Value for Money (VfM) Report

For the year ended 31 March 2025

Together with our communities, we create affordable homes and great neighbourhoods

Eastlight resident, Tammy, outside her home

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Foreword

As the Executive Director of Finance at Eastlight Community Homes, I am proud to present our Value for Money (VfM) Report for the financial year ending 31 March 2025.

This year's report outlines how we are using our resources effectively to support residents, invest in homes and communities, and strengthen Eastlight's long-term financial position. Amid continued economic uncertainty, we have delivered strong results, maintained our focus on efficiency, and reinvested in areas that deliver the greatest social impact.

In 2024–25, we raised £70m through the Government's Affordable Housing Guarantee Scheme. This nine-year bond issuance reflects the confidence lenders and investors have in Eastlight and secures long-term funding to support our strategic goals. It complements our Sustainable Linked Loans portfolio, where we achieved margin reductions by meeting key environmental, social and governance (ESG) targets.

Treasury management remains a critical lever in delivering value. This year, we generated £300,000 in additional income through prudent cash and deposit management, while maintaining 78% of our debt at fixed rates to protect our business against interest rate volatility.

Our operating margin rose to 26.1%, supported by increased rental income and tighter cost control. While we delivered 89 fewer new homes than the previous year (328 in total), we exceeded our forecasted development targets and acquired 860 homes from other housing associations. In doing so, we have extended our customer reach and improved service efficiency across our core operating areas. With greater certainty on future rent policy and fresh government investment in affordable housing, we remain well-positioned to grow with confidence.

£70m
nine-year bond issuance secured

Reinvestment in our existing homes remains a priority. This year, we spent £12m on major capital works, delivering hundreds of new bathrooms, kitchens, heating systems and windows, while maintaining compliance with the Decent Homes Standard.

We also responded to 1,813 damp and mould cases with a proactive and resident-focused approach. This positions us strongly for the introduction of Awaab's Law in October 2025.

At Eastlight, VfM is about more than reducing costs – it's about making every pound go further and achieving outcomes that improve residents' lives. This year, our colleagues helped around 2,100 residents access more than £2m in financial support and continued to tackle anti-social behaviour, domestic abuse and poor living conditions. Meanwhile, our evolving Resident Engagement & Community Empowerment Strategy opens up more ways for residents to influence how we work and shape their communities.

As the largest resident-led housing association in the country, governance driven by lived experience enables us to adapt quickly and respond to the diverse and everchanging needs of residents. This year, our Customer Influence Committee (CIC) played an even stronger role in decision-making, while the launch of our new Resident Members Charter in 2025 will embed resident involvement more firmly into our governance model.

Through strong financial stewardship, empowered resident involvement and a clear strategic direction, Eastlight continues to deliver positive outcomes for residents and long-term value for all stakeholders. We are in a strong position to meet future challenges and to keep investing in the homes, services and communities that matter most.

Thank you to all our stakeholders for your ongoing support.

David Mullen

David Mullen
Executive Director of Finance
Eastlight Community Homes

£300k
additional income following a VfM exercise in 2024–25

Reinvestment of VfM Gains

Following the launch of its three-year Corporate Strategy in April 2024, Eastlight Community Homes introduced a new Executive Team structure that would enable the organisation to better achieve its strategic objectives. The restructure also sought to enhance performance and enable greater agility and resilience amid a rapidly changing, turbulent housing sector landscape.

Leaning on a bench-strength of qualified Directors, four individuals were promoted to the Executive Team, creating a flatter organisational hierarchy. It also resulted in a circa. £500,000 cost-saving, all of which was reinvested back in Eastlight homes and services.

Eastlight seeks to reinvest surplus funds into our new and existing homes. This helps reduce the amount of borrowing we need to fund our ambition to improve and grow. It is important we generate surpluses that enhance Eastlight's strong balance sheet, creditworthiness and growth ambitions.

The Corporate Strategy 2024–27 sets out our ambitions to focus on our core purpose, delivering new, high-quality homes that contribute to the wider environment and community. In the year, we completed 328 new homes against a target of 263. While this was 21% fewer homes delivered than in the previous year (2024: 417), we remain active in the market and continue to surpass our targets.

While many organisations in our sector make bigger reductions or cease their development plans altogether, our programme by comparison remains healthy amid significant, ongoing economic pressure. Of all homes delivered in the year, 60% were for affordable tenures, with four homes allocated for social rent. In June 2025, the Government announced a ten-year, £39bn investment in the Affordable Homes Programme, alongside confirmation of a rent settlement of CPI+1%, from 2026. This provides greater certainty for the sector and will enable Eastlight to confidently plan and build more genuinely affordable homes in the years ahead.

£500k
saved following restructure to Eastlight's Executive Team

As at 31 March 2025, we were in contract or on-site with 507 new homes (96% through Section 106 agreements), and we had a firm pipeline of a further 86 homes.

We balance our focus on quality, quantity and locality. We are determined that the homes and communities we deliver on Eastlight-led schemes will meet the high standards as outlined in our Design Guide, and that the homes we purchase from developers through Section 106 contribute to our growing operating areas in the East of England.

Further to this, Eastlight exchanged contracts and purchased homes from three social housing providers, acquiring 860 homes across the Eastern region, where we have a high concentration of stock and were able to provide a high level of service to these residents. As part their stock rationalisation agenda, we absorbed 703 homes from Clarion Housing Group, 128 from L&Q, and 29 from Estuary Housing Association, each who were looking to transfer homes that were situated outside their core operating areas. Acquiring these homes also increased efficiency by closing geographical gaps in our housing stock, and further strengthened Eastlight's long-term financial position.

We are pleased to report that, during 2024–25, we invested £12m into our major capital works programme across our existing homes. This allowed us to install 108 new bathrooms or wet rooms, 163 new kitchens, 628 new boilers and other heating systems, 127 new roofs, 135 new fire doors, and fitted new windows into 179 homes. These investments not only enhanced the experience of residents living in these homes, but they also improved energy efficiency and overall safety. We made these essential upgrades while achieving 99.98% compliance (100% as at May 2025) with the Decent Homes Standard, and meeting all our lending covenants.

While our intention is to support residents and enable them to sustain their tenancies, there were instances in which residents engaged in anti-social behaviour, causing harassment, alarm or distress to others, and where action was therefore appropriate to gain back control of the home. In 15 cases, we used legal enforcement action via the Civil Courts to seek an injunction or possession of the property; these efforts resulted in six homes being returned to Eastlight so that we could allocate these to households most in need for reliable, long-term housing.

With 14,625 homes owned and managed, 480 employees and a turnover of £110.2m, we constantly strive to achieve social value for our communities, extending our reach, efficiency, effectiveness and impact. We are ambitious about investing more in resident-led services that benefit our communities, while building homes that people can afford in the places they want to live.

£12m
invested in major capital works

Tackling Damp & Mould

At a time of high inflation and a cost-of-living crisis, many Eastlight residents are struggling to heat their homes efficiently and are in need of energy efficiency improvement works. However, these issues combined have left many residents experiencing damp and mould in their home.

Our Damp & Mould Policy complies with all aspects of Awaab's Law, which will come into effect from October 2025, including response and repair timescales.

Our Healthy Homes Team proactively supports residents where evidence of damp and mould has been identified. Depending on priority, our team will visit homes within 14 calendar days to complete and resolve works – checking moisture and humidity levels, washing down mould, checking appropriate ventilation in bathrooms and kitchens, and completing minor repairs. They will schedule follow-on works when the repairs cannot be completed on the same day and liaise effectively with partners and contractors to find a speedy resolution.

The service includes a dedicated Resident Liaison Officer who keeps in contact with the resident throughout any ongoing jobs to ensure they get the continued support they need, whether it be financial aid or wellbeing advice through community partners or our in-house Tenancy Sustainment Team.

By the end of March 2025, our teams responded to 1,813 new damp and mould cases, an 11% increase when compared to 2023-24. Of these, 56 were classified as overdue by the end of the year, of which only 12 cases were attended to outside of the 14-day target range; residents either resolved the matter themselves and declined appointments, or cases were extended for follow-on works after mould had already been washed away.

We have a plan in place to bring all jobs back into the 14-day target and complete these satisfactorily moving forward, as per Awaab's Law. Our team members have already initiated new processes, increased engagement with residents and reduced appointment scheduling wait times.

1,813

reports of damp and mould responded to

Residents
can contact us to report damp and mould, and find further guidance, simply by visiting the Eastlight website

Asset Management, Estates & Sustainability

Our colleagues in our Asset Management, Estates & Sustainability teams delivered VfM in numerous ways during 2024–25, including:

- Partnering with SHIELD (Smart Heat & Intelligent Energy in Low-income Districts) to trial new energy efficiency technologies, significantly reducing our carbon footprint and overall energy use in our homes
- Improving loft and cavity wall insulation (CWI) to homes through the Energy Company Obligation (ECO4) scheme to accelerate our EPC-C objectives, at zero cost to Eastlight and residents
- Completing CWI on 29 homes as part of our ongoing programme under the Great British Insulation Scheme (GBIS)
- Fitting Mechanical Ventilation with Heat Recovery (MHVR) systems in 13 homes to keep them warm and well-ventilated without wasting heat, whilst reducing energy bills and maintenance costs
- Combining roof replacements with loft insulation top-ups and solar photovoltaics (PV) system installations to save staffing, scaffolding and heating costs
- Offering skips to local estates to tackle the increase in fly tipping, offsetting the cost placed on residents to remove the items themselves. These initiatives also included speaking to residents about concerns that matter most to them, such as pest control, repairs, street lighting and service charges
- Launching 'Community Amnesty Days' with local community associations, which invited staff, residents and local partners to give their estates a spring clean and declutter homes. The initiatives on one estate in Witham cleared out more than 4.5 tonnes of waste. Residents could also raise concerns about anti-social behaviour and gain practical advice on recycling from Eastlight, Braintree District Council and other community partners.

In 2025–26, Eastlight is investing £2.6m in residents' communal areas, as well as a further £600,000 in environmental and neighbourhood improvements. Together, this will include completing structural repairs, decoration works and enhancements to residents' homes and estates – such as new playparks, bin stores and landscaping – to increase satisfaction and reduce intermediate short-term repairs.

4.5

tonnes of waste cleared at a community event in Witham

Eastlight staff
making residents' homes cheaper, greener and warmer

Housing Development

Our Development colleagues also had a rather busy year. They:

- Completed Eastlight's flagship, land-led development scheme at Mount Hill in Halstead, Essex, bringing 71 new, affordable homes to the local area, including 55 homes for shared ownership and 16 for a mix of affordable and social rent. Without our intervention, these homes would have been built for private sale

- Ensured the Mount Hill development is a sustainable place to live, with an amenity space and environmental considerations, such as a hedgehog highway, bat and bird boxes, and a hibernaculum for lizards and reptiles

- Unveiled a playpark at Mount Hill, with residents pitching names for their new facility. Following the successful entry by young resident, Lilly (aged seven at the time), the playground was named 'Bumble Bee Park'

- Invited Eastlight development partners and stakeholders to attend a Bricklaying Event at our land-led, fully affordable scheme at Whatfield Road, Elmsett (Ipswich) which will provide nine high-quality homes for social rent and nine for shared ownership. Pupils at Elmsett Church of England Primary School also received a hands-on tour to educate children on affordable housing and careers in construction

- Built 1,535 new homes since Eastlight was formed in 2020, providing much-needed affordable housing solutions to areas across the East that need them most.

Competition winner,
Lilly (7), playing at "Bumble Bee Park" at Mount Hill in Halstead

Sustainable homes at our land-led development in Halstead, Essex

Maximising our Social Impact

Being the largest resident-led housing association in the country, Eastlight believes VfM is about more than just cost savings and efficiencies. For us, it's also about maximising our social impact and building better, stronger, sustainable communities where residents have the power to help shape a better service.

Our residents know their homes and communities better than anyone else. That's why it's crucial for us to have effective mechanisms in place that enable residents to have meaningful influence over how Eastlight works and what we prioritise.

To help make this happen, we developed a robust Customer Influence Committee (CIC) in 2021. This Committee, comprising eight Eastlight residents and one member with lived social housing experience, is a full and equal Committee of the Board. It ensures that residents contribute to strategic decision-making with a clear voice, providing support and challenge to our Board and Executive Management Team. This helps us to focus on delivering what residents and communities value most.

The Committee consists of up to eight Eastlight residents and one non-resident who has lived experience in social housing. It provides stewardship in managing risks, operational issues and our community empowerment initiatives.

Our CIC
ensures the resident voice influences change at the top table

Each Committee Member has a specialist area of oversight, ranging from complaints handling and health and safety, to reactive repairs and new home development. The group also frequently reviews all resident-focused strategies, policies and procedures.

In 2024, a recruitment campaign was launched to add a new member with lived experience to our Board and CIC, whether an Eastlight resident or otherwise, who was appointed in the year. A further recruitment campaign is planned for 2025–26, which aims to attract two new CIC members and one resident Trainee Board Member to replace the outgoing Trainee.

Our Resident Engagement & Community Empowerment Strategy 2024–27 reinforces our past resident engagement and community empowerment strategies and activities. It focuses on creating opportunities for resident participation and feedback, building knowledge and skills, and enhancing partnerships with local stakeholders. Underpinning these priorities are a range of customer voice groups which enable residents to influence strategic decision making, enhance services and increase community involvement.

Resident Academy

Our in-person and online Resident Academy courses enable residents to hold us accountable effectively and support them in developing the skills required to achieve new opportunities and get involved in shaping Eastlight for the better.

The in-person Resident Academy invites Eastlight residents to attend a free bootcamp funded by Eastlight and gives them access to high-quality training materials, tools and guest speakers. The content is designed to help residents play a more active role in our governance and community initiatives. It was relaunched during the Resident Conference in March 2025 following a brief hiatus. The Resident Conference and Resident Academy focused on anti-social behaviour, hate crime and domestic abuse, and gave resident attendees insight into the history of social housing.

This year, we published two new online courses titled ‘Housing in the UK Today’ and ‘How a Housing Association Works’, following the success of previous editions between 2022–24, which received plaudits and interests from peers in the sector, including partners and residents. All courses were published on the Eastlight website to residents, staff and our wider stakeholders.

Around 1,700 people engaged with all virtual courses published in the year (a 600% increase on 2023–24). The educational films feature our Board, Committees and Executive Management Team, alongside a range of housing association and political leaders, housing consultants and sector influencers.

1,700
people engaged in our Resident Academy programme

Empowering our Communities

Our previous All In community incubator programme was the first of its kind in the UK. It offered 20 Essex residents a full-time, paid opportunity to spend a year developing solutions to social issues affecting their local area. As a result, four scalable initiatives emerged as standalone businesses, tackling financial hardship, menstruation stigma, loneliness in youth, and mental health support.

An independent evaluation by Essex Business School showed that for every £1 invested, the programme generated a social return of £6.26 in its first year – demonstrating the value of investing in resident-led change.

Our joint fund with Braintree District Council – the Braintree District & Eastlight Community Fund – provided eight community organisations with grants adding up to almost £80,000, which will go on to support hundreds of local residents.

Following the panel meeting in October 2024:

- **Action for Family Carers** received £20,000 to keep their Young Carers Club based in Witham running
- CARA – **Centre for Action on Rape & Abuse** – was awarded £20,000 to aid the employment of councillors so CARA can continue providing specialist sexual violence and child sexual abuse support to around 170 adults and young people over the next two years
- A charity and social club, **Happy Hill Essex CIO**, which provides activities and sessions focused on emotional and social growth for children with special educational needs and disabilities (SEND), received £14,047 to meet the increase in demand on their services
- **Dance Network Association** was granted £10,000 to support the continued delivery of dance and group sessions for those with dementia and their caregivers across Halstead and Braintree
- To support those struggling with their mental health, **Braintree Rethink Art & Social Group** secured £8,000 to cover their core operational running costs
- A £2,750 boost will help **Friends of Cressing Temple** to recruit a part-time Volunteer Support Officer to join their growing volunteer base at Cressing Temple

£80k
awarded to organisations and charities through our joint fund with Braintree District Council

- **Popcorn** – a previous Eastlight community incubator – supports young children and adults experiencing isolation and aims to improve confidence and social skills. A £2,500 donation will offset their operating costs
- Halstead-based, **Sunnydays Baby & Toddler Group CIC**, created and run by an Eastlight resident, received £2,250 to ensure its support groups can continue at a high standard, despite growing demand and financial pressure.

The Eastlight Resident Groups (ERGs) consist of local-based volunteers across Braintree, Halstead and Witham that come together to fix estate and community-based issues. They also have access to resident group spending, funding local community businesses, charities and initiatives, to reduce anti-social behaviour, mitigate social isolation and promote community cohesion.

For example, ERG members paired up with a Parish Council to fund £5,000 needed for a new playground in Panfield, Braintree, boosting the wellbeing of local families and creating a sense of community.

The group also approved cash injections to the following causes across our districts, totalling nearly £9,000:

- Colchester-based landscape gardening business, Greenfingers Garden Services, installed new flowerbeds across estates in Witham, following the ERGs granting £2,835 to replace previous fly tipping hotspots, which will now be looked after by local residents
- Communal improvements in the year saw the ERG grant £2,330 for new benches, planters and flowers at Godric Place in Braintree, alongside Colne Valley Close and Conies Road in Halstead
- Black Notley Scout & Guides Group was awarded £1,452 for camping equipment, and Silver End Scout & Guides was also given £676 for gas ovens and personalised group clothing
- Around £667 was used to support the Silver Tots Baby & Toddler group with the purchase of play equipment, like tunnels, gym mats, highchairs, Little Tikes bikes and hot water flasks
- Coggeshall Christmas Committee was granted £600 to support their Christmas market activities, including the cost of Santa Grotto presents for local children
- Silver End's Brownies also received £431 for new neckerchiefs and outdoor sports equipment.

£9k
granted to local initiatives to solve social issues by ERGs

Eastlight team members also supported residents and invested in our communities in the following ways:

- Provided benefits advice to more than 2,100 residents, which led to securing £2m in financial support
- Worked with team members, partners and agencies to support 185 residents with domestic abuse
- Handled 1,152 cases of anti-social behaviour, reducing nuisance and unacceptable behaviour in our communities
- Offered general household support, furniture and food vouchers to residents in need, through our £90k Tenancy Support Fund
- Heated 435 residents' homes with £80k awarded in fuel vouchers
- Supported 252 residents through our Tenant Support & Wellbeing Service – a free and confidential 24/7 hotline and online portal – with top-searched topics including money, debt and budgeting advice
- Safeguarded 759 adults and children from possible or actual abuse and neglect
- Delivered food vouchers to 34 households experiencing financial hardship, and donated much-needed items to Braintree Area Foodbank and the Salvation Army
- Raised £370 through bake sales and raffles for the Witham Community Hub – an organisation in Witham that aims to support social inclusion
- Revamped facilities and transformed allotments at Stisted Primary school, enabling pupils to learn and develop green skills, while offering a welcome boost to their mental wellbeing outside in nature
- Allocated funding to supply food and equipment at Housing for Older People scheme John King Court in Brightlingsea. A barbeque was hosted and spearheaded by the scheme's residents to celebrate their small community and stave off loneliness amongst older people

£2m
secured for residents requiring benefits advice or other financial support

- Sponsored a range of Eastlight residents in their drive to support local communities in our key areas, including the Rayne Youth U15s football team
- Hosted an event with IntoUniversity for 30 Clacton-on-Sea students from Tendring Technology College so they could access a safe, open space for learning and development
- Supported a residents' association in Witham to organise environmental events, tree planting and explore rewilding areas on their estate. Alongside our contractors, Essex Wildlife Trust and Witham Town Council, six areas were identified for future rewilding to reduce the drastic decline in insect populations and to bring the community together.

Stisted Primary School pupils using their new flowerbeds

Residents Work Experience Programme

We offered one resident the opportunity to gain practical experience in asset management and development, through a hands-on learning experience, and a recognised entry-level qualification paid for by Eastlight.

The programme honoured the retirement of Eastlight Board Member, Dale Butcher, who played an integral role in Eastlight's merger and future direction since its formation in 2020.

Annual Report for Customers

Eastlight Community Homes' Board publishes a separate Annual Report for Customers, which sets out our progress and achievements around VfM. It incorporates our performance for the year, as well as our planned actions for the coming 12 months that directly impact on residents. The report is published on our website: **www.eastlighthomes.co.uk**.

Wendy Harris
with past Board Member, Dale Butcher, during work experience

Delivering VfM through our Financing Activities

In 2024–25, Eastlight successfully raised £70m of funding through a bond issue via the Affordable Housing Guarantee Scheme (AHGS) over a nine-year term. This further bolstered our financial resources to support our investment goals and demonstrated the confidence lenders and investors have in us.

A number of Eastlight facilities are Sustainable Linked Loans (SLL) with margin reduction being received for hitting prescribed Environmental, Social & Governance (ESG) targets. The year 2024–25 has been the first year of reporting under these loan facilities and has seen Eastlight obtain margin reductions across several facilities.

VfM is very much a guiding principle for treasury decision-making with facilities being refinanced when opportunity arises due to need, timing or new market entrants. With several revolving credit facilities scheduled to mature in the next two to three years, we hope to capitalise on such opportunities by taking a proactive approach within the next 12 months.

Eastlight has a balanced attitude to financial risk and seeks to both minimise cost and maximise income. A recent review of our Treasury Management Policy has set a cash holding limit of £8m (previously £10m) resulting in lower costly drawn balances. Also, with enhanced interest rates on bank deposits having been obtained earlier in 2024–25 through a VfM exercise, this generated circa. £300k of additional income over the last 12 months.

At the end of March 2025, a total of 78% of our debt was at fixed rates. This sits within the boundaries set by our Treasury Management Policy and provides certainty on funding costs for the majority of our debt portfolio. We believe there is scope to achieve further savings in this area through identification of opportunities to fix as debt levels increase. Evaluation of the right quantum, term and pricing are all to be considered as part of our Treasury Annual Plan.

Our robust and proactive approach to treasury management ensures that Eastlight maintains excellent access to funding. We plan so that we can navigate the market on our own terms to secure favourable deals, rather than being forced to accept less attractive options due to financial pressure.

VfM Metrics

Our Board prioritises VfM to ensure that Eastlight uses its resources effectively and maximises the positive impact we make on Eastlight residents and the wider community.

We also use the Regulator of Social Housing's VfM Metrics to assess our performance and benchmark ourselves against other organisations. We can confirm compliance with the VfM Standard. Our selected peer group includes organisations that are similar in terms of status, operating models and geographical locations. In choosing these peers, we also looked for their strategic goals aligning with our focus on resident involvement and community empowerment. Additionally, we include organisations whose size and development plans align with our ambitions as outlined in our Corporate Strategy 2024–27.

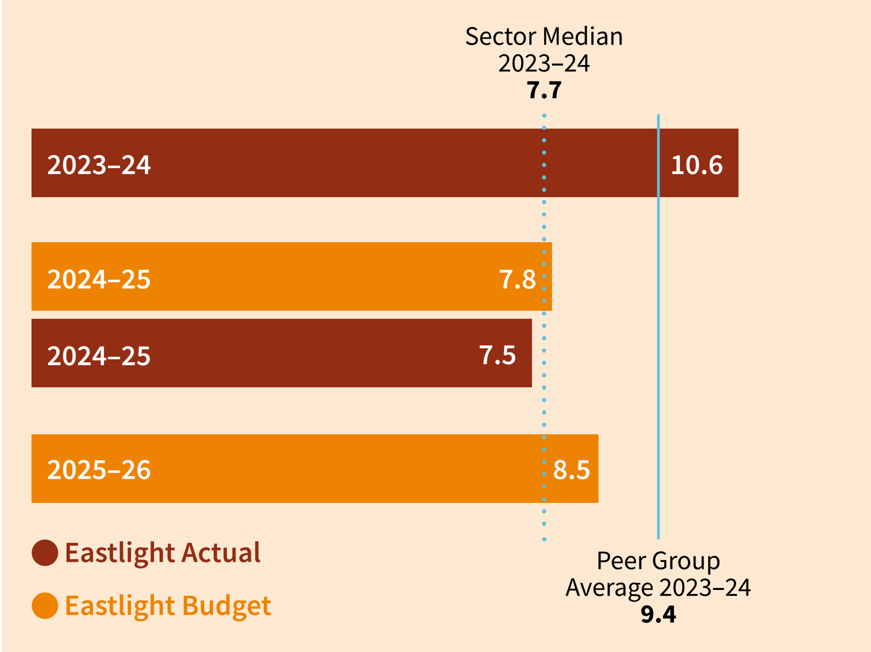
Our benchmarking is based on data sourced from the Global Accounts and VfM metrics reports, compiled by the Regulator of Social Housing for the year ending March 2024 (the most recent information available).

Given the continued economic pressures we have sustained over the last 12 months, we do not believe that comparing Eastlight's current performance to its peer group in a previous year will yield a clear analysis. Hence, the analysis that follows compares Eastlight's performance in the previous year to that of others in 2023–24. Furthermore, it compares our latest performance (2024–25) against our own results for 2023–24.

Given that both the trade press and the Regulator's Quarterly Surveys have extensively documented the pressures faced by most associations, it is unlikely that some of the negative changes we observe in our own metrics over the past year are exclusive to Eastlight. We can only make a meaningful assessment of our latest performance against our peers when the annual accounts of all associations for 2024–25 are published.

Benchmarking Analysis

Reinvestment %



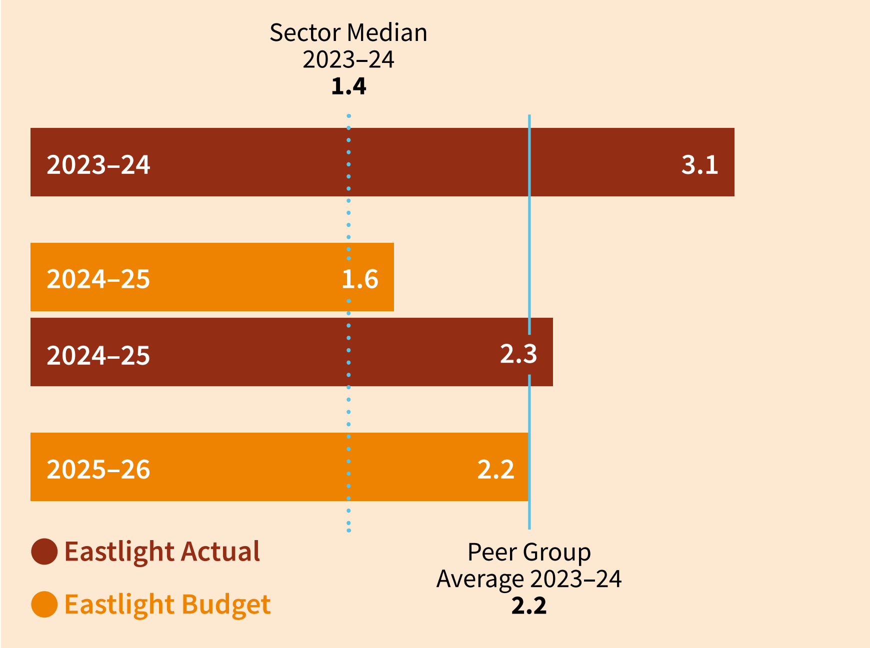
What this metric means in simple terms
This metric shows how much a housing association invests per year in improving its homes or developing new ones, compared to the total value of its properties.

2023–24 benchmarking – comparing like-with-like
Our 2023–24 reinvestment rate was 10.6%. This was higher than both the sector median (7.7%) and our peer group average (9.4%).

2024–25 update – comparing Eastlight's year-on-year results
Our reinvestment rate in 2024–25 reduced by 3.1% to 7.5%. This was lower than our 2023–24 result and the 2024–25 budget, as we continued to experience difficult market conditions with reduced spend on new development.

We expect our reinvestment rate to increase in the next financial year as we maintain our development programme and increase our capitalised major repairs in line with our latest Business Plan.

New Supply Delivered (Social Housing) %



What this metric means in simple terms

This metric measures by how much a housing association has increased its number of homes in the year, in percentage terms.

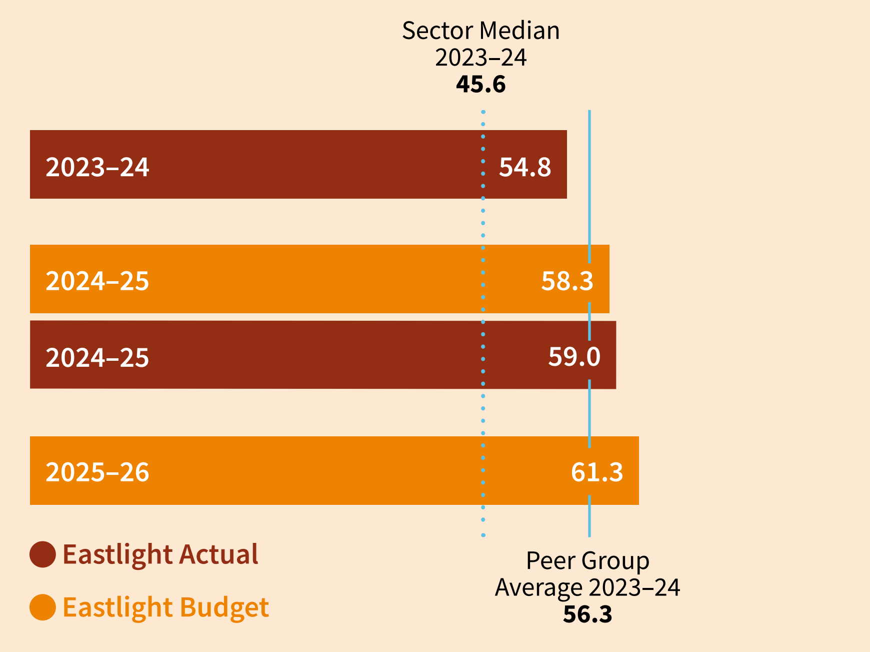
2023–24 benchmarking – comparing like-with-like

We completed 417 new homes in 2023–24, increasing our total number of affordable homes by 3.1%. This was higher than both the sector median (1.4%) and the peer group average (2.2%).

2024–25 update – comparing Eastlight's year-on-year results

We completed 328 new homes in 2024–25, a 21% decrease from the previous year, but an increase on the budget and above the peer group average of 2.2%. Non-social housing new supply delivered is 0%.

Gearing %



What this metric means in simple terms

This metric shows how much debt a housing association has compared to what its homes and other assets are worth. Generally, a high gearing ratio might indicate a higher level of financial risk and less capacity for the housing association to increase borrowings, but this depends on each housing association's circumstances.

2023–24 benchmarking – comparing like-with-like

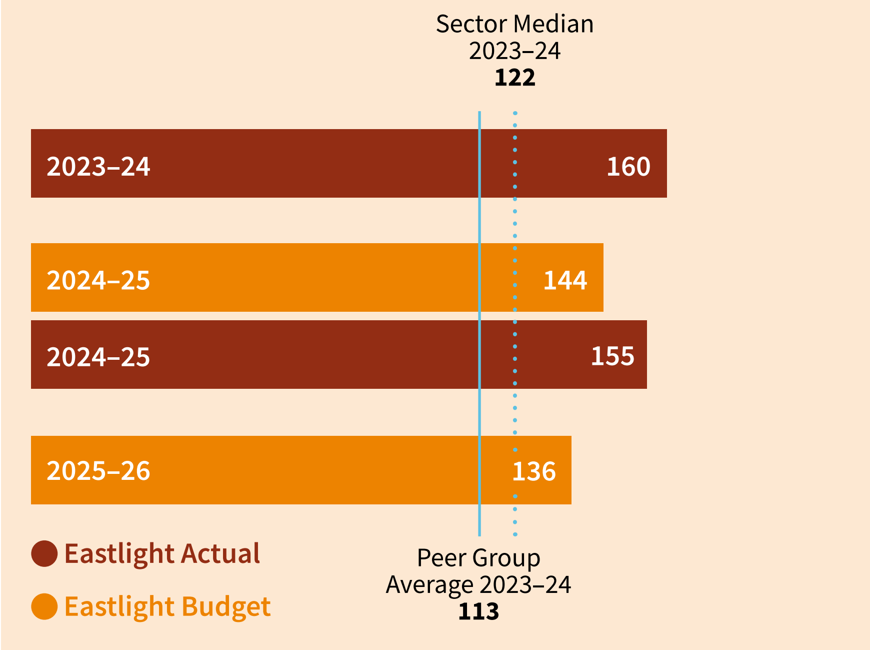
Our gearing was 54.8% at the end of 2023–24. This was lower than the peer group (56.3%) but higher than the sector median (45.6%).

2024–25 update – comparing Eastlight's year-on-year results

To facilitate the acquisition of 860 units from other housing associations and to continue our ambitious development programme, Eastlight needed to borrow more money to put towards the investment. This year, we followed our strategy and increased our borrowing, resulting in a higher gearing ratio of 59.0%, up by 4.2%.

Despite this increase, our borrowing capacity remains strong and healthy. Our Business Plan expects continued borrowing to support us in building more homes. However, we will make sure that our borrowing stays at manageable levels to preserve our financial strength and resilience.

EBITDA–MRI Interest Cover %



What this metric means in simple terms

This metric helps us understand a housing association's ability to cover its interest payments using its operating income. A higher ratio indicates we are more able to cover our interest payments and is a sign of financial strength.

2023–24 benchmarking – comparing like-with-like

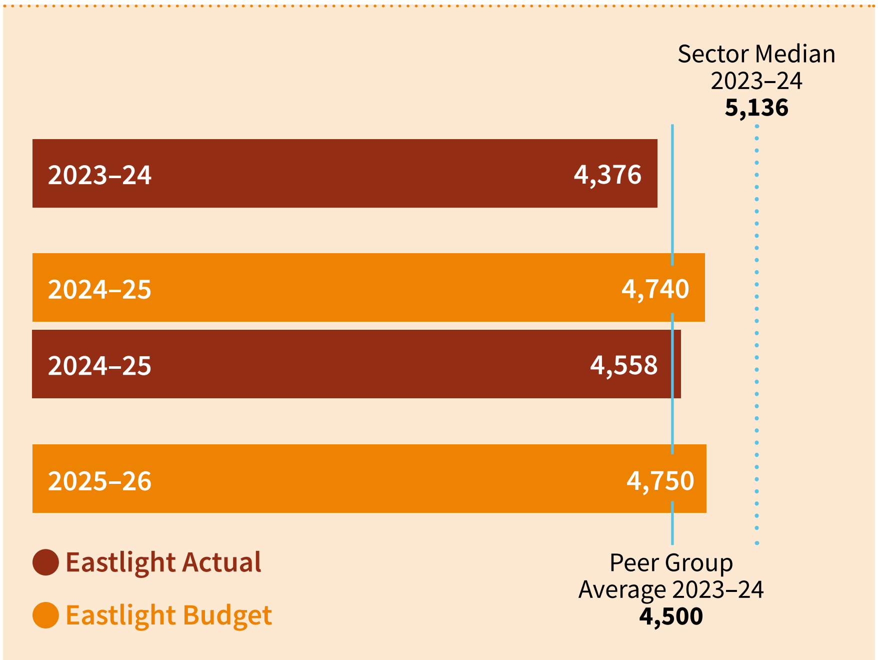
Our EBITDA-MRI interest cover was 160% in 2023–24, far stronger than both the sector median (122%) and peer group average (113%).

2024–25 update – comparing Eastlight's year-on-year results

In 2024–25, we achieved interest cover of 155%, which is 5% lower than the previous year but higher than the budget target, representing strong performance despite pressure on both operating and interest costs.

Recognising that these pressures are likely to continue, we aim to maintain an EBITDA-MRI interest cover of at least 136% in 2025–26; this is a key target in our budgets and Business Plan. This provides us with a healthy buffer against our lenders' requirements and ensures our financial stability.

Headline Social Housing Cost per unit £



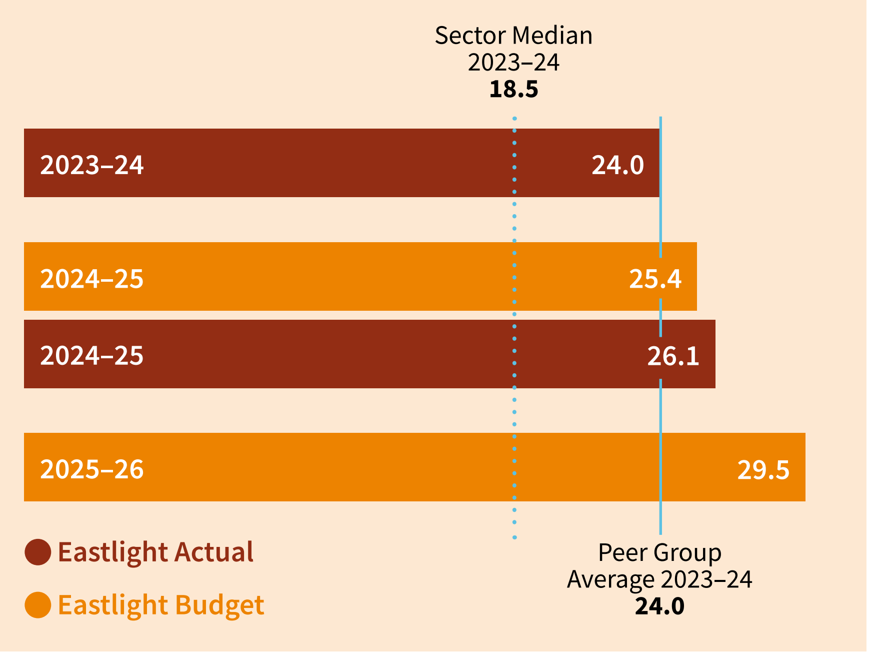
What this metric means in simple terms
This metric shows how much a housing association spends per year to manage and maintain each social housing home, allowing for overheads. Generally, a lower cost per unit suggests more efficiency.

2023–24 benchmarking – comparing like-with-like
Our social housing cost per unit was £4,376 per unit in 2023–24. This was well below the sector median (£5,136) and the peer group average (£4,500).

2024–25 update – comparing Eastlight's year-on-year results
In 2024–25, we continued to see pressure on operating costs with the cost per unit rising from £4,376 in 2023–24 to £4,558 in 2024–25. This increase was mainly due to the continued high levels of inflation affecting our key services. Additionally, labour shortages forced us to rely more on subcontractors, which increased costs. However, this was far lower than our budget for the year.

In our budget for 2025–26, we expect the cost per unit to continue rising due to our ongoing efforts to improve our homes, deliver EPC–C and Net Carbon Zero obligations. However, we will strive to find ways to limit these increases by identifying opportunities to save money without compromising the positive impact we make.

Operating Margin – Overall %



What this metric means in simple terms

This metric helps us measure the financial performance of a housing association across all its activities, including shared ownership sales and community investment. A higher operating margin indicates we keep a higher amount of our income after deducting costs. This leaves more money to reinvest in providing better services and building or improving homes.

2023–24 benchmarking – comparing like-with-like

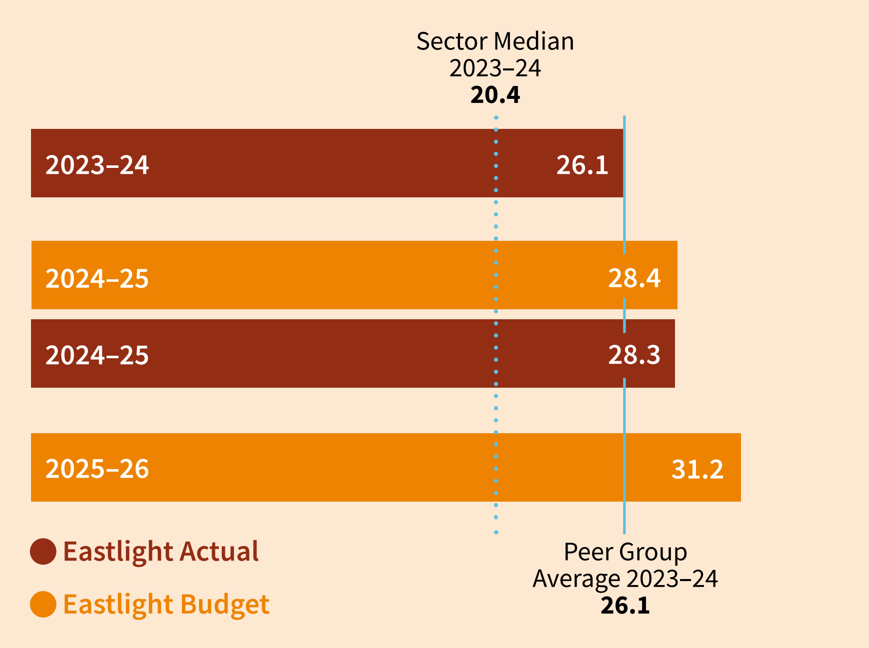
Our overall operating margin was 24.0% in 2023–24. This was higher than the sector median (18.5%) and the same as the peer group average (24.0%).

2024–25 update – comparing Eastlight's year-on-year results

In 2024–25, our overall operating margin rose by 2.1% to 26.1%, and higher than the budget of 25.4%. This rise was mainly due to higher rental income due to additional stock acquired and annual increases, plus additional homes from our development programme. We also tightened our scrutiny and control of operating expenditure during the year.

In our budget for 2025–26, we anticipate the overall operating margin to increase to 29.5%. This allows for the April 2025 rent increase and reduced reliance on maintenance subcontractors.

Operating Margin – Social Housing Lettings %



What this metric means in simple terms

This metric helps us measure the financial performance of a housing association's core social housing lettings activity. A higher operating margin indicates that we keep a higher amount of our income after deducting costs. This leaves more money to reinvest in providing better services and building or improving homes.

2023–24 benchmarking – comparing like-with-like

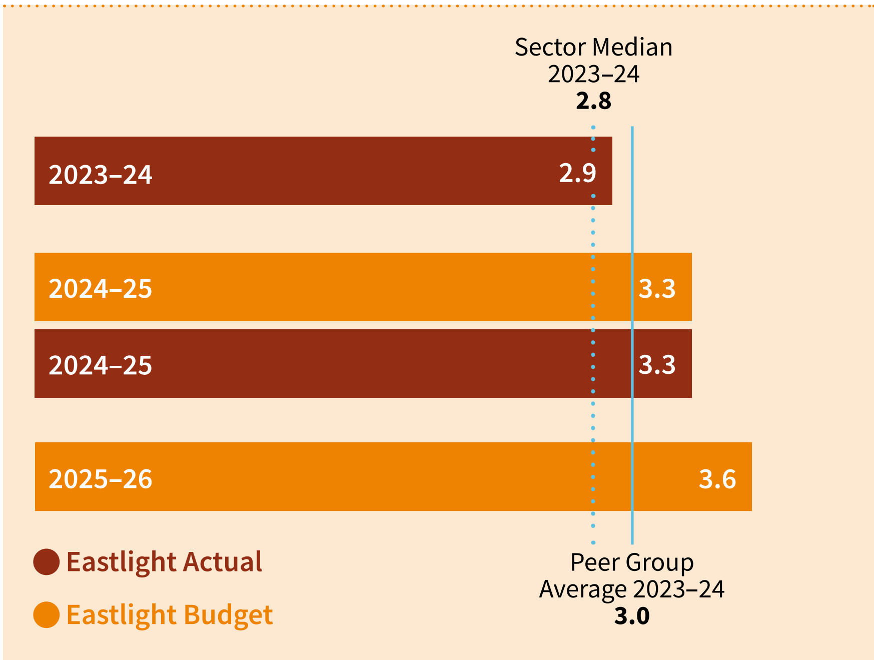
Our social housing lettings operating margin was 26.1% in 2023–24, well ahead of the sector median (20.4%) but the same as the peer group average (26.1%).

2024–25 update – comparing Eastlight's year-on-year results

In 2024–25, our social housing lettings operating margin rose by 2.2% to 28.3%. Although an improvement, this was slightly behind our target for the year of 28.4%. This rise was mainly due to higher rental income due to additional stock acquired and annual increases, plus additional homes from our development programme. We also tightened our scrutiny and control of operating expenditure during the year.

In our budget for 2025–26, we anticipate the social housing lettings operating margin improving to 31.2%. This allows for the April 2025 rent increase and reduced reliance on maintenance subcontractors.

Return on Capital Employed %



What this metric means in simple terms

This metric helps show how effectively a housing association drives income as a percentage of the total capital invested in the organisation. A higher return on capital employed (ROCE) indicates greater financial efficiency and effectiveness.

2023–24 benchmarking – comparing like-with-like

Our ROCE was 2.9% in 2023–24, below the peer group average (3.0%) and slightly higher than the sector median (2.8%).

2024–25 update – comparing Eastlight's year-on-year results

Our ROCE in 2024–25 was 3.3%, which was higher than the prior year.

Our budget for 2025–26 expects us to achieve ROCE at 3.6%.

Environmental, Social & Governance (ESG)

Our Environmental Efforts

Sustainability is a core principle within Eastlight's Corporate Strategy. It outlines our ambition to operate in an increasingly sustainable way, taking positive action to reduce the environmental impact of building and living in an Eastlight home.

In line with this, our five-year Sustainability Strategy 2022–27 sets out how we aim to build new homes and invest in our existing ones in ways that are kind to the environment. We also want to support residents to reduce their own environmental impact and help them to run their homes more efficiently, reducing overall fuel poverty.

Our journey towards achieving Energy Performance Certificate (EPC) C for all homes by 2030 and Net Zero Carbon by 2050 is underpinned by our desire to address the climate emergency, from meeting our legislative obligations to improving our homes and local environments.

Our Asset Management Strategy 2024–27 makes it clear that we will use a 'fabric-first approach' to reduce heating demand and cost to residents, including researching, trialling and embedding proven technology in our day-to-day asset programme to help us achieve our ambitions at a faster rate.

In the year, around 80% (9,349) of existing homes that require an EPC score, built before the last financial year and for which an EPC has been obtained, were rated EPC-C or higher (2024: 73%). This is following a host of energy efficiency upgrades to 842 homes. Now, only 2,400 homes (or 20% of all Eastlight homes) need to achieve the minimum 'C' requirement.

All our new homes are required to meet a minimum of EPC-C, regardless of tenure, locality or challenge in construction. In the year, all 328 new homes achieved EPC-C, with nearly 97% reaching EPC-B and above.

As noted in our New Homes Strategy 2021–26, all new homes on Eastlight-led schemes will be built to the specifications as set out in our Design Guide. The document is used by the Eastlight team, development contractors and consultants, and aims to instil 'good design' as a guiding principle for all aspects of a scheme's inception, design, use and maintenance. It prioritises the customer experience and considers good design across four perspectives: the Resident, the Organisation, the Community and the Environment.

A team of Eastlight Sustainability Champions meet regularly and help to combat some of the sustainability challenges prevalent in our sector, and specific to Eastlight. Our Champions – which includes 14 staff members and one Customer Influence Committee Member – are now fully Carbon Literate, having completed the Carbon Literacy® Toolkit for Social Housing. This training provided the vocabulary and education needed to communicate climate and housing-related matters with stakeholders and better deliver innovative solutions to help reach government targets and Eastlight's sustainability goals.

In our day-to-day running of the business, we have adopted changes to improve the sustainability of energy, materials and ways of working. For example, switching from 'brown' energy to green renewable energy has enabled significant cost savings, whilst moving our IT services to cloud-based solutions and offsite servers has resulted in 80% carbon reductions.

Our Home Solutions Team, which provides essential repairs and maintenance services to residents, now work across four, local patch-based areas, which decreases travel time and limits greenhouse gasses. In the last year, we reduced fleet travel by 18,139 miles and saved 6751.54 kgCO2e in carbon emissions. We are actively investigating our commercial van allocation, returning four diesel vans in 2024–25 and purchasing four electrical vehicles in this coming financial year.

In March 2024, Eastlight was successfully awarded £1.2m in Government funding via the Warm Homes: Social Housing Fund (Wave 3). We matched this funding to increase our overall investment to £2.4m over the next three years. Residents living in 275 homes will receive new solar panels, air-source heat pumps and increased loft insulation, with any outdated gas and oil systems removed.

Eastlight is an adopter of the Sustainability Reporting Standard for Social Housing (SRS) and therefore commits to reporting against the latest framework available (SRS 2.0) and publishing an Environmental, Social & Governance (ESG) Report each year. As a result, we can track our progress, benchmark against our peers and drive improvements.

Read more about our performance against the SRS in our dedicated ESG Report 2024–25, published on our website: **www.eastlighthomes.co.uk/publications**

Eastlight's Painting & Decorating Team uses refillable paint cans to reduce waste

Our Social Impact

Launched in 2024, our Resident Engagement & Community Empowerment Strategy reinforces our past resident engagement and community empowerment activities and strategies, focusing on new opportunities for resident participation and feedback, building knowledge and skills, and enhancing partnerships with local stakeholders.

It emphasises our ambition to deliver trusted, local place-based services, as well as a three-year investment programme for communal areas and neighbourhoods, both of which we aim to measure progress against using the Regulator's Tenant Satisfaction Measures and our overall increase in efficiency.

Under the strategy, residents can inform strategic decision-making and improve the things that matter to them through different customer voice groups:

- **Active Residents Network (ARN)** – A network of residents who share their expertise and passion to improve their homes, services and neighbourhoods. Members receive regular invitations to take part in activities, including scrutinising strategies, policies and services, playing an active role in their neighbourhoods and taking part in events to shape Eastlight's future
- **Eastlight Resident Groups (ERG)** – Local volunteer groups, with members who come together to fix estate-based issues and make decisions on resident group spending across Braintree, Halstead and Witham
- **Resident Academy Bootcamp** – A face-to-face learning experience to identify and upskill residents for the Committee and Boardroom, alongside wider community-based opportunities.

As the country's largest resident-led housing association, Eastlight's residents have the opportunity to become shareholders and are entitled to vote at our Annual General Meeting (AGM) each September and any Special General Meetings (SGM), as appropriate. Shareholder voting is required for rule changes, and the appointment of Board Members and auditors.

Our strategy enables residents to influence our decisions

During 2024–25, Eastlight launched a resident consultation proposing a new 'Resident Members Charter', which would ensure residents have easier, clearer access to scrutinise and influence how Eastlight is run and operates. Co-designed with residents, this charter aimed to replace our existing shareholding offer and bring together all the resident engagement activities that exist at Eastlight, including the Customer Influence Committee, Active Residents Network and other scrutiny groups.

Following a favourable consultation, an SGM was held in June 2025 to put the proposed charter to a formal vote; at which resident shareholders voted in favour of the change, with an overwhelming majority of 92%. The formal change will take place in July 2025.

Each year, Eastlight is required to self-assess against the Regulator of Social Housing's Consumer Standards and transparently publish its Tenant Satisfaction Measures (TSMs). The TSMs demonstrate how residents generally feel about our overall service, including our communications, repairs, complaint handling and contribution to their neighbourhood. We are pleased to see an overall uplift in perception results from this time last year (TP01: 73% in 2025; 70% in 2024), although we know we have more work to do in the years ahead to deliver the kinds of timely, responsive and personable services residents want and need from us. See our Financial Statements and website for more information.

Eastlight's Asset Management Strategy 2021–27 works hand-in-hand with our Sustainability Strategy 2022–27 to reduce the effect of fuel poverty on our residents, particularly during the cost-of-living crisis, by making sure that the money spent by residents on heating is retained within the home for as long as possible.

We ensure that our energy efficiency improvements not only result in the Government's Standard Assessment Procedure (SAP) points but also benefit the resident regarding running costs.

We are evermore focused on our EPC-C and Net Zero Carbon plans, as well as specification target energy efficient models, i.e. A-rated Windows, A-rated boilers. To help us achieve this, Eastlight partnered with Smart Heat & Intelligent Energy in Low-income Districts (SHIELD) and the Energy Company Obligation (ECO4) to trial new energy technologies and gain access to funding to reduce energy use for those living in an Eastlight home.

Last year's (2023–24) retrofit programme and technology trials in two semi-detached homes in Twinstead, Essex, led to increased efficiency by more than 200% and EPC scores to jump from D to B in one home, and D to C in the other.

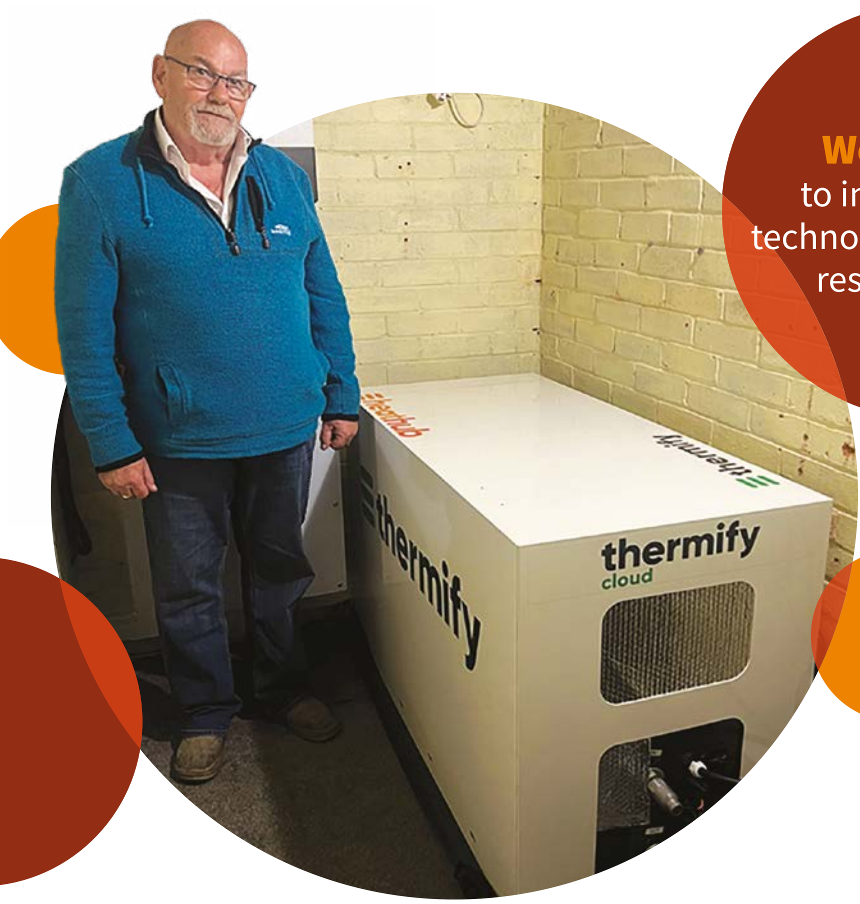
In 2024–25, the SHIELD project included installing a Thermify HeatHub in one Cressing resident's home, which transfers heat generated through the compute process to the central heating system (also known as 'heat recovery'). We also added solar panels and electric battery storage to the property.

92%
resident shareholders voted in favour of a Resident Members Charter

By monitoring performance through the Cressing resident's smart Switchee thermostat, we have achieved positive heat gain and a significant reduction in carbon emissions, with heating bills dropping by 40%.

Our partnership with the Energy Company Obligation (ECO4) scheme provides a range of energy-saving solutions, including insulation improvements, green heating systems and boiler repairs. With delivery management, resident engagement and property identification completed at zero cost to Eastlight, the ECO4 programme has saved Eastlight circa. £2,000-£4,000 per property and has enabled us to bring our existing properties up to our target of EPC-C at a faster rate.

The Eastlight Design Guide sets out the innovation, technology and new on-site energy storage measures assessed and considered when designing and delivering our new homes programme, which seeks to address and tackle fuel poverty to directly benefit residents. A 100% affordable development scheme in Elmsett is the first to fully meet the Design Guide.



We commit to installing new technologies to reduce residents' bills

In 2024–25, we received 16 Housing Ombudsman determinations, which carried 30 total findings: 12 maladministration; nine service failure; and five redress. The other four findings determined carried no maladministration.

By the end of the year, Eastlight had four further cases referred and under investigation from the Ombudsman – one determination has been received and three are still awaiting an outcome. Only one case was raised in 2023–24, with the further three cases raised in 2024–25.

While the rate at which our complaints have been escalated to the Ombudsman has increased to 2.8% (2024: 0.6%), we are proactively addressing and learning from its findings: we have ensured Customer Influence Committee oversight to address common themes and tackle route causes; delivered service area improvements to respond directly to failures found; terminated and retendered new contracts where services were previously promised and not received, resulting in such complaints; and reviewed policies and staff performance to ensure resident focus and satisfaction. This also included completing all orders and recommendations following these determinations, including awarding more than £7,000 in compensation.

The increased volume in complaints reviewed by the Ombudsman follows a complaint trend within the social housing sector and is comparable with similar organisations of our size and position.

In the year, we also reviewed our compensation amounts awarded in line with Housing Ombudsman guidance, alongside our internal 'Think Customer' campaign and in agreement with engaged Eastlight residents. Providing redress allows Eastlight to restore a person to the position they would have been in had the service failure not occurred; minus awards following determinations, Eastlight offers compensation at either Stage One or Stage Two of our complaints process. This resulted in 385 cases awarded a total of around £135,000. Seven cases were granted compensation through Housing Ombudsman investigations, 59 were for heating issues, 22 for damp and mould, and 22 for poor communication. Eastlight has robust plans in place to address each of these issues and is actively resolving problems through its ongoing improvement activities.

Team members deliver key support services to improve outcomes for social housing residents. Some work solely to ensure people can sustain their tenancies – whether it be supporting with hoarding, to live independently and securing the right level of welfare benefits, or resolving domestic abuse, anti-social behaviour and making improvements in their homes – so they can live somewhere they can afford and feel comfortable in.

While our strategic plans, long-term growth ambitions and vision for the future drive Eastlight forward, our residents give us purpose, and our people's actions enable us to make a positive difference.

16
Housing Ombudsman determinations in 2024–25

Our Resident-led Governance Structure

Our Customer Influence Committee (CIC) is made up of nine members who keep the Board resident focused.

Committee Members contribute to strategic decision-making, provide support on resident issues and challenge the Board to ensure we meet residents' complex, ever-changing and varied needs. They oversee Eastlight's promises to residents and stakeholders, including developing our strategies and policies.

It is a full and equal Committee of the Board, comprising eight Eastlight residents and one Board Member with lived social housing experience.

Three CIC Members sit on the Board. They include:

Catherine Turner
Board Member,
Chair of the Customer Influence Committee

Amandeep Singh Kalra
Board Member

Steve Bentall
Trainee Board Member

In her role, Catherine Turner is also our dedicated Member Responsible for Complaints (MRC). The Complaint Handling Code requires housing associations and social landlords to have an MRC as part of their governing body. This aims to provide assurance against the effectiveness of our complaints system, with a dedicated member responsible for challenging data and reporting trends, outcomes and planning to Board effectively.

Eastlight has adopted the NHF Code of Conduct 2022 and follows the principles for the identification, declaration and management of potential conflicts of interest. The processes for managing such conflicts and related matters are included within Eastlight's Governance Framework, Probity Policy and Board Membership Policy.

Eastlight's Board publishes a more detailed ESG Report, which can be found on our website: **www.eastlighthomes.co.uk/publications**

Eastlight Community Homes

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