

## Value for Money

We want to make sure that the services and accommodation we provide deliver value for money.

We measure ourselves against benchmarks set by the Social Housing Regulator and internal benchmarks that we set ourselves.

These indicators allow us to measure our performance compared to other housing associations. It also helps us see how we have improved year by year.

The two benchmarks we measure ourselves against are:

- Smaller Providers Benchmarking (SPBM) – this compares us to other housing associations which manage fewer than 1,000 homes.
- Sector – this compares us to all housing associations.

Median is a way of measuring the average.

| Measure                                    | What this means or measures  | Our 2024 results | Our 2023 results | Our 2022 results | Our 2021 results | 2023 SPBM Median | 2023 Sector Median | Comments   |
|--|--|------------------|------------------|------------------|------------------|------------------|--------------------|--|
| Operating margin (overall)                 | This shows our profit before interest costs on any loans and any exceptional items are taken into account. | 11.4%            | 13.7%            | 12.0%            | 18.4%            | 13.22%           | 20.5%              | We show healthy operating margins for overall and social housing lettings.<br><br>It is difficult to compare years as this is affected by the varying amounts of capital grant (funding) we receive in any one year. |
| Operating margin (social housing lettings) |  | 11.4%            | 13.7%            | 12.0%            | 18.4%            | 13.5%            | 23.3%              |  |

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|--|---|------------------|------------------|------------------|------------------|------------------|--------------------|---|
|  | A higher percentage shows greater profitability.  |                  |                  |                  |                  |                  |                    |   |
| EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation) interest cover | This is a measure of how much cash we generate after we have paid out all our direct costs. This is available to pay the interest on our loans and to invest in our properties. | 693.5%           | 833.6%           | 791.9%           | 584.9%           | 177%             | 146%               | We show an extremely strong EBITDA measure.   |
| Units developed  | The number of units we have developed.  | 21               | 40               | 40               | 44               | 0                | n/a                | We have continued to develop new properties.  |
| Units developed as a % of owned  | This measures the number of new social housing units we have acquired or developed in the year as a % of the  | 3.3%             | 6.5%             | 6.3%             | 7.6%             | 0                | 1.4%               | We have continued to develop new properties to a much greater extent than other small providers, and compared to sector benchmarks. |

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|------------|---|------------------|------------------|------------------|------------------|------------------|--------------------|--|
|            | <p>units at the start of the year.</p> <p>A higher % means more new units.</p>  |                  |                  |                  |                  |                  |                    |  |
| Gearing    | <p>This measures how much of our funding comes from borrowed money (debt to a bank).</p> <p>A higher percentage means more funding is from money that we have borrowed.</p> | 24.9%            | 30.3%            | 30.8%            | 36.1%            | 14.2%            | 44.1%              | <p>Our gearing is relatively consistent, but higher than the benchmark for other smaller providers.</p> <p>This reflects the role of our subsidiary, Chartford Housing Ltd., to develop new properties, although the amount developed has reduced in recent years.</p> |
| Reinvested | <p>This measures the amount we invested in new and existing social housing properties as a % of the total value</p>   | 5.7%             | 13.2%            | 11.6%            | 21.7%            | 3.8%             | 6.5%               | <p>This reflects that Horton continues to reinvest in its new and existing properties, although it has reduced more recently.</p>  |

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|----------------------------|---|------------------|------------------|------------------|------------------|------------------|--------------------|--|
|                            | <p>of our social housing stock owned.</p> <p>A higher percentage means greater reinvestment.</p>  |                  |                  |                  |                  |                  |                    |  |
| Customer Satisfaction      | <p>This measures the customer satisfaction with services provided. This information is taken from our annual client survey.</p>                                   | 95.0%            | 97.0%            | 89.3%            | 94.3%            | 89%              | 75%                | This is measured annually and shows the high quality of service provided.  |
| Return on Capital Employed | <p>This measures the efficiency of our investment by comparing how much we have left once we have removed our operational costs to how much we have invested.</p> | 6.4%             | 8.2%             | 6.4%             | 10.3%            | 2.0%             | 3.2%               | This has varied in line with the operating surplus but is dramatically affected by the amount of grant received in any one year. |

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|------------------------------|---|------------------|------------------|------------------|------------------|------------------|--------------------|--|
|                              | A higher percentage means more efficient investment.  |                  |                  |                  |                  |                  |                    |  |
| Social housing cost per unit | <p>This measures the cost of delivering the social housing services we provide divided by the number of houses we own or manage.</p> <p>It takes into account all our costs of managing, maintaining and improving properties, as well as the support we provide to our tenants and</p> | £26,811          | £25,509          | £22,992          | £22,020          | £5,495           | £4,150             | <p>Our overall results are fairly consistent but significantly more than any sector or small provider benchmarks.</p> <p>This is due to Horton providing both supported housing and floating support services.</p> <p>All these costs are included, although not all support is provided to our tenants.</p> |

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|                              | others in the community.  |                  |                  |                  |                  |                  |                    |   |
| Overheads as a % of turnover | This measures the amount of our income spent on overheads, rather than the direct cost of the services and houses provided. | 16.8%            | 18.8%            | 16.9%            | 14.8%            | 19.2%            | 16.1%              | Our figures have increased in the last few years due to additional investment in ICT and Health and Safety. However, they have now stabilised and we still spend around the same as other housing associations. |