



BERN^{IA}CIA

Housing people,
helping people

VALUE FOR MONEY
STATEMENT
2024-2025

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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. 2024/25 was the third year of our corporate strategy, Housing People, Helping People that continues to place our work as a social landlord at the heart of what we do. 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 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 2026	Bernicia Target 2025	Bernicia 2025	Bernicia 2024	Bernicia 2023
Customer satisfaction with overall service	N/A	82%	81%	81%	81%
Segmental Analysis of satisfaction and complaints	N/A	N/A	Underway	Underway	N/A
Tenants confirm compliance with the Bernicia Promises	Published	Published	Published	Published	Published
Triennial external review of tenant engagement	Completed	Completed	Completed	TPAS assessment in progress, in line with timescales	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 2024/25, and internal transactional surveys. Overall satisfaction, as measured via the TSM perception survey, was positive. The Regulators headline report for 2023/24 highlighted overall satisfaction above 78% was top quartile. We do not currently have an overall service satisfaction target and are working with our Customer Service Committee to consider this whilst focusing on the insight behind the results.

Segmental analysis – Collection of customer data to support segmental analysis is ongoing and is supported by the ongoing implementation of our new customer relationship management (CRM) system, Salesforce and through our Knowledge and Information Management (KIM) project. Progress against the wider Equality, Diversity & Inclusion (ED&I) action plan was reported to Board during the year.

Tenants annual report to Board on compliance with the Consumer Standards - An assessment of our compliance to the consumer standards has been shared with Involved Tenants for scrutiny and to inform their workplan for the coming year. A report including a statement from Involved Tenants confirming compliance was provided to the Board.

External validation of tenant involvement/engagement – TPAS completed an assessment in 2024 which included an assessment against the National Engagement Standards. The assessment gave us insight into the effectiveness of our existing engagement arrangements and helps us to build on their effect and impact within the 2026-2031 corporate strategy.

Priority two – Investing in homes and neighbourhoods

Key actions and targets	Bernicia Target 2026	Bernicia Target 2025	Bernicia 2025	Bernicia 2024	Bernicia 2023
Good stock condition data - % refreshed annually	20%	20%	20%	19%	12%
Valid gas certificate	100%	100%	99.80%	99.82%	99.80%
Valid solid fuel/oil certificates	100%	100%	100%	98.14%	98.73%
Electrical testing	100%	100%	100%	99.89%	99.85%
Water hygiene	100%	100%	100%	100%	96.95%
Asbestos	100%	100%	100%	100%	99.17%
Fire risk assessments	100%	100%	100%	100%	100%
Passenger lifts	100%	100%	100%	100%	100%
90% of homes at least SAP C -av score 73, by the end of the strategy period	73	73	74.24	72.37	72.06
New homes on site (cumulative)	680	786	466	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 condition validation review was completed in 2025 by Savills who confirmed appropriate financial provision in our long-term business plan. Intelligence and clarity are two of the four key drivers of our Asset Management Strategy, we hold representative data for 100% of our stock and have surveyed over 91% of our properties in the last five years. 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%. Where we have not hit a 100% target, the classification would only be amber rather than red, if we can demonstrate that the reason a property does not have a valid certificate is due to no access and that the “no access procedure” has been followed. Audits are regularly carried out in this area to ensure all actions are being taken appropriately. All health and safety compliance areas are currently rated at substantial assurance level following an internal audit review, we have a three-year rolling programme of these reviews.

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, with 89.76% of properties currently achieving a C rating or above as at the end of March 2025. Further funding through the Social Housing Decarbonisation Fund has been obtained through the Wave 3 programme to continue this work.

New homes – During 2024/25 we achieved a total of 208 completions with a further 200 homes forecast for completion during 2025/26. Within the current strategy period we aim to achieve a cumulative total of 680 starts on site from the original target of 600 which was set at the beginning of the strategy period. The programme target remains at 600, we have

included the 680 as an overall cumulative measure that covers all aspects of our development activity. During 2024/25 the measure had been moved up to 786, however due to delays in receiving planning permissions and the uncertainty of Homes England grant funding until the start of the new affordable homes programme, this measure has been revised. Notwithstanding the movement, these units will commence on site during 2026/27.

Priority three – Demonstrating organisational effectiveness and inclusivity

Key action and targets	Bernicia Target 2026	Bernicia Target 2025	Bernicia 2025	Bernicia 2024	Bernicia 2023
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	Complete
Meeting financial targets:					
• Golden rule compliance	Compliant	Compliant	Compliant	Compliant	Compliant
• Strategies fully funded	Funded	Funded	Funded	Funded	Funded
• Improved covenants	Complete	Complete	On-going	On-going	On-going

Retain regulatory compliance – G1/V1 regulatory standard was retained following the Regulator’s stability check in November 2024. 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.

ED&I Action Plan - Collection of customer data to support segmental analysis is ongoing and is supported by the ongoing implementation of our new CRM system, Salesforce and through our KIM project. The wider action plan was reported to Board during 2024/25, 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 2023/24 we contributed £11.37million. 2024/25 end of year data is still being collated but we estimate that Bernicia's 2024/25 involvement contributes to social value gains this year of approximately £15.9million against a £15million target for the whole strategy period. This is measured using HACT's recognised methodology for calculating proxy monetary values.

Affordability of rents – As a socially responsible landlord, we undertake affordability assessments of our rents. These assessments are used to inform the annual rent setting process. Affordability is assessed using two markers, 33% of net income (lower marker, Affordable Housing Commission) and 35% net household income (higher marker, Good Economy White Paper). All general needs and housing for older people 2025/26 rents have been checked to confirm affordability using this methodology and Bernicia's rent affordability policy.

Board receives the assessment annually, 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.

Our Community Investment strategy focuses on both economic and social inclusion. In 2024/25 we continued to address poverty through employment, driven by aspiration, skills and jobs.

Our Employability Team is active in schools and in 2024/25 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 243 people in 2024/25, resulting in 32 obtaining employment, 6 securing better work, 18 starting voluntary work and 57 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 2024/25 we provided support to over 500 people through these programmes and 152 obtained employment, 11 secured apprenticeships, 62 started volunteering and 364 gained qualifications.

Our Intensive Housing Management Team achieved an 81% success rate in successful tenancy outcomes. 477 tenants were helped to sustain their tenancy, and over £704,000 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 £89,000 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.

Over 600 aids and adaptations have been fitted in 2024/25, to help people remain in their homes.

During 2024/25 we have funded 17 Inclusion projects and 13 Inspirational young people awarding over £167,000 of grants. This took the Bernicia Foundations total amount of grant support for local people and communities, since it was launched in 2020, beyond £1.2million.

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	2025	2024	2023
Growth			
➤ Growth in turnover	5.8%	4.9%	7.3%
➤ Growth in total assets	1.5%	1.5%	2.2%
➤ Growth in total debt	(0.9%)	(1.2%)	12.2%
Profitability			
➤ Effective interest rate	3.9%	4.0%	3.9%
Debt servicing ability			
➤ Adjusted net leverage	36.3%	33.2%	31.7%
➤ Debt to turnover	1.61	1.72	1.84

Growth

Growth in turnover of 5.8% was driven by three separate revenue streams in the year. Income from social housing activities was 6.9% higher than that of the previous year. Rental and service charge income increased by £5.2million to £76.2million (2024: £70.9million), c9.8%, from rent increases in line with those allowed by the rent standard and income from new properties. First tranche low-cost home ownership sales were £2.4million higher at £2.5million (2024: £0.1million), with reciprocal increases in cost of sales. Finally, the Group's other activities continued to generate strong revenues. Turnover for 2025 increased by £0.7million to £10.9million (2024: £10.2million), c6.8%, favourably contributing to the Group's overall growth in turnover.

Growth in total assets reports a year-on-year increase of 1.5% (2024: increase of 1.5%). Property, plant, and equipment assets have increased by £36million during the year as new supply units were added to the statement of financial position. Net current assets have decreased by £21million largely due to reducing cash balances.

The Group's reduction in total debt of 0.9% reflects the impact of capital repayments that have fallen due during the period.

Profitability ratios

The Group's effective interest rate decreased by 0.2% to 3.9% as a result of capital repayments.

Debt servicing ability

This 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 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 2025 results have been compared to the 2024 Global Accounts median VFM metric results with commentary provided where appropriate.

Business health

Global Accounts VFM Metrics ¹	Bernicia 2026 Target	Bernicia 2025 Target	Bernicia 2025 (Group)	Bernicia 2024 (Group – As restated)	Bernicia 2023 (Group)	Global Accounts 2024 Median	Global Accounts 2024 local peer group Median
Operating margin – overall	17.5%	18.3%	19.7%	19.2%	25.1%	18.5%	21.5%
Operating margin – social housing lettings	19.9%	21.3%	21.6%	22.2%	28.3%	20.4%	21.5%
EBITDA MRI interest cover	182%	264%	240%	221%	227%	122%	170.0%

Operating margin – overall - the 2024 global accounts median across the peer group was 21.5% and that of the national dataset at 18.5%. Bernicia had an operating margin of 19.2% for 2024 which would have positioned the Group below the median for the peer group in 2024, and above the national median. Performance in 2025 is comparable with that in 2024, with an operating margin overall of 19.7% being reported. The Group consist of Bernicia (the Association), Kingston Property Services (Commercial company) and the Bernicia Foundation. Due to the nature of the activities in these other group companies, surpluses are traditionally at a lower levels and lower operating margin percentages, and in the case of the Foundation negligible to nil as it is a grant giving organisation. These therefore impact the operating margin overall adversely.

Operating margin – social housing lettings - the 2024 median for the national dataset and peer group was 20.4% and 21.5% respectively. In 2024 Bernicia was just above the median for the peer group at 22.2%. Margins in the peer group ranged from 14.5% to 28%. Despite a challenging year, Bernicia's 2025 result of 21.6% compared favourably with the in-year target of 21.3% and the 2024 Global Accounts peer group median.

EBITDA MRI interest cover is a key measure of liquidity and investment capacity. The Group's Interest cover continues to remain strong, with 2025 performance at 240% exceeded the 2024 Global Accounts median for the national dataset and the peer group. While underlying performance remains consistently strong as highlighted in the operating margin above, EBITDA MRI for 2025 has reduced slightly when compared to the prior year, this is mainly due to an increase in expenditure on property assets. EBITDA MRI for 2026 is targeted at 182%. It should be noted that the calculation for 2026 includes loan break costs budgeted to be made in order to modernise the loan portfolio on to an EBITDA only basis. Excluding these break costs, EBITDA MRI would have been 211%.

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

Development (capacity and supply)

Global Accounts VFM Metrics ²	Bernicia 2026 Target	Bernicia 2025 Target	Bernicia 2025 (Group)	Bernicia 2024 (Group)	Bernicia 2023 (Group)	Global Accounts 2024 Median	Global Accounts 2024 local peer group Median
New supply delivered – social housing units	200	196	192	85	116	n/a	n/a
New supply delivered – social housing %	1.3%	1.4%	1.3%	0.6%	0.8%	1.4%	1.3%
New supply delivered –non-social %	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%
Gearing	30.0%	28.2%	26.2%	24.7%	23.9%	45.5%	40.4%

Bernicia continues to deliver appropriate housing accommodation, to meet local demand and strengthen communities. In 2025, Bernicia delivered a **new supply of Social Housing accommodation** totalling 192, which translated to a new supply percentage of 1.3%, comparable with the 2024 national dataset and peer group median. During 2025/26 we anticipate starting on site with a further 214 new homes. During the final year of our current corporate strategy completions are forecasted to be 200. At a time when many in the sector are slowing down development, we are confident we will continue to be at median performance (if not higher) in the 2025 and 2026 metrics.

Bernicia's **gearing** is low when compared to other providers. As such, gearing relating to 2024 is recognised in the lower quartile of both the Global Accounts national data set and the regional peer group, where Bernicia is ranked third lowest. 2025 gearing levels whilst slightly higher than target remain low 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 2026 Target	Bernicia 2025 Target	Bernicia 2025 (Group)	Bernicia 2024 (Group)	Bernicia 2023 (Group)	Global Accounts 2024 Median	Global Accounts 2024 local peer group Median
Reinvestment %	7.8%	7.3%	8.7%	6.7%	5.4%	7.7%	10.3%

In 2024/25, Bernicia made a combined investment in existing stock and new stock of £46.1million (2024: £26.3million), with £30.0million (2024: £12.1million) invested in the new supply of properties and £16.1million (2024: £14.2million) invested in existing properties. This represents a reinvestment of 8.7% when compared to the overall value of housing properties, which is between lower and median quartile for the 2024 Global Accounts peer group, and above median when compared to the national dataset.

Investment in **existing** properties considers only the capital expenditure spent on improvement and modernisation of existing housing stock.

Works continue to be informed by our information in relation to the condition of the stock, which supports the investment in existing properties. This approach to stock investment, the associated data and the linkage between this data and our business plan was externally validated in May 2025 by Savills. We are therefore confident that the correct levels of investment are being made in our existing assets. The Board aims to ensure the quality and safety of its tenant's homes remains at the 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 £30.0million on the development of new properties in 2024/25 this compares favourably with the 2024 Global Accounts peer group median for new supply numbers.

The new supply target for 2025/26 continues to reflect an increase in activity following previous periods of delays due to factors outside our control.

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 2026 Target	Bernicia 2025 Target	Bernicia 2025 (Group)	Bernicia 2024 (Group)	Bernicia 2023 (Group)	Global Accounts 2024 Median	Global Accounts 2024 local peer group Median
Return on capital employed (ROCE)	3.0%	3.1%	3.6%	3.2%	4.5%	2.8%	3.1%
Ratio of responsive repairs to planned maintenance	67.7%	59.3%	68.4%	64.3%	71.5%	n/a	n/a

The Group is proud of its robust 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 23.

The Return on Capital Employed at 3.2% for the year 2023/24 was within the median quartile when compared to the 2024 Global Accounts peer group. The Group can therefore demonstrate it is using its debt and capital to effectively manage its assets. The results for the year 2024/25 report a Return on Capital Employed of 3.6%, which would align with the peer group upper quartile for 2024 and exceeds the median for the national dataset, therefore continuing to represent strong 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 2023/24, Bernicia's ratio of responsive repairs to planned maintenance was 64.3%, meaning for every pound spent on planned maintenance, Bernicia spent a further sixty-four pence on responsive repairs. The results for 2025 report that Bernicia spent 68.4% on responsive maintenance when compared to planned maintenance which is an increase 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.

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

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, the Board balances financial investment decisions against the overall objectives of the organisation, which take into consideration 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 is to be re-run in 2025/26 with the results informing the Group's future spending priorities.

Operating efficiencies

Global Accounts VFM Metrics ⁵	Bernicia 2026 Target	Bernicia 2025 Target	Bernicia 2025 (Group)	Bernicia 2024 (Group - Restated)	Bernicia 2023 (Group)	Global Accounts 2024 Median	Global Accounts 2024 local peer group Median
Headline social housing cost per unit (CPU)	£4,894	£4,761	£4,826	£4,484	£4,086	£5,136	£4,320
Management CPU	£1,018	£984	£937	£869	£743	£1,274	£825
Service charge CPU	£556	£570	£529	£552	£431	£597	£385
Maintenance CPU	£1,733	£1,554	£1,719	£1,564	£1,345	£1,557	£1,567
Major repairs CPU	£1,358	£1,433	£1,448	£1,315	£1,186	£1,315	£1,465
Other social housing CPU	£229	£220	£193	£184	£381	£216	£121
Other Support Services CPU	£0	£0	£0	£0	-	£4	£0

Bernicia's headline social housing cost per unit for 2024/25 was £4,826 which shows an increase of £342 (7.6%) from the 2024 restated figures and was lower than the targeted headline social housing cost per unit for Bernicia for 2025. All CPUs were on or below target with the exception of Maintenance CPU, which exceeded target by £165 (10%). Headline social housing CPU was lower than the national dataset median for 2024 of £5,136, but higher than the peer group median for 2024 of £4,320. It should be noted that the North-East region typically has the lowest CPU levels.

Management CPU for 2024/25 continued to be impacted by higher utility and insurance costs in year. The review of service charges continues to be progressed with the service charge CPU reflecting the costs of the services being provided, however, 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 for the service, 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 2024 Global Accounts, Bernicia's cost per unit for 2023/24 was £164 per unit higher than the regional peer group median. For 2024/25, headline cost per unit was £506 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 2024/25 headline cost per unit will be broadly comparable to the 2025 peer group median once the figures are available.

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

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