



BERNÍCIA

Housing people,
helping people

VALUE FOR MONEY
STATEMENT
2023-2024

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Introduction

Our Value for Money (VFM) strategy was refreshed and approved by Board in January 2022. It runs for a four-year period from 1 April 2022 to 31 March 2026 and reflects the requirements of the Regulator's 2018 VFM Standard and Code of Practice.

Our strategy draws upon the VFM initiatives and objectives of the Group's Corporate Strategy, as well as other operating, enabling and cross cutting strategies which run for the same time period.

The detailed Value for Money Strategy can be accessed via the following link

<https://www.bernicia.com/corporate/transparency-reports/value-for-money-vfm/>

Bernicia's corporate strategy and VFM

VFM is embedded throughout Bernicia's business and is a constant theme that runs throughout our corporate and associated operational strategies. 2023/24 was the second year of our corporate strategy that was developed and approved by Board, building on our previous strategy. The corporate strategy continues to place our work as a social landlord at the heart of what we do. Our vision is "Housing people, helping people". We believe that a good home makes lots of other things possible, so we aim to continue to provide great homes and services that do just that.

Our purpose, or mission continues to be to invest in homes, services, and people to make a positive impact on the communities of the North-East. We will invest to provide quality new and existing homes, and provide services that respond to our tenants, customers, and market-place requirements, in our people and the communities within which we operate.

The corporate strategy forms the basis of our operational strategies and plans. These detail the specific targets and measures in our core social housing business.

The Group has four strategic objectives, which were refreshed and updated in the new corporate strategy, and are as follows:

- Listening and delivering exceptional services
- Investing in homes and neighbourhoods
- Demonstrating organisational effectiveness and inclusivity
- Working collaboratively to support the North-East region

Performance against our corporate strategy 2022 to 2026 objectives, that were set at the beginning of the corporate strategy period, is set out below.

The 2022 to 2026 Corporate Strategy can be accessed via the following link <https://www.bernicia.com/corporate/transparency-reports/corporate-strategy/>

Priority one – Listening and delivering exceptional services

Key action and targets	Bernicia Target 2025	Bernicia Target 2024	Bernicia 2024	Bernicia 2023	Bernicia 2022
Customer satisfaction with overall service	82%	82%	81%	81%	90%
Segmental Analysis of satisfaction and complaints	N/A	N/A	Underway	Underway	N/A
Tenants confirm compliance with the Bernicia Promises	Published	Published	Underway	Published	Published
Triennial external review of tenant engagement	Completed	Completed	TPAS assessment in progress, in line with timescales	N/A	N/A

Customer satisfaction – Satisfaction measures are a combination of the Regulator’s new Tenant Satisfaction Measure (TSM) survey responses, completed with Bernicia customers in 2023/24, and internal transactional surveys. Overall satisfaction was measured via the TSM perception survey and has remained at 81% against a business plan target of 82%.

Segmental analysis – Collection of customer data to support segmental analysis is ongoing through the Getting to Know You campaign, managed through the introduction of the new customer relationship management (CRM) system, Salesforce. Progress against the wider Equality, Diversity & Inclusion (ED&I) action plan was reported to Board during the year.

Tenant annual report to Board on compliance with the Consumer Standards – Due to the introduction of the Regulator’s new Consumer Standards, tenants will not report on compliance this year. The Senior Leadership and Governance team are completing a self-assessment which will be reported to Board during 2024/25.

External validation of tenant involvement/engagement – TPAS are currently assessing our Tenant involvement/engagement framework, in line with the agreed programme.

Priority two – Investing in homes and neighbourhoods

Key actions and targets	Bernicia Target 2025	Bernicia Target 2024	Bernicia 2024	Bernicia 2023	Bernicia 2022
Good stock condition data - % refreshed annually	20%	20%	19%	12%	100%
Valid gas certificate	100%	100%	99.82%	99.80%	99.69%
Valid solid fuel/oil certificates	100%	100%	98.14%	98.73%	97.96%
Electrical testing	100%	100%	99.89%	99.85%	99.48%
Water hygiene	100%	100%	100%	96.95%	98.79%
Asbestos	100%	100%	100%	99.17%	100%
Fire risk assessments	100%	100%	100%	100%	100%
Passenger lifts	100%	100%	100%	100%	100%
90% of homes at least SAP C -average score 73, by the end of the strategy period	73	72.34	72.37	72.06	71.82
New homes on site (cumulative) 2018/22 strategy		-	-	-	486
2022/26 Strategy	786	261	369	124	-

Bernicia has good stock condition data and uses it to drive satisfaction - We continue to have 100% decent homes compliance and our five yearly external stock review was last completed in 2021. Intelligence and clarity are two of the four key drivers of our Asset Management Strategy, and we continue to improve our knowledge of the stock through a five-year rolling programme of detailed stock condition surveys that is complemented by a range of other business intelligence, including insight from repairs trends and satisfaction results.

Full suite of Health & Safety Indicators - Bernicia has a zero-risk appetite for health and safety non-compliance hence all compliance targets are 100%. For example, on gas, where we have achieved the 100% target, the classification would only be amber if we can demonstrate that the reason properties do not have a valid certificate is due to no access and that the “no access procedure” is being followed. We have a rolling programme of internal audit reviews across landlord compliance areas, the latest reviews confirm all areas as Substantial Assurance.

Percentage of homes at least SAP-C - We are on programme to deliver the target for at least 90% of our homes to achieve a rating of SAP C or above by the end of the strategy period, improving our overall average SAP C rating to 73. The first year of our Social Housing Decarbonisation Fund (Wave 2.1) programme whilst challenging was successfully delivered ahead of the agreed targets, the 2024/25 works are on site and going well.

New homes – The original target was 600. We are now forecasting 619 starts associated to the 2022 -26 programme. We acknowledge that cumulatively are aiming to start on site with as many as 786 over the life of this strategy, as homes from other investment programmes come on line. The 2022-26 programme target remains at 600, however we have included the 786 as an overall cumulative measure that covers all aspects of our development activity.

Priority three – Demonstrating organisational effectiveness and inclusivity

Key action and targets	Bernicia Target 2025	Bernicia Target 2024	Bernicia 2024	Bernicia 2023	Bernicia 2022
Retain regulatory compliance	G1/V2	G1/V2	G1/V1	G1/V1	G1/V1
Retain IIP gold accreditation	Gold	Gold	Gold	Gold	Gold
Annual assessment of ED&I action plan	Complete	Complete	Complete	Complete	N/A
Meeting financial targets: <ul style="list-style-type: none"> Golden rule compliance Strategies fully funded Improved covenants 	Compliant Funded Complete	Compliant Funded N/A	Compliant Funded On-going	Compliant Funded On-going	Compliant Funded N/A

Retain regulatory compliance – G1/V1 regulatory standard was retained following the Regulator’s stability check in November 2023. A range of supporting codes and accreditations are also in place to ensure ongoing compliance.

Retain IIP gold accreditation – Gold accreditation was achieved in the assessment completed in 2024. This demonstrates our commitment to communicating with and supporting our colleagues at a challenging time.

ED&I Action Plan - Collection of customer data to support segmental analysis is ongoing and helped by the introduction of the new CRM system, Salesforce. The wider action plan was reported to Board during 2023/24, with all required actions having been achieved to date.

Meeting financial targets – We continue to achieve our golden rules, internal financial metrics, have fully funded strategies, and continue to work towards improving our covenant position and increasing headroom.

Priority four – Working collaboratively to support the North-East region

Bernicia welcomes the opportunity to work collaboratively with other like-minded partners and will seek to influence and deliver plans aimed at improving the North-East of England region. By growing its knowledge and understanding of the communities and markets it serves, Bernicia will position itself to promote and champion the needs of its current and future tenants. To evaluate delivery on this objective it is important to refresh how we are perceived by our stakeholders.

Positive stakeholder perception report – An external stakeholder perception study was undertaken and reported to Board in 2023/24. This found stakeholder’s sentiments to be overwhelmingly positive.

Delivering social value (£15million over the strategy period) - In 2022/23 we contributed approximately £7million to social value outcomes (with figures independently verified by the Housing Associations Charitable Trust (HACT)). 2023/24 end of year data is still being collated but we anticipate achieving a similar level of social value.

Affordability of rents – As a socially responsible landlord, we undertake affordability assessments of our rents. These assessments are then used to inform the annual rent setting process. Our assessments compare our rents to market rents within the same beacon reference area (e.g., NE63 0) applying an 80% affordability marker. We further layer this work with local earnings information. Using published average local earnings from the Office of National Statistics, and the Affordable Housing Commission (Lord Best) report, a 33% affordability marker was applied to the data. From this exercise we are able to determine our rents as affordable.

Board receives the assessment each year with the latest assessment demonstrating affordability along with the rent policy and rent plan being approved by Board each February.

Funding added value initiatives – Optimising resources, be it financial or physical, and obtaining value for money across the business creates the opportunity for reinvestment in providing quality homes and services and delivering added value initiatives.

In 2023/24, our focus has been on our Community Investment Strategy (CIS) aims of aspiration, skills and jobs.

Our Employability Team is active in schools and in 2023/24 the team delivered support to over 1,500 young people, undertaking a range of activities such as mentoring, mock interviews, jobs fairs and world of work events.

We also offer community-based aspiration activities and skills training. Our Learning Hives provided employability sessions to 416 people in 2023/24, resulting in 35 obtaining employment, 9 securing better work, 21 starting voluntary work and 75 achieving qualifications.

In addition, we support community organisations and expert companies to deliver aspiration and skills training for people with specific barriers to work, such as those with disabilities, care leavers, armed forces veterans or people with low skills attainment. In 2023/24 we provided support to over 400 people through these programmes and 125 obtained employment, 6 secured apprenticeships, 117 started volunteering and 107 gained qualifications.

Our Intensive Housing Management Team achieved a 60.5% success rate in successful tenancy outcomes. 282 tenants were helped to sustain their tenancy, and £472,420 was secured in personal gains for tenants.

We continued to support customers at risk of loneliness and isolation. Our check in and chat service, with activity focused on vulnerable tenants, typically handles around 200 calls per week. In addition, community engagement has continued both within our retirement housing schemes and estate-based community facilities that Bernicia owns and funds which provide a range of social activities and employability support.

Over £97,000 has been provided in emergency grants to customers from the Bernicia Hardship Fund to support with the costs of food, energy, and essential equipment, like white goods.

To help people remain in their homes over 600 aids and adaptations were fitted.

During 2023/24, the Bernicia Foundation has funded 17 Inclusion projects and 16 Inspirational young people, awarding over £178,000 of grants. This took the Foundations total amount of grant support for local people and communities, since it was launched in 2020, beyond £1million.

Key financial ratios

Historically the Group has reported performance against a number of key financial ratios covering growth, profitability, and our ability to service debt. The table below sets out the changes over the last three years.

Key financial ratios	2024	2023	2022
Growth			
Growth in turnover	4.9%	7.3%	3.5%
Growth in total assets	1.5%	2.2%	7.0%
Growth in total debt	(2.1%)	12.2%	20.4%
Profitability			
Effective interest rate	4.0%	3.9%	4.1%
Debt servicing ability			
Adjusted net leverage	33.2%	31.7%	24.4%
Debt to turnover	1.81	1.84	1.76

Growth

Growth in turnover of 4.9% was driven by three separate revenue streams in the year. Income from social housing activities was 3.6% higher than that of the previous year. Rental and service charge income increased by £5.6million to £70.9million (2023: £65.3million), c8.6%, from rent increases in line with those allowed by the rent standard and income from new properties. Offsetting these increases, first tranche low-cost home ownership sales were £2.8million lower at £0.1million (2023: £2.9million), c96%, with reciprocal reductions in cost of sales. Finally, the Group's other activities continued to generate strong revenues. Turnover for 2024 increased by £1.4million to £10.2million (2023: £8.7million), c16%, favourably contributing to the Group's overall growth in turnover.

Growth in total assets reports a year-on-year increase of 1.5% (2023: increase of 2.2%). Property, plant, and equipment assets have increased by £19million during the year as new supply units were added to the statement of financial position. Goodwill of £1.1m has been written off in the year. Current assets have decreased by £10.9million largely due to reducing cash balances.

The Group's reduction in total debt of 2.1% reflects the impact of capital repayments that have fallen due during the period.

Profitability ratios

The Group's effective interest rate increased by 0.1% to 4% as a result of capital repayments.

Debt servicing ability remains strong and well below the sector averages. Bernicia remains lowly geared with sufficient capacity for further investment to support the Group's overall objectives.

How we perform against the RSH VFM metrics

Bernicia routinely reports its performance, against the sector as a whole and a regional peer group, to the Board, ensuring performance information is used to inform Board's decision making.

Demonstrating Bernicia's continued emphasis on value for money and understanding its performance, the following sections present how Bernicia has performed against the VFM metrics published by the RSH, along with Bernicia's own internal targets and performance measures. The 2024 results have been compared to the 2023 Global Accounts median VFM metric results with commentary provided where appropriate.

Business health

Global Accounts VFM Metrics ¹	Bernicia 2025 Target	Bernicia 2024 Target	Bernicia 2024 (Group)	Bernicia 2023 (Group)	Bernicia 2022 (Group)	Global Accounts 2023 Median	Global Accounts 2023 local peer group Median
Operating margin – overall	17.5%	16.9%	18.5%	25.1%	25.0%	18.2%	19.4%
Operating margin – social housing lettings	20.1%	19.4%	21.0%	28.3%	26.2%	19.8%	20.1%
EBITDA MRI interest cover	205.9%	192.0%	208.7%	227.1%	272.1%	124.4%	174.9%

Operating margin – overall - the 2023 global accounts median across the peer group was 19.4%. Bernicia had an operating margin of 25.1% for 2023 which would have positioned the Group 2nd highest within its peer group in 2023. Whilst performance in 2024 has declined this is a result of rent restraint measures impacting the whole of the social housing sector, along with inflationary cost pressures and strategic decisions to invest further in core service areas such as repairs and maintenance. When compared to the 2024 target, the operating margin exceeded expectations. During the year staffing costs were significantly lower than budgeted due to vacancies, with lower costs in bad debts, additional income through rental, sundry and other income positively impacting surplus. These positive movements have been offset to some degree by additional costs associated with routine maintenance, the write off of a historic goodwill balance, and a slightly lower surplus from Bernicia’s commercial company Kingston Property Services, albeit we feel Kingston delivered impressive results in the current economic climate. Overall, these factors contributed to the higher operating margin and have also favourably impacted on a number of the other value for money metrics reported in the following sections.

¹ Calculations as outlined by the Regulator of Social Housing in the Value for Money metrics

Operating margin – social housing lettings - the 2023 median for the peer group was 20.1%. In 2023 Bernicia ranked 2nd highest with a margin of 28.3%. Margins in the peer group ranged from 14.3% to 29%. Bernicia's 2024 result of 21% when compared to the in-year target of 19.4% was positively impacted due to, in the main, lower staffing and operating costs and excellent income collection performance in line with the operating margin – overall section.

EBITDA MRI interest cover is a key measure of liquidity and investment capacity. The Group's Interest cover continues to remain strong, with 2024 performance exceeding both the 2023 Global Accounts median and that of the peer group. While underlying performance remains consistently strong as highlighted in the operating margin above, EBITDA MRI for 2024 has reduced when compared to the prior year, this is mainly due to an increase in expenditure on property assets, and an acceleration of SAP C works due to the availability of capital grant.

Development (capacity and supply)

Global Accounts VFM Metrics ²	Bernicia 2025 Target	Bernicia 2024 Target	Bernicia 2024 (Group)	Bernicia 2023 (Group)	Bernicia 2022 (Group)	Global Accounts 2023 Median	Global Accounts 2023 local peer group Median
New supply delivered – social housing units	196	82	85	116	167	N/A	N/A
New supply delivered – social housing %	1.3%	0.6%	0.6%	0.8%	1.2%	1.3%	1.1%
New supply delivered –non-social %	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Gearing	28.2%	26.0%	24.7%	23.9%	23.4%	45.3%	42.2%

Bernicia continues to deliver appropriate housing accommodation, to meet local demand and strengthen communities. In 2024, Bernicia delivered a **new supply of Social Housing accommodation** totalling 85 units comprised of 83 affordable rent units and 2 low-cost home ownership units. Delays in respect of planning and other conditions continue to be experienced, that said, Bernicia is ahead of the cumulative start on site target for the term of the Corporate strategy. During 2024/25 we anticipate starting on site with 227 new homes. During the final two years of our current corporate strategy completions are forecast to increase to 196 and 206 new homes respectively. At a time when many in the sector are slowing down development, we are confident we will be at least at median performance (if not higher) in the 2024/25 and 2025/26 metrics.

Bernicia's **gearing** is low when compared to other providers. As such, gearing relating to 2023 is recognised in the lower quartile of the Global Accounts national data set and third quartile in the regional peer group, where Bernicia is ranked fourth lowest. 2024 gearing levels are consistent with the previous year and reflect decisions made historically in relation to the repayment of expensive legacy debt.

² Calculations as outlined by the Regulator of Social Housing in the Value for Money metrics

Outcomes delivered

Global Accounts VFM Metrics ³	Bernicia 2025 Target	Bernicia 2024 Target	Bernicia 2024 (Group)	Bernicia 2023 (Group)	Bernicia 2022 (Group)	Global Accounts 2023 Median	Global Accounts 2023 local peer group Median
Reinvestment %	10.2%	7.5%	6.7%	5.4%	6.8%	6.7%	8.0%

In 2023/24, Bernicia made a combined investment in existing stock and new stock of £26.3million (2023: £26.1million), with £12.1million (2023: £11.5million) invested in the new supply of properties and £14.2million (2023: £14.6million) invested in existing properties. This represents a reinvestment of 6.7% when compared to the overall value of housing properties.

Investment in **existing** properties considers only the capital expenditure spent on improvement and modernisation of existing housing stock. The investment programme has been reshaped over the last few years as a direct consequence of the pandemic.

Works continue to be informed by our information in relation to the condition of the stock, which supports the sustained higher than average investment in existing properties being a conscious and informed decision of the Board. This approach to stock investment, the associated data and the linkage between this data and our business plan was externally validated in July 2021. Taking its responsibilities seriously, the Board aims to ensure the quality and safety of its tenant's homes remains at the very highest standards possible.

The Group's actual investment in **new supply** reflects the requirements of both the current Corporate Strategy and its predecessor.

With a total spend of £11.5million on the development of new properties in 2022/23, the 2023 Global Accounts position Bernicia slightly above the lower quartile of 0.6% for new supply.

Whilst new supply delivered during 2023/24 results report a lower percentage of new supply, total spend on new housing accommodation was £19million. This increased spend accounts for properties due to complete in the 2024/25 financial year and explains the increase in target levels. This reflects an increase in activity following a period of delays, as discussed in more detail in the previous section, in progressing sites through planning and other conditions experienced.

³ Calculations as outlined by the Regulator of Social Housing in the Value for Money metrics

Effective Asset Management

Global Accounts VFM Metrics ⁴	Bernicia 2025 Target	Bernicia 2024 Target	Bernicia 2024 (Group)	Bernicia 2023 (Group)	Bernicia 2022 (Group)	Global Accounts 2023 Median	Global Accounts 2023 local peer group Median
Return on capital employed (ROCE)	3.3%	2.8%	3.2%	4.5%	4.2%	2.8%	3.2%
Ratio of responsive repairs to planned maintenance	59.3%	61.4%	64.3%	71.5%	58.0%	N/A	N/A

The Group is proud of its approach to asset management. This is underpinned by significant capital investment deployed into the Group's property portfolio. Investment decisions are informed through the use of the Group's sustainability model, further demonstrating the Group considers effective asset management critical in its strategic and operational activities. The metrics above focus on how well Bernicia has taken care of its assets, ensuring the high quality of homes that people want to live in, now and in the future.

Return on Capital Employed is essentially a profitability ratio focused on returns over the long-term aspect and is a measure of how well net assets are performing. The ratio focuses on two primary calculations, operating surplus and the capital employed in the business. The Group's profit margin performance is detailed in the Business Health section on page 22.

The Return on Capital Employed at 4.5% for the year 2022/23 was within the top quartile when compared to the 2023 Global Accounts national group and upper quartile in the regional peer group data set. Bernicia was the highest when compared to its regional peer group. The Group can therefore demonstrate it is using its debt and capital to effectively manage its assets. The results for the year 2023/24 report a Return on Capital Employed of 3.2%, which although lower than the 2022/23 still represents strong performance. It is expected that this will continue to be at or above median levels of performance.

Ratio of responsive repairs to planned maintenance explains how much money is spent on responsive repairs when compared to the amount invested into planned maintenance. Generally, a lower percentage is regarded as more favourable. In 2022/23, Bernicia's ratio of responsive repairs to planned maintenance was 71.5%,

⁴ Calculations as outlined by the Regulator of Social Housing in the Value for Money metrics

meaning for every pound spent on planned maintenance, Bernicia spent a further seventy-one pence on responsive repairs. The results for 2024 report that Bernicia spent 64.3% on responsive maintenance when compared to planned maintenance which is a reduction on the prior year, however, it should be noted that responsive repair expenditure continues to be significantly impacted by cost inflation for both materials and sub-contractors, additional spend in relation to storm damage and labour shortages associated with trade staff.

Strategic asset management

Our property and assets are crucial to our long-term business plans. Our updated Asset Management Strategy continues to be informed by full financial appraisals of current stock collectively and individually, together with the assessment of other factors such as social and environmental issues of each estate, enabling us to take a view on the future potential of each asset we own.

In informing our decisions we consider:

Stock condition information	Surveying of our existing stock enabling better planning of work and expenditure. This has helped us to identify savings within the investment programme.
Asset management matrix	We have developed the matrix to enable the analysis of a range of indicators to assess the future sustainability of our homes including; property condition, demand and socio-economic factors. From this we categorise our estates as high, medium high, medium and low risk.
Financial return on assets	To help us determine the financial return on our assets and inform investment decisions we have implemented a model to assess the net present value (NPV) of each estate and individual property, taking into account income and expenditure.

This information tells us a considerable amount about our properties and estates. We have a full financial appraisal of our current stock, and this helps us form an overall assessment when making decisions to invest in our existing homes.

In taking those decisions, Board balances financial investment decisions against the overall objectives of the organisation, which take into account issues such as the geographical areas where we operate, the local housing market and the nature of the communities that we want to help. We take particular note of the relatively deprived

nature of some of the communities and the positive impact that good quality affordable housing can have on the quality of life there.

In terms of assessing the overall returns from our assets a sustainability matrix is used. The matrix is re-run in full every three years and uses a range of indicators including demand and socio-economic factors to assess sustainability of estates and provide us with an indication of the social value that our estates provide to our communities. The model was re-run in 2022/23 with results being analysed and informing the Group's future spending priorities.

Operating efficiencies

Global Accounts VFM Metrics ⁵	Bernicia 2025 Target	Bernicia 2024 Target	Bernicia 2024 (Group)	Bernicia 2023 (Group)	Bernicia 2022 (Group)	Global Accounts 2023 Median	Global Accounts 2023 local peer group Median
Headline social housing cost per unit (CPU)	£4,981	£4,454	£4,712	£4,086	£3,696	£4,568	£4,068
Management CPU	£976	£871	£869	£743	£721	£1,203	£782
Service charge CPU	£565	£542	£552	£431	£366	£536	£344
Maintenance CPU	£1,542	£1,398	£1,565	£1,345	£1,219	£1,376	£1,330
Major repairs CPU	£1,397	£1,159	£1,314	£1,186	£1,098	£1,084	£1,224
Other social housing CPU	£501	£484	£412	£381	£292	£232	£111

As reported in the 2023 Global Accounts, Value for Money Annex, the North-East region has one of the lowest headline costs per unit. Bernicia's headline social housing cost per unit for 2023/24 was £4,712 which shows an increase of £626 (15.3%) from the 2023 reported figures. Management CPU for 2023/24 was impacted by higher utility and insurance costs in year, service charge CPU was also impacted by higher utility costs. The largest increase is in respect of maintenance and is due to a continued increase in demand in this service area, along with proactive Board decisions to invest more in this area. Additional inflationary pressures continue to be a factor resulting in rising costs, this is being compounded by more reliance on sub-contractors due to some vacant trade posts due to shortages in the labour market. Expenditure on major repairs reflects the requirements of our stock as determined by our 100% validated, stock condition survey, and the acceleration of SAP C energy efficiency works due to the availability of capital grants to partially fund this investment. Again, the acceleration of the energy efficiency works was an in-year Board decision.

When compared to the 2023 Global Accounts, Bernicia's cost per unit for 2022/23 was £18 per unit higher than the regional peer group median. For 2023/24, headline cost per unit was £644 higher than the peer group. Given the current economic and operating environment, caution should be taken when comparing the prior year position. We anticipate that the 2023/24 headline cost per unit will be broadly comparable to the 2024 peer group median once the figures are available.

Included in the other cost per unit metric are the costs associated with the collection of water rates on behalf of Northumbrian Water. In 2023/24 water rates costs were £242 per unit. Excluding these from the calculation, Bernicia's other cost per unit would have been £170. It should be noted that the water rates are not applicable to all nationally or in the peer group.

⁵ Cost per unit calculations as outlined by the Regulator of Social Housing in the Value for Money metrics

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and Community Benefit Societies Act 2014
No. 7711. Affiliated to the Federation of
Housing Associations. Registered under
the Housing and Regeneration Act 2008,
Registration No. 4868. VAT Registration
No.733 8036 38