

Value for Money Statement

The Board approved the Value for Money (VFM) strategy in July 2024. The VFM strategy reflects the changes to the regulator's value for money standard issued in April 2018 and the organisation's corporate plan.

The standard states that a set of metrics should be used to measure the value for money achieved within the organisation. These are presented below.

		Group		Association		Budget FY26	Target FY25	Sector Metrics
		2024/25	2023/24	2024/25	2023/24	2025/26	2024/25	2023/24
Metric 1	Reinvestment %	7.3%	10.8%	7.3%	10.8%	8.5%	8.1%	7.8%
Metric 2	A New supply delivered SH %	1.1%	3.1%	1.1%	3.1%	1.1%	1.1%	1.5%
	B New supply delivered NSH %	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Metric 3	Gearing %	32.8%	32.9%	32.9%	33.1%	36.9%	40.9%	46.4%
Metric 4	EBITDA MRI Interest Cover %	7.5%	134.4%	7.5%	134.4%	109.8%	110.3%	123.7%
Metric 5	Social housing cost per unit £	£ 5,388	£ 4,809	£ 5,388	£ 4,809	£ 5,565	£ 5,156	£ 5,094
Metric 6	A Operating margin SH %	9.0%	22.0%	8.8%	21.8%	17.1%	18.6%	21.0%
	B Operating margin overall %	8.0%	20.4%	7.8%	20.2%	15.5%	17.5%	18.9%
Metric 7	ROCE %	1.3%	2.7%	1.3%	2.7%	1.5%	2.4%	2.8%

The group's metrics above compare favourably against the sector average in some areas but less so in others.

The group's reinvestment is slightly below our targeted 8.1% and is below the sector metrics of 7.8%. The latest sector metrics relate to 2023-24, and as such, it is difficult to compare with this benchmark as it is nearly one year behind. During 2024-25, we entered into one new contract with a value of £7,171,000 to purchase a section 106 scheme and delivered 31 rented and 12 shared ownership homes over the coming years.

We have a strong development pipeline through the purchase of section 106 schemes and smaller land-led developments within the Teignbridge District and further afield in neighbouring authority areas. This has been further facilitated through the additional funding secured during the year from financing an additional £30m of Revolving Credit Facility (RCF). However, due to rising energy prices and labour costs, which have increased the cost of building new homes and other costs, the re-investment forecast will increase from 7.3% to 8.5% for next year.

The new supply delivery is calculated based on units completed in 2024-25. We have achieved our targeted supply of 1.1% by delivering 43 units. We are marginally below the sector average of 1.5% on this metric; however, as the benchmark relates to 2023-24 data, it does not show the true comparison of our 2024-25 year-end performance. For a like-for-like

comparison, our metric of 2023-24 is 3.1%, which has outperformed the sector's benchmark of 1.5%.

The new supply is forecasted to be 44 units in 2025-26, including 31 affordable rent, seven social rent, and six shared ownership properties. 34 of these have been committed, and the remaining ten are currently in the process of contract negotiation. We will continue to seek new opportunities to achieve our development aspirations, and we now have the capacity to deliver 196 homes over the next four years.

Gearing decreased slightly to 32.8% from 32.9%. We are now utilising the Revolving Credit Facility and cash reserves to fund our increased investment in new homes and regeneration. At 32.8%, this remains well below the sector average, 46.4%, giving us scope to increase the borrowing. The new tranche of £30m RCF was secured in June 2024 and will be available for ten years. This will allow us to further invest in new homes and regeneration, as well as give us the financial capacity to meet any requirements from the Decent Homes 2 Standard and stock condition surveys. All of this aims to improve the quality of our homes and the effectiveness of our service to tenants, improve efficiencies and achieve savings for both tenants and Teign Housing whilst keeping our interest cover rate well within sustainable levels.

The EBITDA MRI interest cover (Earnings Before Interest, Tax, Depreciation and Amortisation, Major Repairs Included) is 7.5%, below the target and the sector metrics. An exceptional case has caused the low EBITDA, the £2.2m provision of fire remediation work to Douglas House that will take place in 2025-26. Although our funders do not use EBITDA MRI as one of their covenants, we have historically met the funders' targets, except for this one-off occurrence. The interest cover ratio is expected to rise to 109.8% in 2025-26 as we have fully provided Douglas House costs in 2024-25.

The social housing cost per unit has increased from £4,809 last year to £5,388 this year due to increased responsive repairs, cyclical maintenance, and void repairs. We have used more subcontractors to reduce the number of works in progress, such as damp, mould, and condensation jobs. The continuing increase in materials, energy, and labour costs impacts the sector. Overall, we have seen a rise in the cost per property compared to the prior year, which is an overall increase within the sector.

The operating margin overall is 8.0%, below the sector's average and our targeted margin. Again, this is caused by the provision of fire remediation work. Without these exceptional expenses, we would have achieved 16.2%. In 2025-26, we have a budgeted margin of 15.5%. The target has been further reduced compared to previous years, and it is

anticipated that the drive to improve the service we deliver to tenants and to increase the investment in decarbonisation will be pursued.

The return on capital employed (ROCE) was reduced to 1.3%. This metric is below the target and the sector benchmark due to increased operating costs and the provision of Douglas House fire remediation work. Due to rising materials, labour, and utilities costs, the ROCE is forecasted to be 1.5% in 2025-26.

We continue to be committed to providing good customer service in a challenging environment. Economic and political uncertainty will continue for the coming year, and Teign Housing has modelled and planned for further potential issues through the business planning process.

Value for Money underpins all business activities at Teign Housing, and it is driven by the Board. VFM is about reviewing what we do and how we do it to make informed choices about how resources are effectively channelled towards delivering services and corporate priorities. The aim is to make the best use of our customers' money whilst balancing the cost and time with quality and stakeholder benefit, reasonable customer expectations, organisational benefits and business survival.

The Board's focus on VFM allows the company to continue to deliver great services and grow through developing new homes. The current business plan, including the financial position after refinancing, includes the delivery of 179 homes over the next five years.

The Board scrutinises financial and service delivery performance at each meeting through the management accounts and balanced scorecard, and any areas of poor performance are supported by a detailed narrative identifying the issues and the steps to deliver improvements.

These include:

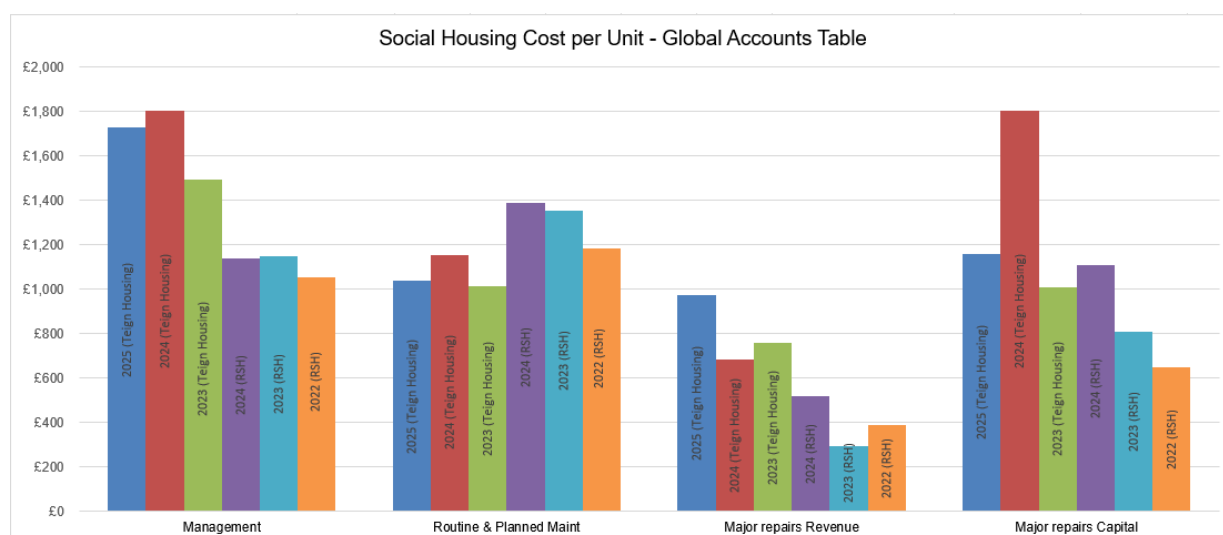
- Value for Money Metrics – full details of value for money achievements
- The balanced scorecard, including Housemark Benchmarking Results – comparative figures with our peers in the sector
- Quarterly Financial Report
- Annual report – report sent annually to our tenants
- Interim annual review of the business plan against actual progress
- Regular reforecasting as part of the management accounts review

An evaluation of our costs in comparison to the global accounts is presented below, and the figures for Teign Housing have been re-stated in line with the current global accounts format

(based on SW & SE Peer Group). The latest figures available as a sector comparative are for the year ending March 2024, one year behind our year-end.

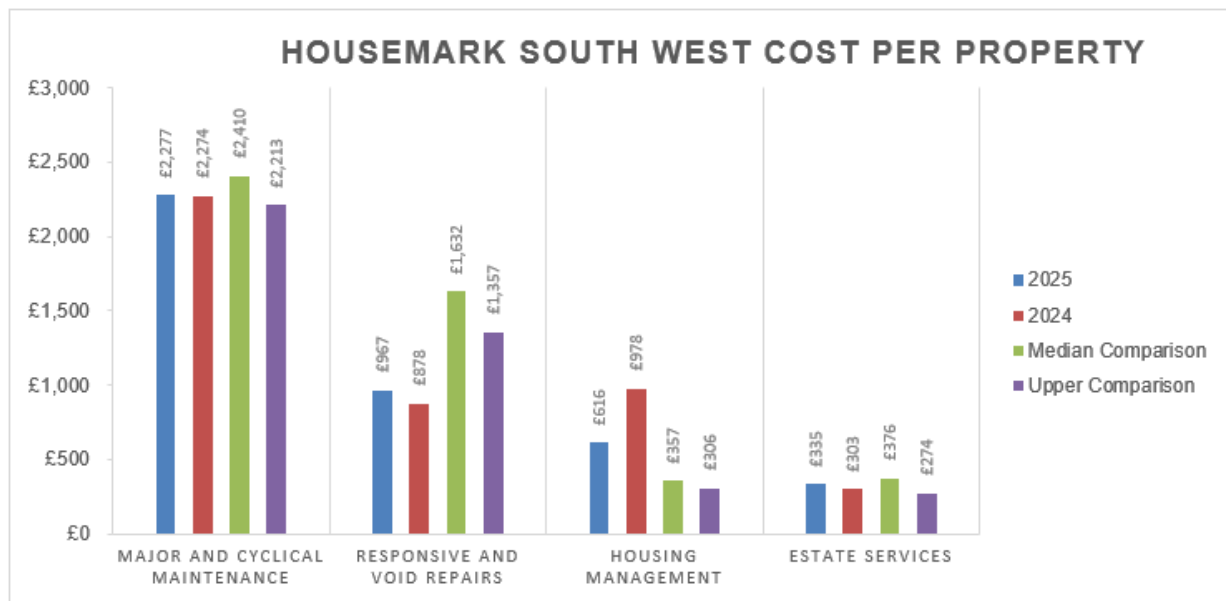
RSH Global Accounts Comparison

Area	Teign Housing			RSH Global accounts		
	2024-25 £	2023-24 £	2022-23 £	2024 £	2023 £	2022 £
Expenditure – per Social Housing Property						
Management	1,728	1,802	1,495	1,138	1,151	1,053
Routine & Planned Maintenance	1,037	1,154	1,013	1,390	1,354	1,182
Major repairs – Total	2,134	2,487	1,770	1,629	1,104	1,038
Major repairs – Revenue	973	685	759	520	295	390
Major repairs – Capital	1,161	1,802	1,011	1,109	810	648
Total cost per unit	4,899	5,443	4,278	4,157	3,609	3,273



South West Peer Group Housemark Comparison

Teign Housing Cost Per Property	Teign Housing		Comparison Group Median	Comparison Group Upper
	2024-25	2023-24	2023-24	2023-24
Department	£	£	£	£
Major and Cyclical Maintenance	2,277	2,274	2,410	2,213
Responsive and Void Repairs	967	878	1,632	1,357
Housing Management	616	978	357	306
Estate Services	335	303	376	274
Total costs per unit	4,195	4,433	4,775	4,149
<i>No of Properties</i>	3,946	3,904	3,493	1,689



Compared to the prior year, our major repairs cost per unit has been reduced in 2024-25, which is due to a reclassification of costs in the preceding year. The total cost per unit remains higher than the average of RSH (SW & SE), as their data is one year behind. After examining the 2023-24 and 2024-25 costs, we see a consistent increase compared to 2022-23. RSH (SW & SE) global accounts and the Housemark South West Housing peer group show similar findings.

Although our management costs per unit have decreased from last year, they are still over the RSH sector average due to factors outside our control, particularly the increase in insurance premiums and Douglas House legal and professional costs. Continued scrutiny of management costs and tight budgetary control will ensure the organisation's overall efficiency.

Routine and Cyclical Maintenance has decreased slightly from last year and is lower than the sector average. We are continually working to ensure we receive the best quality for the best price for our purchases to mitigate the increases as much as possible. We also drive efficiencies where possible by planning similar works in areas and by type.

The total costs of major repairs, including capital and revenue, are above the RSH sector average and reduced from last year due to the reclassification. Revenue expenditures increased by 42% over the last year due to the provision of Douglas House fire safety remediation costs. Capital expenditures were reduced offsetting some of the increase in revenue expenditures. Capital expenditures fluctuate year on year due to the maintenance programme's planning to make the most efficient use of resources.

We will ensure that we maintain tight budgetary control going forward to provide optimum value and investment in our housing stock for the future. We have embarked on a stock

condition survey programme that we aim to largely complete by the end of 2025-26 to ensure that the investment in our stock is focused in the right areas and maintains the longevity and desirability of our homes. We continue looking for opportunities to invest in energy efficiency for our existing homes and balance the cost of better energy efficiency and the viability of new build schemes.

With the acknowledgement that the stock condition survey results will impact the future strategy, the Asset Management Strategy was reviewed, updated and approved by the Board in April 2024. A further updated Asset Management and Carbon Reduction Strategy will be developed during 2025-26 to provide us with a clear focus and direction about the future use and energy efficiency of our assets such as continued use, redesignation, redevelopment or disposal. When we dispose of properties assessed as unsuitable or unsustainable for affordable housing, the proceeds are used to support the development of new homes.

We will continue to:

- Review our own land, housing stock and garage sites for development opportunities – where suitable, these are now included within the future development programme.
- Review key assets for potential opportunities.
- Assess the requirements and resources needed for progress towards EPC Band C by 2030 and Net Zero Carbon by 2050.
- Consider our asset management viability tool to assist us with knowledge of our housing stock. This includes neighbourhood mapping and allows us to consider various options to determine the future of the asset. We continue looking at alternative options to improve on this.

Below is an extract from the scorecard, which presents the company's performance against targets set internally for the year ended 31 March 2025 and against targets taken from Housemark data for 2024. We have selected areas that we believe represent current VFM significance.

Area	2024-25	2023-24	2022-23	2021-22	Housemark 2023-24 Benchmark	Target 2024-25
Customer satisfaction						
Repairs	98.3%	98.2%	97.9%	97.6%	78.9%	96.0%
Standard of property at re-let	100.0%	96.6%	99.0%	94.0%	-	100.0%
Satisfaction with complaints process	52.0%	50.0%	95.0%	95.0%	76.2%	85.0%
Rent collection & arrears						
Rent collection	101.6%	100.4%	99.3%	100.1%	-	100.0%
Rent arrears (% of annual debt)	2.13%	2.72%	2.65%	2.33%	2.02%	3.20%
Void loss & turnaround						
Void losses	0.67%	1.10%	0.56%	0.50%	1.02%	0.50%
Void turnaround time (days)	21.9	33.9	25.1	22.6	42	25
Digital agenda						
Total number of tenant portal registrations	1197	901	650	603	-	1000
Inbound communication by Webchat	1.8%	1.3%	1.1%	1.6%	-	-

Customer satisfaction with repairs has increased slightly from 98.2% to 98.3%, compared to last year, and we continue to exceed our targeted 96.0% for the year. We are significantly above the Housemark average of 78.9%. Satisfaction with the standard of property at relet has met our 100% target. Satisfaction with the complaints process is 52.0%, a small increase from last year, but still below the Housemark benchmark of 76.2%. We did 89 satisfaction surveys over the year, and 47 were satisfied. In 2024-25, complaints have more than tripled compared to the previous year, as we expected with the Housing Ombudsman Service. Our tenants' response rate on the survey has improved to 34% in 2024-25, which has given us some valuable insight into what residents are complaining about and how we can improve our service.

The rent collection rate reached 101.6%, a slight increase from last year, and above our target of 100%, as we have collected some prepayments and rent arrears. The rent arrears have reduced to 2.13% from last year's 2.7%, and above the benchmark of 2.02%. We exceeded our target, 3.2%. We have continued to support tenants over the last year by applying for universal credit and working with them where it is possible to manage their rent payments. This has helped us to improve our performance from last year and exceed our internal targets. Through our Head Start team, we have signposted and assisted tenants in securing the additional financial support they need. We have also distributed over £50,700 (2023-24: £37,500) of financial support through a hardship fund to tenants in greater need.

Void losses due to voids have dropped to 0.67% compared to last year's 1.10% and are well below the benchmark 1.02%. However, we are still slightly over our targeted 0.50% due to

the delays in letting new properties in early in the year. The delay is caused by fire door issues that must be rectified.

Across the organisation, we have a strong focus on VFM, and many departments have specific VFM targets. An updated VFM report was presented to the Board and approved in July 2024. In 2024-25, our VFM focus was on:

Digital and Technology

We successfully upgraded our housing management system, Civica Cx, to the latest version, providing enhanced functionality and security for staff and, in turn, improving the customer experience. User Acceptance Testing (UAT) continues to be carried out by our in-house workstream leads across the organisation and Cx Analyst, with no consultancy required. We have also successfully migrated data from our legacy EDRM system (Documotive) into SharePoint. This will save us £11,500 per year in support and maintenance fees.

All our frontline staff within the Customer & Communities directorate now have tablets to conduct estate inspections, keep in touch (KIT) visits, and use various forms directly within Civica Cx to enter data at the source. Following thorough testing, we found that staff were able to use Cx through their web browsers rather than procuring the Cx Mobile app. This provided us with a saving of approximately £66,000 per year.

A brand-new website was launched in March, providing a better resident and key stakeholder experience. The website has enhanced accessibility and security built in as standard. We tested the market to obtain the best value quotation for developing it. An element of the new website was the introduction of ReciteMe as our new accessibility tool and scanner. We procured this software for three years upfront, resulting in a £7,500 saving across the contract's three-year term.

We have developed Power BI reports and dashboards to replace Mobysoft for rent arrears predictions. It provides more accurate and up-to-date data for our income and renting team, saving us approximately £65,000 a year. Following a recent value-for-money review, we have also ceased developing the Cadcorp GIS solution, as the cost outweighs the benefit, saving us approximately £ 22,500 a year. After attending the Cyber UK conference, we sourced a supplier for our network penetration test and Cyber Essentials Plus assessment for almost £15,000 less than budgeted.

Improve skills and behaviours of staff

We recognise that motivated staff create satisfied customers. We continue prioritising staff professional development throughout 2024-25 by investing in training to enhance our service delivery, safety, and compliance. This included an organisational culture transformation programme with Mary Gobar International, housing law training for frontline colleagues, and

health and safety training and qualifications. In 2025-26, the focus will remain on cost-effective, high-value training, utilising in-house expertise where possible and with trusted providers.

Welfare reform and cost of living impact

We continue to work with our customers to support them with issues surrounding Universal Credit and the Cost-of-Living crisis. Our Head Start Team comprises three Coordinators and one Team Leader with a clear focus on tenancy sustainment. Whilst not limited to, their work and support will consider trial calculations for our customers to ensure they are claiming everything they are entitled to; carrying out affordability assessments during the pre-tenancy allocation process to ensure their new property will be affordable; and delivering our Assisted Lettings Scheme to eligible customers with white goods or carpets to reduce the costs associated with moving to a new property.

With the pressures of the cost of living, the Tenancy Sustainment team often finds themselves working with customers to increase their financial resilience and support them in managing the impact this may have on the individual and/or household. Our support extends further to help improve Health and Wellbeing, Digital Inclusion, and Positive Participation.

In 2022-23, we launched a Hardship Grant with a core purpose to support customers impacted by the cost of living and rent increases. The support offered via the Hardship Grant has continued since then. From 2022-23 to 2024-25, we have supported 679 households, with a total grant spending of £120,238. We are pleased that, in 2025-26, a further £35,000 funding has been made available. The level of support provided benefits customers who benefit from the grant's immediate financial respite and can also be beneficial in reducing other pressures, such as stress and anxiety. As a result, this has led to better engagement in managing tenancies.

We have been working with Homemaker Southwest since 2019 to help our tenants with debt problems. In 2024-25, for an annual fee of £5,000, they helped our tenants receive a total of £48,400 of the support they were entitled to. This is a cost-efficient service that directly benefits our tenants. Some of this income helps tenants pay their rent on time, reducing our arrears. During the year, the Head Start Team received 206 referrals from our Customers and Communities Directorate, 195 of which identified financial inclusion as an area of need. The Head Start Team obtained a total of £70,321 additional income for these residents. Within the year, we have received a total of £118,721 in income support from the partnership between our Head Start Team and Homemaker Southwest, £34,916 of which was directly allocated on the rent account of tenants with a combination of successful backdated housing costs, Discretionary Housing Payments and Housing Benefit entitlement costs.

Asset Management

Our full housing stock survey continued over 2024-25, meaning we have surveyed 83% of the stock at the end of the financial year. This will give us valuable insight into the condition of our housing stock so that we can undertake any necessary remedial action, better plan our cyclical and planned maintenance cycle and carbon reduction work and highlight any issues before they become too serious. Whilst a financial outlay in the short term, this will provide efficiency savings over the long term. It will also allow us to identify any problem stock that may be beneficial to dispose of and replace with newly developed housing or consider local regeneration where the opportunity arises. Planning is underway to target the 17% of the stock we have remaining to survey.

Procurement

We continue to be a member of the Advantage South West Procurement Consortium. This organisation exists to improve lives and homes through innovation and collaboration and to improve value for money for its members. In 2024-25, the savings delivered through the membership of this consortium total £179,491.

Templer HomeBuild

The wholly owned subsidiary Templer HomeBuild (THB) continues to provide us with greater control over service delivery and cost efficiencies. There is a strong emphasis on 'right first time', generating progressive efficiencies and cost savings. The VAT savings from Templer HomeBuild in 2024-25 were £678,198. The 2025-26 budget includes a further VAT saving of £670,990.

This year, we have reflected on independent Value for Money reviews to ascertain Templer HomeBuild's (THB) overall performance. Benchmarking reports analysed the volume and cost of works to give context to the overall repairs and maintenance service, providing a better understanding of the value achieved compared to other similarly sized Housing Associations in the South West.

Responsive Repairs

THB carried out 3.14 repairs per property, almost exactly in line with the benchmark average. Our average repair cost was £207.25, significantly lower than the benchmark average and the second lowest of those included in the measure.

In reviewing the cost breakdown, THB is highly consistent with the benchmark average, demonstrating the effectiveness of our delivery model and the balanced use of direct labour and subcontract resources.

Void Repairs

Our average void cost has seen a consistent year on year reduction but is high compared to the benchmark average. This high cost is not considered indicative of poor Value for Money but rather representative of local customer expectations and a high re-let standard. The focus in 2025-26 is to revisit the void standard to find an acceptable balance between cost and customer satisfaction.

Unlike Responsive Repairs, the Void delivery model was considered inconsistent with the benchmark. Void delivery is more commonly delivered through subcontracted works than the THB self-delivery approach. In the coming year, this is being reviewed alongside the re-let standard.

In 2024-25, we have seen a rise in total void property repair costs due to the number of void properties rising from 158 to 206, but the average void cost per property has been reduced from £8,600 to £7,900. This year, we have completed 75 (£731,100) major voids and 24 (£441,000) mega voids, compared to 53 (£475,400) and 23 mega (£499,700) last year.

Component Replacement

The cost of planned works in general compares very favourably with benchmark averages. The two principal component replacement programmes show that kitchens were 6.8% below the benchmark average, and bathrooms were 8.6% below.

Like Voids, the THB self-delivery approach is also considered inconsistent with the benchmark; subcontract is the most common delivery model. The primary reason for externalising planned works is often a lack of continuity or duration of programmes and the resulting risk to productivity within a directly employed workforce. Whilst the procurement of packages such as kitchens and bathrooms will be evaluated, it is important for THB to maintain an approach that delivers the optimum balance of internal and external resources.

Reduce our carbon emissions, improve the environment, and reduce the costs of living in our homes

We completed work on a further block (three of four blocks) containing 16 properties. With the addition of external wall insulation, we have improved the energy efficiency of the residents' homes. We conducted preparatory assessments on a small number of properties to inform our application to the Government's flagship Warm Homes Social Housing Fund to assist our future energy improvement work to get all our homes to EPC C or better.

We started work on contract term negotiations with LivGreen Futures Ltd to deliver a 'turnkey' energy improvement and carbon reduction retrofit project through the Greener Futures Partnership Decarbonisation Delivery framework.

Customer Service

We have successfully implemented the Omnichannel project, so we now have all communication avenues in one place. This allows us to ensure that all correspondence is answered promptly and that we resource each channel appropriately.

During the year:

- there was 98.3% satisfaction with repairs carried out
- 100% of all planned work was completed on time

The Customer First Team continued to engage in Call Quality and Monitoring Coaching to improve customer interactions.

Our Customer First Team Advisors are scored on set criteria around tone of voice and active listening. This process has increased baseline scores, significantly improving our customers' experience and, hopefully, their expectations of our service. We achieved Contact Centre accreditation from the Contact Centre Management Association early in the year.

Community Engagement

We have continued to be fully engaged with our Community Safety Partnership to resolve safeguarding and anti-social behaviour issues where there is a community impact. This saves on resources and legal costs.

Following a recent assessment of the effectiveness of the Anti-Social Behaviour (ASB) Respect Line, we have decided not to renew it for 2025-26, as the cost outweighs the benefits. This will save us approximately £4,500 each year, which can be used in other areas of need, such as additional security measures for victims of violence. We have appointed a Senior Tenancy Enforcement Officer who can take on the work currently being referred to our solicitor. They will ensure a more comprehensive, swift outcome, reducing time spent managing ASB and making customers more satisfied.

We are looking at how Estate Inspections are undertaken and by whom, recognising that this is a protracted process with many people involved at different stages. We have worked tenaciously, in partnership with Templer HomeBuild, to continue achieving 100% compliance on gas and electrical safety testing this year, employing various strategies that have helped us avoid legal costs. We moved the repair diagnostics tool from M3 Central to our portal and app, which will allow us to implement self-scheduled repairs for residents in the future.

Following a recent Value for Money review, we have stopped running skip days, which is not financially beneficial. We are now working with tenants more intensely, on an individual basis, to improve the condition of their homes and take responsibility for their communities. This is both empowering for residents and more cost-efficient.

The Rents and Tenancy Sustainment teams have completed more Discretionary Housing Payment applications on behalf of tenants. While initially it takes more time, this does prove value for money when the applications are awarded, as the debt is cleared quicker than when we chase a tenant for payment and the cost of the tenant making payments to us.

Independence and Wellbeing

The Winter Warmer events continue to provide information on reducing fuel consumption, understanding benefit entitlements, and avoiding fuel poverty. Some agencies have attended some of our events. Devon Fire and the Fire and Rescue came along and spoke with tenants and booked them in for Home Safety Visits. Affordability and Billing Support for tenants attended group meetings to discuss support. Exeter Community Energy and Healthy Homes provided information on reducing bills, support with insulation, heating homes, and large arrears/bills with energy companies.

Hot meals continue to be prepared, and activities occur in our community rooms. These have continued as the Spring Kitchen and Summer Sizzlers, bringing scheme communities together and aiming to build relationships, combat loneliness, and improve wellbeing. They have been very well received. The feedback has been positive about the new service and how this has made a difference for them. Having someone knock at their door regularly is appreciated. In 2024-25, the total number of activities is 194 with 990 attendees. These events include drop-in sessions for tenants to discuss housing and support-related issues, celebrations such as the King's Coronation, monthly meals prepared by Hub Coordinators and wellness events.

We have continued to set goal plans to capture the needs of our most vulnerable customers. During the year, 38% of our customers living in our sheltered accommodation received a plan.

ALRT (Assisted Lifting Response Team)

The company has continued partnering with Torbay, South Devon NHS, and Appello to offer this service. Customers who benefit from this service will get the Torbay ALRT team to assist a non-injured faller with lifting. The team has specialist lifting equipment and training, meaning it can get customers up quickly and help prevent further accidents. It also means a shorter wait time than if they were waiting for an ambulance, as paramedics can prioritise emergency cases over someone unable to get up but unhurt.

Tenant Involvement

We remain committed to actively engaging with our residents and the broader community. Our Resident Involvement Manager oversees these efforts, assisting us in understanding the values and expectations of our tenants. We host a Residents' Forum that convenes every six

weeks in a hybrid format. Our consultations extend to service modifications, processes, and tenant-related policies, procedures, and strategies. Additionally, our Scrutiny Panel conducts regular assessments of our services from the residents' perspective, offering valuable feedback and suggestions for enhancement. Furthermore, our recently introduced Customer Experience committee reinforces our dedication to ensuring any resident involvement group's actions are monitored and implemented, while providing a direct link between residents and our Board members. Collectively, these initiatives ensure that Teign Housing maintains a strong connection with its residents.

In 2025-26, as well as the projects above, which will continue, our focus will also be on:

Reduce our carbon emissions, improve the environment, and reduce the costs of living in our homes

The additional stock condition data from the stock surveys will provide better and more accurate data to inform our investment plans for carbon reduction. Using this data along with EPC information, we can cost effectively target properties for planned maintenance to both maintain decent home standards and focus on the least energy efficient properties to maximise the return on investment.

We are planning to deliver two phases across the year targeting approximately 140 homes as we work towards our target of achieving a minimum EPC band C across all of our stock by 2030.

Damp and Mould

We continue to take a proactive approach, adopting smart technology to monitor and track trends in “at-risk” homes. Remote sensors installed in properties with a greater probability of damp and mould alert us to issues and enable us to remedy problems early. Our Damp and Mould Action Group continues to focus on key issues, ensuring our processes are continuously reviewed and consistent with current legislative requirements.

DMC has also factored into our internal audit plan to provide further assurance of our policies, procedures, and controls. An audit took place in our 2024-25 programme, and we will undertake a deep-dive audit as part of the 2025-26 deep-dive audit plan.

Procurement Initiatives

In 2025-26, we will fully review our supply chain arrangements. The overarching objective is to establish a greater number of direct, local arrangements that deliver better value, make a measurable contribution to the local economy, and positively affect the communities in which

we work. Procurement initiatives will leverage collaboration with other Housing Associations and consortia, such as Advantage South West, to establish new frameworks and supply partners.

Further improve our complaints process

Templer HomeBuild introduced a Customer Experience Lead role to help manage complaints about repairs and maintenance and deliver better service to our customers. We will continue enhancing our approach to complaints with increased employee training opportunities and co-developing processes with our customers. Full results are published quarterly on the Board and Residents Forum and our website.

We continue to fully roll out “Lessons Learned,” and in 2025-26, we aim to stop making the same mistakes again and prevent them.

Develop more affordable homes

We will continue developing affordable homes while ensuring that homes remain affordable for people in our local communities. This may be through the purchase of section 106 developments or smaller land-led schemes. In the business plan, we target to deliver 53 new homes in 2025-26. We continue to review our land and properties for redevelopment opportunities. Ultimately, this will lead to an increase in rental income, which can be reinvested in our existing stock or used to build more new homes.

Improve cash flow by increasing the collection of non-rent debt

Our housing management system will continue to monitor rechargeable repair debts. The balances show against repair records. In addition, we have introduced monthly reporting on recharge debt to monitor the success rate of collection, which we have never had previously. We are in the process of creating an arrears procedure within Cx to help further improve the efficiency of recharge debt.

Customer Service

The Customer First Team will relaunch Call Quality and Monitoring Coaching to improve customer interactions. Team leaders will be included in the relaunched program, and subject matter experts will be invited to provide coaching and feedback on specific call types. This will improve the quality of the advisor’s detailed knowledge of the call subject matter, improving the quality of the advisor’s response to callers.

We have delivered the Omnichannel project, which integrates all communications channels into one area to enable us to better manage demand for our service.

The team will continue to have refresher huddles for the Making Every Contact Count initiative. This training is focused on customer service but also has a broader remit of

matching personal skills to technical skills to equip employees to achieve their full potential and improve service levels across the directorate.

Independence and Wellbeing

The digital switchover, in which we replaced all the hard-wired alarm equipment, was completed ahead of our target date. We completed this over two phases, and phase two was completed at the end of December 24. This results in a far quicker response to emergency calls.

Tenancy sustainment plans continue to be created with all new tenants as part of the sign-up process. This allows goals to be set for the outcomes of moving into the sheltered schemes and also to identify any needs for support and assistance before moving in. This could be assistance with registering for a doctor's surgery or other medical and social requirements. This helps the team best plan for the support needed and have it in place on the day the tenancy begins.

This promotes engagement with the residents, especially when introducing a new technology. It is critical that the users feel comfortable and able to use the alarm units for their safety and peace of mind.

The community events with Winter Warmers, Spring Kitchen, and Summer Sizzlers will continue, and the craft sessions will promote relationships and contact and reduce feelings of loneliness. At these sessions, we invite partner agencies to demonstrate the support offered.

Aids and Adaptations

The Aids and Adaptations (A&A) policy and procedure have been reviewed. The review reflects the co-development work done with beneficiaries of the A&A service and the associated service improvements. We have introduced a quarterly performance report that will reflect the service's value to our customers and stakeholders.

Tenant Involvement

Looking forward, we are excited to share details of our customer voice strategy, detailing additional methods to ensure our residents have various opportunities to help shape our services and improve our methods of communication with our residents, outlining outcomes from their input. This will include introducing estate inspectors, one-day scrutiny reviews, improved communication with younger residents and informal methods for residents to get involved and provide us with valuable suggestions and feedback. Communication with residents will be expanded by introducing a monthly one-minute update video to ensure our residents have additional means of hearing news from Teign Housing. We will continue to work closely with our customers and the communities' team to deliver roadshows within our

estates, allowing residents to talk to various members of staff regarding issues they may have and potential suggestions for Teign Housing to improve.

Digital and Technology

We will introduce self-service appointment bookings for repairs, where our customers can book a repair slot that suits them, and our contact centre staff can book it on their behalf, freeing up resources within the Customer First Team. To improve our work efficiency, we will review the next Civica Cx housing management system upgrade in November.

Following the tender process, we will appoint a supplier of our Microsoft licensing for the next 3 years, providing the best value and quality provider through testing the market thoroughly. We will procure and implement a new cloud-based asset management and compliance system to centralise data and provide real-time asset tracking and monitoring. Furthermore, we will implement an Artificial Intelligence (AI) strategy as part of our wider Digital Strategy to enhance the resident and staff experience across the organisation and alleviate staff time and resources.

Health and Safety

Over the past year, we have continued to embed our three-year Health and safety Strategy and align our approach with HSG65, the Health and Safety Executive's framework for managing health and safety through a 'Plan, Do, Check, Act' model. This ensures that health and safety are integrated into how we manage our services rather than treated as a stand-alone system.

This year, a key area of focus has been supporting our colleagues in confidently carrying out risk assessments relevant to their work activities. By providing practical tools, training, and tailored support, we enable staff to take ownership of health and safety within their roles, helping create safer working environments.

We have also strengthened our programme of building health and safety inspections, using findings to drive improvements and maintain safe, compliant environments for our colleagues and customers.

In addition, we have prioritised fire safety for our residents by providing clear advice and guidance to both customers and staff. This has included raising awareness, promoting best practice, and responding to specific concerns to ensure everyone understands their role in keeping homes safe.

Looking ahead to 2025-26, we will continue to strengthen our health and safety management system to provide assurance to the Board and confidence to our residents. This includes an internal audit programme that will assess key elements of our approach,

providing insight into areas of good practice and identifying where further improvements are needed. Refresher training will be rolled out for all staff and Board members, including IOSH-accredited courses and conflict resolution for lone workers.

To support a more proactive and consistent safety culture, we will use the Health and Safety Executive's climate survey tool and introduce multi-disciplinary safety tours. These initiatives will help us better understand our current culture and track progress over time.

Last year, we completed health and safety inspections across all our residential buildings with communal areas, enabling timely action on issues, improving compliance, and reinforcing our commitment to resident safety. Building on this strong foundation, we will continue to drive improvements that deliver safe homes, empowered staff, and long-term value for money.

Maintain financial capacity

The current RCF of £20m remains available until 2028. The refinancing project was finalised in June 2024, and we have secured a new RCF of £30m until 2034. This will enable the continued expansion of our development capacity and capital investment in improvements for our existing stock.

Ensure our residents are happy with their repairs

Next year, we aim to continue to exceed 97% satisfaction with repairs carried out.

Provide quality repairs and minimise return visits

Next year, we aim to exceed 99% of repairs requiring only one visit.

Work efficiently and respectfully in customers' homes

Next year, we plan to complete 97% of all planned works on time.

Remain Financially Strong

In 2025-26, our operating margin is budgeted to be 15.5%, which has been impacted by effect of the inflation rate on repairs and maintenance costs having increased more than the rate of rent increase. In the business plan our forecasted operating margin rises to 16.5% in 2026/27 and 17.7% in 2027/28.

Assurance and Internal Control

The Board of Teign Housing has overall responsibility for establishing and maintaining an effective system of internal control. The systems of internal control are the measures designed to ensure that Teign Housing is successfully working toward its objectives, and that

the risks that threaten the achievement of the company's objectives are identified and properly managed. Such a system can provide reasonable but not absolute assurance and cannot eliminate risk.

The Board reviews the system of internal controls, assesses its effectiveness and takes any necessary steps to maintain or improve its effectiveness.

Teign Housing's system of internal controls includes the measures set out below:

Policy and strategy – there are a range of policies and strategies in place that determine and guide the activities and arrangements of the company.

Internal Deep Dives and Reviews – regular reviews of the risks and assurance frameworks are supported by a robust internal audit programme. We also undertake internal deep dives across the business. The Audit & Assurance committee monitors the progress of any internal audit actions through to completion.

Prevention and detection of fraud – The system of internal control includes measures designed to prevent or detect fraud.

The Board has established a policy on the prevention, detection and investigation of fraud, which includes a whistle-blowing procedure and an anti-money laundering policy. The company uses different measures to prevent and detect fraud, which include but are not limited to:

- A Risk Management Framework
- Policies on staff conduct
- Declarations of interest
- Key reconciliations
- Authorisation controls
- Access controls
- Exception reports
- Financial Regulations

Board's assessment of assurance and internal control

The Board has conducted a review and made enquiries of the Executive and Senior Management Team to inform its view on the effectiveness of Teign Housing's internal controls. A full report on Internal Controls Assurance was provided to the Audit Committee on 13 May 2025. The results of the Board's review are the basis of this statement.

Teign Housing has assessed its compliance with the Regulator of Social Housing's Governance and Financial Viability Standard and considers itself to be compliant.

The Board confirms that an effective system of internal control has been in place throughout the year ending 31 March 2025 and up to the date of signing this report.

The Strategic Report, incorporating the Value for Money Statement, was approved by the Board of Directors on 24 July 2025 and signed on its behalf by

A handwritten signature in purple ink, appearing to be 'R. Gammage', with a large loop at the end.

Richard Gammage
Chair of the Board