

This will help bring down energy bills, tackle fuel poverty in our areas and further reduce the chance of damp and condensation problems.

IN CUSTOMER EXPERIENCE

We want to make sure our customers have a good experience with us. In 2024/25, 77% of people who answered our Tenant Satisfaction Measures (TSM) survey are happy with the overall services we give them. This has gone up by 5% since 2023/24. This is better than the national median of 71% across other social housing landlords in England.

Satisfaction for all 12 of the TSM questions improved within the year, demonstrating a positive change in how good people think our services are, and what it's like to be our customer.

79% of people agreed that we listen and act, which has gone up by 8% from the previous year. These results show our strong commitment to listening, addressing concerns, and making targeted improvements where needed.

Even though more people are happier than last year, we know we can do even better. That is why we held a series of Big Conversation events throughout summer 2025 - going on the road to speak to as many people as possible. This was all about getting input on what our most important improvements should be from 2026 onwards.

Our Resident Voice Panel, made up of people who live in our homes, regularly looks at how well we are doing and makes sure that we are listening to feedback. We have introduced new ways for people to give feedback as part of our Customer Voice Strategy and Big Conversation events.

To make sure customer voice, customer feedback and value for money are always a big part of what we do, we've got a customer who sits on our Board of Governance and two Board members who are responsible for these areas holding us to account.

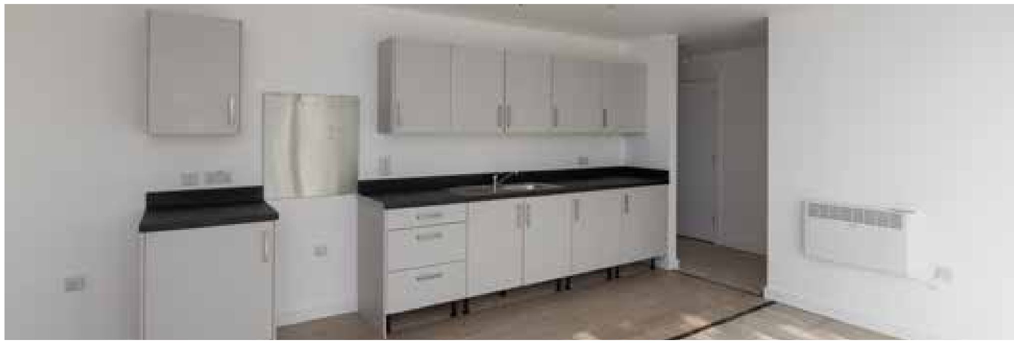
This data shows how we are performing against the Regulator's seven value for money metrics.

National median source: Global accounts 2023 (all registered providers)

Metric	Measure	2024/25	2023/24	Our performance	Our target	National average (median)
1	**Reinvestment** Reinvestment looks at how much money we invest into our homes. It is displayed as a percentage of the value of the number of property units we own.	5.90%	4.0%	Improved	6.31%	6.0%
2 (a)	**New supply delivered (social housing lettings)** This shows the number of new social housing properties we have built or bought, as a percentage of the homes we already have.	0.48%	0.27%	Improved	0.59%	0.48%
2 (b)	**New supply delivered (Non-social housing)** This shows the number of non-social housing properties we have built or bought, as a percentage of the number we already have.	0.0%	0.02%	Declined	0.0%	N/A
3	**Gearing** This measures how much of the business is funded by borrowed money compared to its own money.	40%	40%	Stayed Same	40%	40%
4	**EBITDA-MRI interest cover** (Earnings before interest, taxes, depreciation, and amortization, with major repairs included) This measure is a common way of checking how well a company is doing financially and how much money it can make.	153.1%	123.3%	Improved	149.0%	149.5%

Metric	Measure	2024/25	2023/24	Our performance	Our target	National average (median)
5	**Headline social housing cost per unit** This measures the cost of each social housing property we own, as set by the Regulator.	£4,580	£4,487	Declined	£4,713	£4,850
6 (a)	**Operating margin (social housing lettings only)** This measures how much profit we make on social housing lettings after paying for things like wages and materials, but before interest or tax.	24.6%	19.0%	Improved	23.4%	24.62%
6 (b)	**Operating margin (overall)** The operating margin shows how much profit we make from each pound of sales after paying things like wages and materials, but before interest or tax.	14.3%	11.3%	Improved	15%	14.24%
7	**Return on capital employed** This shows how well we use our money to make profit and grow.	3.19%	2.4%	Improved	3.1%	3.1%

Please see page 6 for details on how we plan to improve our performance.



Looking to the future

The table below outlines our predicted performance (projections) up to 2026/2027. This is our expectation about what might happen in the future, based on current information.

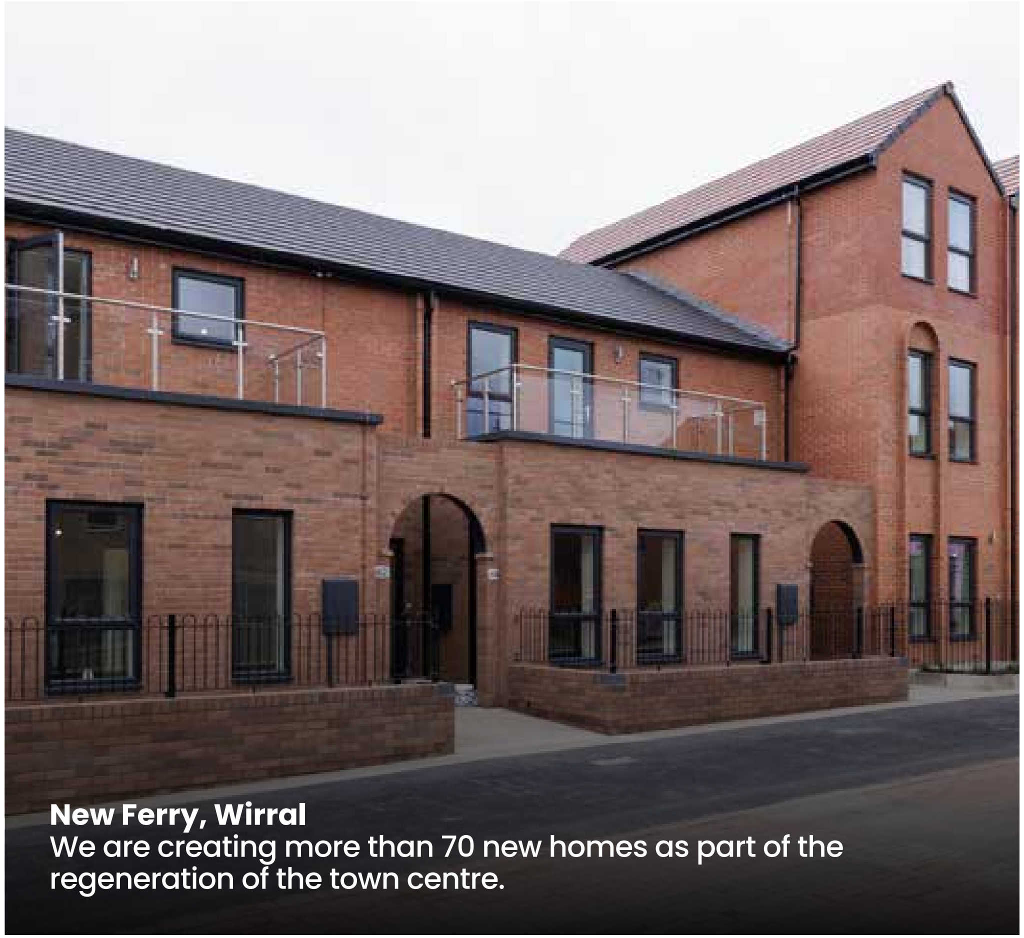
Projections	Actual	Projections for			Comments
	2024/25	2025/26	2026/27	2027/28	
Metric 1 Reinvestment %	5.90%	4.53%	4.44%	5.29%	*This is how much of our profits are put back into homes. It is displayed as a percentage of the value of the number of all properties.* We need to spend more money if our homes are in poor shape. This is important to meet the Decent Homes Standard. We had an independent survey take place to look at 99.4% of our homes to help us understand what we need to do - including £32.2m in improvements to get the energy efficiency ratings in our homes up to EPC Band C by 2035.
Metric 2 (a) New supply delivered % (Social housing units)	0.48%	1.00%	0.35%	0.09%	*This is the number of new properties built or bought, as a percentage of the number of existing social housing homes.* We have a strong track record of delivering new homes and refurbishing existing homes. We are a key partner for Homes England, and we receive significant funding through its programmes. This lines up with our own growth objectives. In 2024/25 we developed 61 new homes.
Metric 2 (b) New supply delivered % (Non-social housing units)	0.0%	0.0%	0.0%	0.0%	*This is the number of new properties built or bought, as a percentage of the number of existing non-social housing homes.* We continue to build on existing partnerships with local authorities such as Wyre, Wirral, St Helens, Oldham and West Lancashire where we continue to have a large number of homes.
Metric 3 Gearing %	40.1%	40.1%	41.0%	43.1%	*This measures how much of the business is funded by borrowed money compared to our own money.* Gearing is forecast to slightly increase over the next three years to 43%. This is comfortably below the 60% upper limit set by our funders.

Metric 4 EBITDA-MRI Interest Cover %	153.1%	132%	81%	94%	*This stands for. Earnings before interest, taxes, depreciation, and amortization, with major repairs included. This is a common way of checking how well a company is doing financially, and how much money it can make.* This measure improved in 2024/25 due to an increase of £4.2m in operating surplus. It is forecast to reduce to 94% by year end 2027/28 as we significantly invest in our homes, including environmental and fire safety works.
Metric 5 Headline social housing cost per unit	£4,580	£4,997	£5,684	£5,724	*This is the cost of each social housing property, as set by the Regulator.* Average spend per property increased within the year by £93 per home. This increase is largely due to more spending on repairs and maintenance (including capital works) and management works. Spend is projected to slightly increase year on year over the next three years.
Metric 6 (a) Operating Margin % (social housing lettings only)	24.6%	15.65%	11.46%	12.76%	*This is how much we make from each pound of sales after paying things like wages and materials, but before interest or tax. This figure is for our social housing lettings only.* Operating margin for social housing lettings only increased from 19.0% to 24.6% within the year. Our turnover increased by £5.7m (8.8%). This is the total amount of money we made from sales or services, before other expenses are taken. It is a measure of how well the company is doing. However, operating costs only increased by £0.7m (1.3%) in the year. This resulted in an increased operating surplus within the year.
Metric 6 (b) Operating Margin % (overall)	14.3%	11.65%	8.95%	9.96%	This is how much we make from each pound of sales after paying things like wages and materials, but before interest or tax. This figure is for all types of homes (including general needs, supported housing, housing for older people, intermediate rent, temporary social housing, market rent homes, and commercial activity through our group). Op Margin % Overall includes all the housing tenure types in the above along with market rented units. It also includes commercial income from M&Y & Ecogee's activities. It is the metric that measures Op Margin from all of the group's activities in a year. Overall our operating margin increased to 14.3% (from 11.3% in 2023/24). It is projected to reduce over the next three years as we increase our spending.
Metric 7 Return on Capital Employed	3.1%	2.48%	2.96%	2.15%	*This measures how well we use our money (capital) to make profit and grow.* Return on capital employed increased in the year by £4.2m to £17.5m. It is expected to reduce over the next three years mirroring EBITDA MRI performance. This is due to increased investment in our homes.

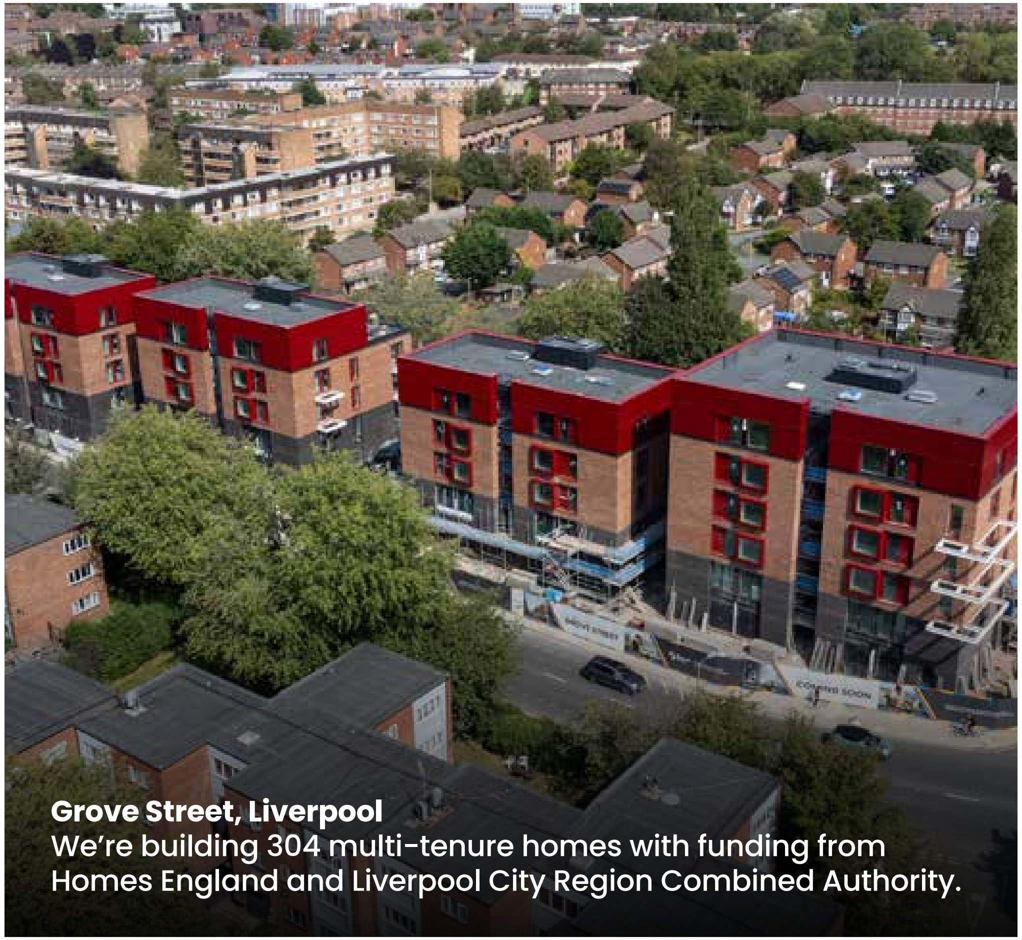
Although there are challenges ahead, we are confident we will meet our targets and achieve our ambitious goals.

Our financial plan reflects our approach to the environmental challenges that we all face, the equality, diversity and inclusion that is key in our work, and the importance of our customers being at the centre of what we do.

We invest in our homes because we are committed to regenerating places. We're committed to growth so we can provide first-class products and services to support more people in our communities.



New Ferry, Wirral
We are creating more than 70 new homes as part of the regeneration of the town centre.



Grove Street, Liverpool
We're building 304 multi-tenure homes with funding from Homes England and Liverpool City Region Combined Authority.

Key terms

EBITDA-MRI interest cover	Stands for: Earnings before interest, taxes, depreciation, and amortization, with major repairs included. This measure is a common way of checking how well a company is doing financially, and how much money it can make.
Gearing	How much of a business is funded by borrowed money compared to its own money.
Headline social housing cost per unit	The cost of each social housing property, as set by the Regulator.
Impairments	When something you own has lost value. In a company's financial statements, impairment means adjusting the value of an asset to reflect its current, lower worth. This helps show a more accurate picture of what the company owns and how much it's really worth.
Median	The middle value of a set of numbers which is used to take an average. In this report, this means if we were to list the metrics for other housing providers in order, the median is the middle point in the list.
New supply delivered	The number of new properties built or bought, as a percentage of the existing.
Operating margin	How much profit a company makes from each pound of sales after paying things like wages and materials, but before interest or tax.
Regulator of Social Housing (The Regulator)	The Regulator of Social Housing is a UK organisation that oversees social housing providers like local councils and housing associations. It sets rules for them and can step in if they don't follow these rules.
Reinvestment	How much of our profits are put back into homes. It is displayed as a percentage of the value of the number of all properties.
Resident Voice Panel	A panel of residents that monitors performance, provides feedback and promotes the views of residents to help shape our services. Find out more: **https://www.regenda.org.uk/resident-voice-panel**
Return on capital employed	How well a company uses its money (capital) to make profit and grow.
Turnover	The total amount of money a company makes from sales or services, before other expenses are taken. It is a measure of how well the company is doing.