

BUSINESS STRATEGY

2025-2028

Providing sustainable homes for sustainable communities



School visit to homes under development on a Rural Exception Site in Curdridge, Hants

Hastoe was established over 60 years ago and now owns and manages more than 7,500 homes, most of which are located in the south of England between Devon and Norfolk. Our priority is to serve our customers and our communities.

For historic reasons, some of our homes are in urban areas but since 1987 we have focused on being a leading rural housing specialist. We deliver small housing developments where there is a recognised need, in partnership with local communities. Our new homes are designed and built to a high and sustainable standard.

We have grown steadily over the years, have charitable status and any surplus we make is invested back into our new and existing homes.

About this Business Strategy

This single document presents our overall strategic direction and it incorporates the following former strategies:

- Corporate Plan
- Customer Strategy
- Asset Management Strategy
- Development Strategy
- People Strategy
- Equality, Diversity, and Inclusion Strategy

In doing this, we aim to make visible the 'golden thread' that links our purpose, vision and values, with our strategic objectives, actions and targets.

This Business Strategy sets out who we are, what we are looking to achieve and how we are planning to deliver on those objectives. We list the principal actions we plan to take and the performance levels we are seeking to achieve. Our strategic approaches are

described under each of our four objectives with clear plans and targets that we aim to deliver. However, in doing so, we have not lost sight of the fact that the collective aim of all 4 objectives is to meet customer expectations and drive up customer satisfaction.

This document is reviewed annually by the Board and, in addition to the customer feedback we receive throughout the year (including via Housing staff, our Customer Service Centre, phone days with the CEO and Directors, and meetings with the Board), we also engage residents as part of a formal process. Members of the Board and our Executive Team met with tenants and shared owners to enable them to influence our approach.

Hastoe's Financial Plan and Financial Report and Statements are published as separate documents alongside this Business Strategy.

Introduction



For 2025, our Business Strategy has focussed on making the outputs bolder and clearer, giving us clarity of direction, and ensuring we are transparent and accountable to our customers and each other.

Over the last 3 years, in challenging times, I have seen the hard work of everyone in the organisation begin to come to fruition.

Meeting residents, getting their feedback and acting on it, has led to a number of changes to address issues and make improvements. However, this work takes time and, in reviewing this strategy, our key objectives remain focussed on improving service delivery and customer satisfaction.

The Board is pleased the Regulator of Social Housing recognises the progress we are making. The results of its recent regulatory inspection provide us with the encouragement to know we are moving in the right direction and the incentive to continue to press ahead with our improvement plan.

We want to encourage more people to speak with us, including shared owners and leaseholders, and this year we have set ourselves an additional aim to increase communications and feedback with our homeowners.

The external environment within which we operate can be volatile and continues to be challenging but our resilience to this has strengthened. This year we look forward to continuing our conversation with all our stakeholders, building on our successes, using our data more effectively, and making improvements in all areas of our work from repairs to developing quality homes.

Lindy Morgan, Chair of Hastoe's Board



The Regulator of Social Housing's latest inspection shows our governance and financial viability ratings remain strong (G1/V2). Our new consumer standards rating (C2) shows there is room for improvement but we have plans in place to improve customer services and engagement. We are focussed on ensuring our homes are safe, that we deliver on our customer needs and we are sustainable as an organisation.

Last year we continued to make further improvements in our repairs service. We addressed performance issues sooner, increased the number of contractors, and changed contractors where necessary. However, we are very aware this area of work will remain challenging. The housing sector continues to experience a skills shortage and increased costs, and this is especially true in terms of servicing particular types of heating system.

Our Customer Service Team has continued to reduce call-waiting times and our Benefits & Welfare Advisors have been providing essential support to hundreds of our customers enabling them to access benefits and other services they need.

Over half our housing stock has been surveyed and initial results show most of our homes are in good condition. Once we have surveyed all our homes by March 2026, we will use the data to focus on those areas that will make the biggest difference to customers.

While we want to celebrate these successes, we are not complacent. Feedback from residents is clear; our repair service needs further improvement. We remain committed to listening to customer feedback and to making further improvements.

Andrew Potter, Chief Executive

Our purpose

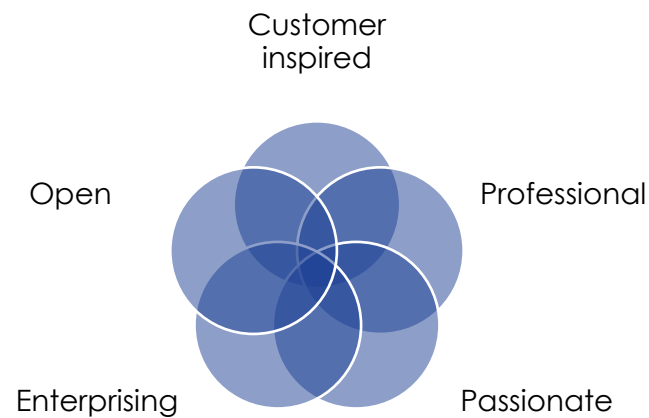
To provide a level of service that meets our customers' expectations and to build high-quality, affordable homes that support sustainable rural communities.

Our vision

That everyone should have a comfortable and safe home within a sustainable community.

Our values

Our five values are a vital part of our identity and describe the way in which we operate and relate to others.



Operating Environment

The environment in which we are operating brings its own challenges. Current known factors are described below and details of how we intend to respond are included under each of our four objectives.

Political and economic environment: While we have a new government that has prioritised housing and economic growth, we will need to see what impact this has. Although inflation has reduced from its peak, economic growth remains sluggish. Government debt and taxes are expected to remain high. We expect the global political and economic environment to continue to create uncertainties. We will plan to increase our business resilience to help us manage these uncertainties.

Interest rates: Following a long period of historic low rates, interest rates have risen sharply and look to have peaked. This requires investment plans to be reassessed and puts pressure on household budgets.

Rents: Over the past decade, rents have increased below inflation reducing our income in real terms, while costs, regulations and expectations have risen, resulting in the sector having less capacity. From 2025/26, rents will rise at CPI+1%, but history tells us there is no certainty this will be maintained beyond 2030-31, so we need to be cautious about our commitments in the long term.

Regulation: We are now regulated by the Regulator of Social Housing, Housing Ombudsman, and Building Safety Regulator. Over the past few years, all these bodies have strengthened their regulatory requirements and increased their fees, making it necessary to absorb additional costs.

Building safety: Resident safety will always remain our top priority. Our buildings over 18m are registered with the new Building Safety Regulator. We have surveyed our blocks over a number of years and by 2025/26 we will have completed condition surveys for all our homes. Where we have identified defects we will ensure works get done and, where necessary, we have put mitigations in place. We

have sought to minimise liabilities for Hastoe and our customers by pursuing those who are responsible for putting things right.

Customer expectations: Our customers (tenants and homeowners) have clearly indicated that our repairs' service needs to be better and we recognise this as a top priority. While customer satisfaction increased for us in 2023/24 and 2024/25, it needs to improve further. We will engage more with homeowners to find out what is most important to them. We will invest more in homes, and improve repairs by using more local contractors and improving how we manage contracts. We will make better use of our data to target outlier properties to further improve services and value for money.

Carbon emissions: We are committed to the UK becoming a Net Zero Carbon nation by 2050. We are looking forward to seeing what this looks like for the housing sector and the detail of how this will happen and be funded, so we can effectively plan to do our part. In the meantime, we are on course to bring our homes up to the anticipated Future Homes Standard rating of EPC 'C' by 2030. Our new homes are being built to our Hastoe New-Build Standard which is achieving a rating of EPC 'B'.

Employment market: Our employees are our greatest resource. Retaining and attracting the right talent is essential. We will continue to focus on our employer brand and support our teams by providing the necessary training and development. However, we anticipate a continued skills shortage and pay pressures in some areas.

Merger: While there are ever more challenges to deliver, Hastoe will remain open to exploring mergers and partnerships with other rural housing associations where this will have a tangible benefit on the service to our customers and enable us to develop more rural affordable homes.

Risk Assessment

Risks that may prevent the Group achieving its objectives are considered and reviewed regularly by the Board and senior staff as part of the business planning and performance management processes. The Board considers the following to be the major risks to successful achievement of its objectives:

Key risk	Description and risk mitigation
Landlord Health & Safety	<p><i>Failure to meet health and safety responsibilities resulting in injury or death.</i></p> <p>The Board reviews a series of health and safety performance indicators, including category 1 hazards under the housing health and safety rating system, such as serious cases of damp and mould. The Board also approves an annual health and safety policy and statement.</p> <p>The Group employs specialist external consultants to provide support as required.</p> <p>Further assurance is provided by a programme of independent internal audits and compliance tests.</p>
Rent Controls	<p><i>Political or economic changes, potentially as a result of the cost-of-living crisis, resulting in controls on social rents that are less favourable than the current expectation of increases being capped at the Consumer Price Index plus 1% from 2026.</i></p> <p>The Board reviews the financial plan and associated stress testing to gain assurance of the Group's long-term financial viability.</p>
Customer Service and Repairs Contractor Delivery	<p><i>Poor performance of repair contractors and delays in resolving customers' issues, resulting in a low level of customer satisfaction.</i></p> <p>We know our customer dissatisfaction is driven by having to chase unresolved repairs. Frustration arises when we have contractors that don't deliver to the standard agreed in the contract. We will continue to increase our use of local contractors and address poor performance to improve service for our customers and minimise the impact of contractor failure. We will also improve the tracking of unresolved cases and keep a close eye on outlier properties, where we are raising too many repairs, indicating something is wrong.</p> <p>The Board has set exacting targets to enhance the customer experience.</p>

Our objectives for 2025-2028

To meet our purpose, we have set ourselves four objectives that underpin our work.

1. Deliver good-quality services for our residents that meet their needs
2. Maintain and invest in, safe, energy-efficient homes
3. Develop homes in rural areas to support the sustainability of rural communities
4. Run a professional, efficient organisation and be an excellent employer

Each objective has a key target for the next three years:

	2024/25 Performance	2025/26 Target	2026/27 Target	2027/28 Target
1. Customer satisfaction	63.9%	70%	75%	80%
2. % of homes at EPC 'C' or above	79.5%	83%	87%	93%
3. New homes started on site	24	90	100	100
4. Employee satisfaction	Not yet available	90%	90%	90%

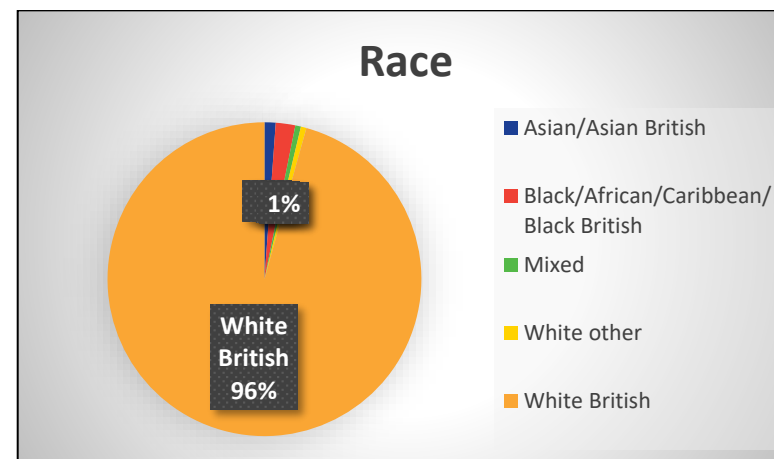
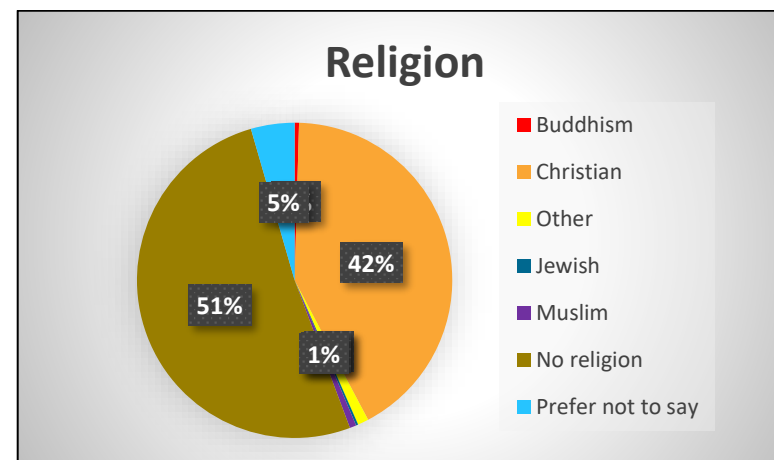
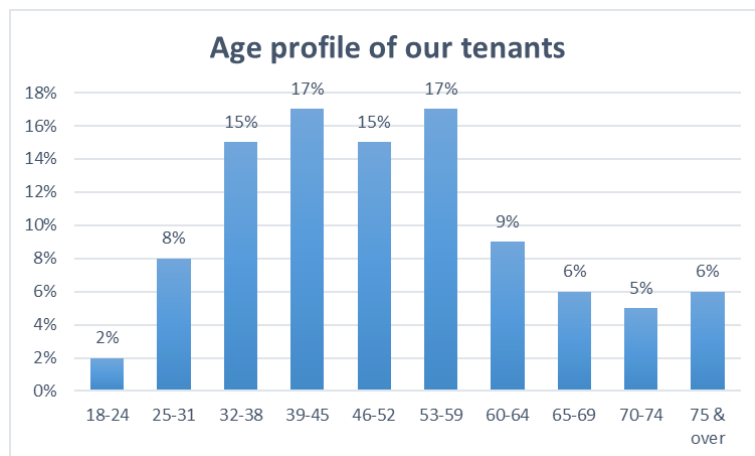
Planned actions are listed under each objective and, to ensure successful delivery, our Board actively monitors Hastoe's performance in delivering these actions over the 3-year period of this strategy.

Our residents

Hastoe has over 4,000 tenants and around 1,400 homeowners (shared owners and leaseholders). Of the total population, 65% are female and 35% are male. Over 20% have indicated to us that they have a vulnerability.



Residents from Saffron Walden with Lindy Morgan (centre)



OBJECTIVE 1: Deliver good-quality services for our residents that meet their needs

Customers have told us they want us to pick up the phone quicker, get repairs done on time and to standard, and keep them informed. As a result, we have focussed on improving these areas and have reduced waiting times and employed more and new locally-based contractors to carry out repairs. We have been more pro-active in keeping customers informed and we have improved our complaints handling. As a consequence, overall customer satisfaction has improved by almost 14% over the last two years, but we know we have more to do.

Customer service: Our Customer Service team has reduced call waiting times and 91% of customers who respond to our survey are satisfied with our phone service. We have created a dedicated team to follow up repairs to reduce the need for customers to chase. In 2024, we made changes to ensure that all electronic contact with customers is automatically recorded on our systems and this has greatly improved visibility of communication. Also last year, following consultation with customers about our service standards and their expectations of response times, we implemented changes to give more realistic timescales that customers can rely on.

In 2025 we want to analyse the frequency of resident contact to better understand why and how we can improve, and reduce the need where possible. We will engage with customers on our role in dealing with disputes between neighbours, to ensure we clearly communicate how residents can resolve these matters and where we as a landlord can help.

Repairs and maintenance: This remains a priority for our residents and therefore also for us. The results from our first Tenant Satisfaction Measures (TSM) survey 2023/24 (www.hastoe.com/tsm) shows that changes made in response to customer feedback are starting to

have a positive impact. We will continue to employ better-performing, locally-based contractors, pro-actively follow up repairs and keeping customers informed. We will be using our data to pro-actively identify properties that are outliers with above-average repairs, to further assess why this is the case and resolve issues. Following resident feedback, we have repro-cured our out-of-hours emergency repairs' service and implemented a more effective contract with our service provider. Residents have also asked for repair satisfaction data by contractor which is now published on our website (www.hastoe.com/tsm-2024). We propose to publish contractor performance for repairs and heating completed on time in 2025.

Resident engagement: Our geography is wide and diverse. We have communities in dispersed, rural areas as well as urban locations. In spite of these challenges, we want every resident to feel valued, heard and included.

Effective governance should include everyone who is directly affected by our services, but we recognize that formal governance structures can also prove difficult to access or be unappealing. We do not want this to exclude residents from engagement, so we've developed an approach that brings opportunities to residents, where they live, at a time that suits them and by using technology where it's appropriate to do so.

We have set out our approach to provide a structure that supports the development and delivery of our annual resident engagement plan; one that provides opportunities for residents to be involved in strategic decision making, scrutiny, consultation and feedback.

Our approach is:

- **Board and Executive:** Our commitment starts at the very top. We appoint a resident to our Board to ensure there is always a

customer perspective when discussions and decisions are made at Board level. We also invite residents to meet Board members in person in different parts of the country. Tenants are invited to speak directly with our CEO and Directors as part of our organised phone days and to discuss any issues of concern they may have. Last year we also ran a phone day for our shared owners. This year, we are going to consult with our homeowners on their preferences for communication and engagement.

- **Resident Representatives:** Our Resident Representatives act as our eyes and ears across a wide geography. They provide us with useful insights and are a vital source of knowledge and support at a local level for both residents and Hastoe. Last year we ran two online sessions to discuss wider issues such as the specification and performance of grounds maintenance. As we recruit more Resident Representatives, we will look to increase a broader representation of Hastoe's resident demographic.
- **Procurement:** In response to customer feedback, we will involve residents in the procurement of contractors who deliver our services.
- **Focus and Scrutiny Groups:** These are formed of residents who want to help us improve in identified areas of interest. Scrutiny groups enable residents to scrutinise key areas of our performance and service, and to suggest improvements in how we manage complaints, damp and mould, and building safety for example. This latter group consists of residents who live in buildings 18m and above and they have assisted us in developing our resident engagement strategies for these blocks. We have formalised the Business Strategy and Performance Scrutiny group by introducing Terms of Reference in agreement with residents. We have also introduced these to our Complaints Scrutiny group and in 2025/26 we will focus on increasing membership of this group.

The areas we will focus on in 2025/26 are:

- **Disabled/vulnerable residents:** A significant number of our customers have told us they have a disability or vulnerability. We have received interest from residents wanting to engage with us to understand their experience in accessing our services. In 2025 we will concentrate on these residents to understand what adjustments we can make to encourage them to engage, and to ensure our services are accessible.
- **Homeowners:** Homeowners are 20% of our customers and our previous engagement has shown we need to provide a more robust service and place more focus on their needs. We want to hear what is important to them and how they want to engage with us to ensure their concerns are taken into account. We will continue to encourage homeowners to engage with us using existing opportunities and we will undertake further work to understand their preferred means of engagement, communication and priorities for service improvements.
- **Drop-In Days/Home Visits:** In 2024/25 we developed a programme of customer days held across eight sites. Staff and contractors were on hand to address repair concerns and, wherever possible, outstanding repairs were completed on the spot. Inspections were carried out for issues such as damp and mould, and any concerns raised by customer were able to be discussed in person. These customer days proved to be very popular and, as a result, we intend to continue with them in 2025/26 but with greater evaluation of data and knowledge of specific estate issues. This will help us identify areas which are most likely to benefit and which we hope will encourage more residents to engage with us.

Complaints management: The majority of our complaints are about poorly-performing contractors, and about heating and hot water; particularly air and ground source heating. The Board receives regular information on complaints performance and an annual complaints' report. In 2024, we appointed two Board members to oversee and champion complaints, as our Members Responsible for Complaints. We are continuing to evolve this role in consultation

with our Complaints Scrutiny Group. We will continue to communicate our learning and improvements to residents via e-newsletters (www.hastoe.com/newsletter), on our website (www.hastoe.com/you-said-we-did) and in our Annual Report for Tenants (www.hastoe.com/annual-report). We can see that breakdowns in heating and hot water need to be given greater focus.

Resident/community support: We know that some of our residents need more support than others and we have established a fund to support those most financially vulnerable. Our team of Benefits and Welfare Advisors provides free advice to any of our residents about their eligibility for welfare benefits, how to maximise their income, and signposting to specialist organisations who can provide wider money and debt advice (www.hastoe.com/benefits-advice). As a means of tackling rural inequalities, we continue to offer grants to help support and deliver community-based projects (www.hastoe.com/community-grant).

Estate services: We have listened to customers (tenants and homeowners) and identified areas for improvement. In 2024 we recruited a specialist Estate Services Manager and we are continuing to increase our directly-employed estate staff. We started re-procuring our estate services contracts in 2023 and, as a result of resident feedback, we have reviewed the specification of works within our contracts. In the coming year we want to improve our data on external common areas and will introduce GIS mapping software to improve our ability to effectively manage these as well as develop a tree management plan.

Antisocial behaviour (ASB) and hate incidents: We recognise the impact that ASB and hate incidents can have on communities. In 2024 we improved our service at the first point of contact by training our Customer Services Advisors in undertaking risk assessments and appointed a lead ASB manager to provide additional support to our Housing Officers. In addition, we undertook a review of ASB cases

following high levels of reporting in the year and found that many reports related to issues that were not ASB. In 2025 we will engage with residents to help us develop our communication on how to differentiate between ASB and unwelcome behaviour and how communities can manage this themselves. This will help our Housing Officers focus on serious ASB.

Knowing our customers: Knowing who our residents are is crucial to safeguarding as well as ensuring an effective delivery of services for people with different needs. We aim to treat all our customers with dignity and respect, provide equitable access to services and promote an inclusive culture that values diversity.

Last year, we collected more data about our residents to gain a better understanding of who our customers are. This year we will be using this data to understand if there are any groups of residents who are more dissatisfied than others and why this might be. We will also be asking our residents if they want to share more information about themselves so we have an understanding of vulnerabilities and any potential barriers to accessing services. We will use the data we hold to focus on those residents who never contact us, or who seem to contact us excessively, to understand how we can manage these tenancies better; enforcing tenancy conditions where required or highlighting additional needs that may require external support. We will continue to run our successful repair drop-in days to improve our customer experience and to provide us with an opportunity to know more about our customers and their needs. We will continue to collect data about our residents, where this can be used to better deliver services and understand potential barriers to access services.

We know less about our home ownership residents than our rental residents. Over the coming year, we will communicate more effectively with homeowners and engage them more with our services so we can better understand their priorities for service improvements and give them a better experience with Hastoe.

Aims	Actions 2025/26	Outcomes 2025/26
To improve customer satisfaction.	<ul style="list-style-type: none"> Analyse our customer data to understand the reasons for the high volume of customer contact. Report to Board in Sept 2025, including: <ul style="list-style-type: none"> Level of unnecessary/repetitive contact and reason for this. Recommending a plan to reduce this contact, setting targets for contact reduction from April 2026. 	Reduce unnecessary contact and enable customer-facing staff to provide more targeted housing management services. Increase of customer satisfaction with service delivery as measured by the TSMs.
	<ul style="list-style-type: none"> Introduce an improved process to manage unresolved heating breakdowns. 	Reduce the number of complaints about heating by 20%.
	<ul style="list-style-type: none"> On a monthly basis, publish individual contractor performance for repairs completed on time for customers to view on our website, scrutinise and hold us to account. 	Ensure 90% of repairs are completed on time.
To improve customer engagement.	<ul style="list-style-type: none"> To develop a customer engagement plan by May 2025 to focus on driving up resident engagement with the opportunities offered. Run a programme of customer Drop-in Days and Tenancy Audits which is informed by our data and uses criteria such as properties with unusually low or high levels of contact. <ul style="list-style-type: none"> Tenancy Audits will focus on schemes where there has been high levels of customer contact and issues with dissatisfaction as demonstrated by complaint and service request numbers. Tenancy Audits will focus on individual homes where there has been very little contact, so we can better understand what's happening in the home and whether this lack of contact is a concern and requires additional tenancy enforcement or referral for support. The Board will receive a report in November 2025 providing an update of the customer engagement plan, and a further report in May 2026 which reports on the full-year programme. 	Gain a better understanding of our customers and their needs; demonstrating an active interest in them to drive up resident confidence in engaging with us. This will allow us to provide more targeted housing management services and thereby increasing customer satisfaction as measured by the TSMs.
To improve our housing	<ul style="list-style-type: none"> Review our ASB policy in consultation with residents to provide clear guidance on what constitutes ASB and provide signposting to support and advice available for residents. 	Enable more accurate diagnosis and support to improve the management of customer expectations and resolution of issues.

management services.	<ul style="list-style-type: none"> Ask our customers to share more information about themselves, so we can reduce barriers to accessing our services. Segment TSM survey data by disability/vulnerability to see if those residents are more or less satisfied than the wider resident population. 	To be able to improve service delivery in a way that allows equal access for all ensuring dignity, fairness and respect.
	<ul style="list-style-type: none"> Establish a focus group for customers with disabilities/vulnerabilities. Action 2026/27: Build findings into future improvement plan. 	Understand more about barriers to access services and customer satisfaction between different groups, to ensure that residents have equal access to services and aren't excluded.
	<ul style="list-style-type: none"> To provide dedicated communication and engagement opportunities for homeowners to support access to services, improve the customer experience and enable them to better understand their leases and Hastoe services. Report to Board in Nov 2025. Undertake a home owners satisfaction survey 	Establish a plan to improve homeowners' satisfaction.

Key Performance Indicator	2023/24 performance	2024/25 performance	2025/26 target
Customer service			
Overall customer satisfaction ¹	59%	63.9%	70%
Average call waiting time into Customer Services 0300 123 2250	2 minutes 55 seconds	2 minutes 52 seconds	75% of calls answered within 90 seconds ²
Repairs completed on time (emergency)	72%	87%	90%
Repairs completed on time (non-emergency)	69%	80%	90%
Stage 1 complaints responded to within Complaint Handling Code timescales	86%	85%	100%
Stage 2 complaints responded to within Complaint Handling Code timescales	94%	100%	100%
Social and affordable arrears	2.96%	2.85%	2.6%
No. of findings of maladministration by the Housing Ombudsman	2	3	0

¹ Tenant Satisfaction Measures Survey

² Grade of Service (GOS)

OBJECTIVE 2: Maintain and invest in, safe, energy-efficient homes

We are committed to having a good understanding of our homes to ensure they are safe, well maintained and carbon emissions are kept low. Hastoe has been building energy-efficient homes for many years and, since 2021, all our new homes have been built to our Hastoe New-Build Standard in preparation for the anticipated Future Homes Standard.

Our properties are mostly houses, relatively modern, and over 80% already meet the EPC 'C' rating. Our customer feedback is positive, and most residents believe their homes are safe.

OUR HOUSING STOCK (as at 01.03.25)	Houses	Flats & Maisonettes	Other	Total
Rented (social and affordable)	3111	1092	77	4280
Leasehold	1	479	24	504
Shared Owner	795	95	-	890
Ground rent	1606	273	-	1879
Freehold	306	1	8	315
Other	-	1 hostel	16 traveller pitches, 3 hostels	20
Total	5819	1941	128	7888

Knowing our housing stock: It's vital we have accurate records about the condition of the properties we manage and they are kept up to date. We now survey our homes more frequently; currently every 5 years. We collect information such as the condition of components and fittings, EPC rating and any hazards under the Housing, Health, and Safety Rating System (HHSRS). This helps us

ensure our homes meet regulatory requirements, allows us to plan for future investment, and communicate better with customers. Crucially, this data allows us to monitor any emerging patterns (e.g. contractor performance) which enables us to take any necessary action to ensure value for money.

Our condition surveys have initially focused on those properties more likely to present issues: our blocks of flats, high repair addresses, and properties that may potentially contain Reinforced Autoclaved Aerated Concrete (RAAC). In 2023 and 2024 we surveyed over 2,000 properties and the current programme to survey stock over 5 years' old is on target to complete by March 2026. We also survey when properties are re-let, during repairs inspections and prior to carrying out improvements works.

Surveys show our homes are in good condition and that almost all of them meet the Decent Homes Standard. We have no RAAC in our properties and few serious hazards.

Property data: Survey updates are recorded along with other property data on our integrated Housing Management System to inform future investment in our properties. We have a dedicated Data Officer to manage this and it forms part of our internal audit for additional assurance.

We use our data to see where the highest areas of dissatisfaction are, and also where we are spending most of our time and money. This has enabled us to identify causes and properties with underlying issues that we need to address. We now know 12% of our homes generate over 50% of orders and spend 40% of the repairs budget. By focussing on these properties in 2025, we will be able to improve service and provide better value for money.

	No. Properties	No. Orders	Total Cost
5+ Repairs Raised	585	4,343	£1,570,000
10+ Repairs Raised	115	1,531	£479,600

Investment in our properties: Our priority for investment is safety first, maintaining homes to a Decent Homes Standard, and renewing components as needed. This ensures residents remain safe and we are compliant with all our statutory and regulatory requirements. In 2023/24 we undertook over 1,000 improvements and in 2024/25 we completed over 700 improvements.

Improvements	2023/24	2024/25
Kitchens	146	69
Bathrooms	116	16
Heating	243	261
Windows/Doors/Individual Properties	222	203
Redecoration	360	152
Re-roofing (blocks)	4	0
Total	1091	708

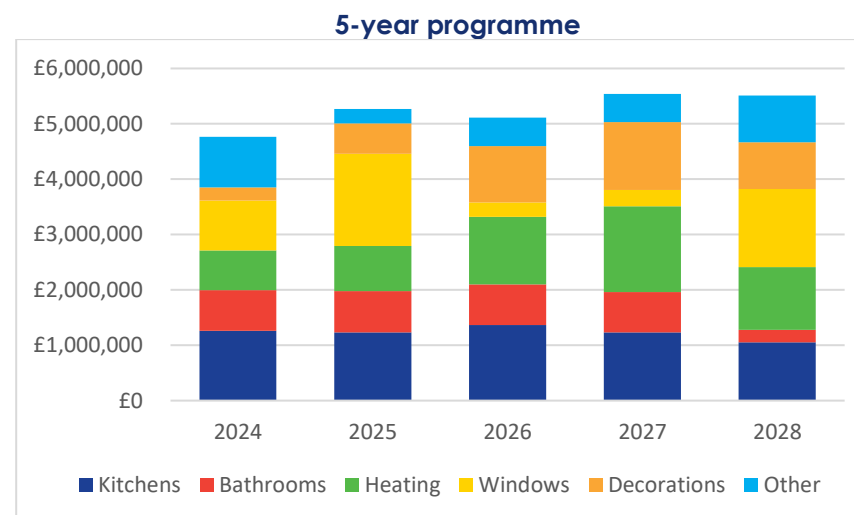
We plan for the replacement of components that we know are reaching the end of their lifecycle, and we repair or replace components as a result of general wear and tear when they are either reported to our responsive repairs service or identified during an inspection.

On an annual basis, over 2,700 properties are attended by a contractor for a routine safety check. We monitor all properties and, where a high number of repairs are reported, we take a closer look. We also look at those properties that don't raise many repairs or have access issues.

We are working to ensure our component renewals are in line with their predicted lifecycle and condition. Where they are found to be in good condition, we may extend their lifecycle and build this into

our future programme. We will let customers know when they can expect their home to be inspected and what follow-up action we will take.

Our investment plan for key components is set out below and funded within our Financial Plan over 30 years. We will review the plan annually to take account of new information and obligations to ensure we are on course.



Building safety: Having proactively commissioned specific surveys of a number of our blocks, we will continue our robust and proactive approach to resolving building safety defects in our homes. We will continue to pursue and recover costs and liabilities from the original contractors, professional services, and insurances where possible. In addition to stock condition surveys, we have a fire risk assessment process in place, and we are complying with the new fire safety and building safety regulations. We have also improved internal oversight of building safety by monitoring compliance to the Building Safety Act through our Health & Safety Committee.

Energy efficiency: Hastoe has been building energy-efficient homes for many years and over 80% of our homes have an EPC 'C' rating or above. We also have our Hastoe New-Build Standard which is achieving a rating of EPC 'B' and which exceeds the anticipated Future Homes Standard (FHS) that aims to ensure new homes built from 2025 will produce fewer carbon emissions than homes built under the current building regulations.

EPC rating of our social and affordable homes	
A	0.6%
B	38.0%
C	40.9%
D	17.9%
E	2.4%
F	0.2%
G	0.02%

As part of our surveys, all properties with cloned data are being assessed to provide accurate EPC ratings. In 2023/24 we evaluated all properties with a D rating and identified the works required to bring these up to a C. We will continue to make use of funded thermal improvement works for all properties with a rating below C, as well as utilising the planned programme to make improvements to the energy performance of our homes. This data will be incorporated into our Financial Plan.

Net zero carbon: We are fully committed to decarbonising our existing homes by 2050. We recognise this area is still developing in terms of specific requirements, technologies, supply chains, skills, costs, local planning, funding and providing value for money. We also recognise that planning for long-term investment will need to be dynamic so it can take into account the numerous changes and developments likely over time. Stress tests of our financial plan

include an assumption about the increased level of investment required to meet net zero and we keep this under regular review.

In the meantime, we are taking a fabric-first approach to building homes and investing in clean energy. This involves improving the insulation of homes and investing in energy-efficient heating systems. We are incorporating this into our asset-investment planning to ensure we make the most of opportunities. By doing this we will reduce fossil fuel heating over the long term.

We will be evaluating and learning from pilot projects underway to create a dynamic and deliverable pathway in consultation with our customers and keep our investment plans updated. The current Government recognises that the scale of making the UK net zero by 2050 is going to need significant public funding support. We are already accessing ECO4 and funding for the Great British Insulation Scheme (GBIS) and will make future funding bids to support this.

Renewable technologies: Hastoe was an early adopter of renewable technologies. As a result, 21% of our properties have renewable heating and hot water from heat pumps. However, over the past 5 years we have experienced an increase in the cost of repairing and replacing these systems coupled with significant delays owing to a lack of specialist engineers. In the last year we have raised 211 repairs to heat pumps and 29 replacements at a cost of £466,000. In 2024/25, 10% of complaints raised related specifically to renewable heating repairs.

In 2025 we will undertake an evaluation of our use of heat pump technology to consider whether these systems offer a cost effective and reliable form of heating. We will evaluate the cost and impact on the customer of replacing systems like for like together with alternative solutions. The overall aim is to provide cost effective, customer focused solutions, where replacement is required, taking into consideration future maintenance costs, energy efficiency and disruption to our customers.

Works under warranty: Every year we replace over a thousand components to our properties some of which will be subject to repairs in the preceding years. In 2025 we propose to improve our use of warranties to ensure claims are lodged and to reduce expenditure of works which would otherwise be covered by a warranty. We will start this piece of work by looking at heat pumps where we undertake a significant number of call outs for repairs and replacements every year.

Damp and mould: We view damp and mould as a serious issue and we have reviewed all reports dating back to 2020 to ensure cases are being dealt with. We have enhanced our procedures for identifying and assessing new cases and prioritise those that are the most serious. Our surveys will continue to provide a better overview.

We already report any serious hazards to the Board and, in 2024, we reviewed our policy and procedure in conjunction with the consultation on Awaab's Law. We will continue to ensure these meet the requirements of this legislation before compliance becomes a legal requirement from October 2025.

Cases of D&M	Property age (as of 01.03.25)			
% of stock	<5 years	5-10 years	10-20 years	>20 years
House	7%	21% (<1%)	20% (2%)	18% (4%)
Bungalow	0	0	15%	30%
Flat	2	>1% (>1%)	17% (3%)	29% (9%)
Bedsit	0	0	0	16% (>1%)
Maisonette	0	0	0	47% (10%)

(%) = as reported via stock condition surveys

Our analysis of reports show that a number of our newer houses have experienced damp and mould. These properties are some of our most energy-efficient homes and should not be experiencing issues. However, because they are more reliant on mechanical ventilation, including heat recovery systems, this year we will evaluate the servicing of these ventilation systems alongside the guidance we provide to customers who live in these properties.

Asset management: As a rural housing provider we will continue to dispose of some legacy flats in urban areas that no longer align with our strategic direction. The money from these sales is invested in the provision of modern, well-built and energy-efficient houses in rural communities. In 2025/26 we will develop specific disposal action plans for some of our urban, non-standard and high-cost assets with the aim of implementing these in subsequent years to deliver better value for money and support the delivery of more rural housing. We will assess the cost of certain components and consider alternatives to ensure value for money.

Repairs service: Costs in this area have increased significantly and, due to our wide geography, we are adapting how we use smaller and local contractors to deliver a more reliable service and better value for money. We have also appointed a dedicated contract manager to strengthen this area. However, we recognise that some repairs are still not completed on time. To address this, we re-evaluated our approach to procurement and recognise the need to build resilience in our repairs service by procuring and on-boarding more contractors whilst looking for opportunities to engage with local and additionally specialist contractors. This approach aims to mitigate the impact on our customers where contractors fail to deliver services in line with contractual requirements and their performance is not in line with our service standards. Utilising repairs' data and customer feedback, we will actively engage customers in procurement exercises to improve satisfaction with our repairs service.

On average, we raise c.14,000 response and heating repairs per year. This equates to four repairs per property and over 1,000 properties have more than five repairs a year. In 2023/24 the number of complaints reduced to c1.5% of orders. This is another indication that our improvements are having an impact.

Void properties: When homes become empty, we use our void standard to maintain properties in a good condition. This includes surveying for hazards and meeting the Decent Homes Standard. We aim for short turn-around times to speed up our ability to re-house people and minimise rent loss. We recognise that our performance for the past 2 years has been below target and, to address this, we have reconsidered our approach to pre-void surveys which are now undertaken by our Repairs Officers to improve the speed with which orders are raised and works start. This also provides additional control of the specification ensuring works meet our voids' standard.

In 2025 we will evaluate our contract areas and we propose to procure additional void-specific contractors to reduce both the time taken to complete works and re-let times.

We will also improve the quality of information provided to incoming tenants on the operation of their heating systems (including heat pumps). This is to ensure they are well informed about how to use the system, how to operate back up heating and hot water where the system permits, and to minimise unnecessary call outs (and disturbance) due to misuse.

Statutory compliance: We want to keep customers safe and we will ensure our homes meet the statutory compliance standards. Checks are recorded on our core systems and reported to the Executive and Board for oversight with routine compliance and audits to provide assurance. We are also aware the Government is consulting on a revised Decent Homes Standard that may see further changes. We will be undertaking an external review of our full health and safety framework in 2025.

Procurement: Our approach to procuring responsive repairs is to build resilience and mitigate the impact of contractor failure by continuing to work with smaller, local contractors. In addition to this, in 2025 we propose to strengthen resilience in the delivery of heating, hot water and renewable servicing and repairs by procuring additional, specialist contractors. This will commence with the procurement of a specific ventilation contractor where we have identified the need for a specialist contractor to ensure ventilation systems to our homes are adequately serviced and maintained. Poor ventilation contributes to mould and condensation and our aim is to ensure we deliver a good service with resilience to anticipate failure.

In 2025 we will re-procure a number of our Landlord Compliance contracts to improve the speed with which servicing and compliance checks are completed and documentation is provided to Hastoe. We will begin this process by addressing legionella, asbestos and fire safety equipment servicing contracts.

Our planned works contracts are tendered via an electronic tendering platform to ensure we are compliant with applicable procurement regulations. We have experienced low tender returns for a number of projects which results in delays. In 2025 we will review the platform in use and consider whether an alternative approach would improve this.

Aims	Actions 2025/26	Outcomes 2025/26
To have a more comprehensive understanding of our stock and continue to invest in our properties.	<ul style="list-style-type: none"> Complete Stock surveys of all remaining rented properties over 5 years old by March 2026. Action 2026/27: Review stock condition policy and procedure. 	Improve VFM and financial forecasting.
	<ul style="list-style-type: none"> Review use and performance of air and ground source heating, including servicing and repairs, due to high number of complaints and cost. Report policy changes to Board in Sept 2025. 	Reduce costs and heating complaints. Targets will be set following review.
	<ul style="list-style-type: none"> Use our data to analyse our repair outliers. Report outliers' pilot to Board in July 2025. 	Identify causes and remedies to reduce cost and improve customer satisfaction.
	<ul style="list-style-type: none"> Add warranties for high value items to our Housing Management System starting with heating systems. 	Reduce costs by ensuring suppliers provide service under warranty.
	<ul style="list-style-type: none"> Produce manufacturer-specific user guidance on heating systems and renewables to avoid unnecessary call outs and costs. Provide this to all tenants and when properties are re-let. Action 2026/27: Change policy to recharge tenants if callout is due to misuse of heating system. 	Reduce unnecessary damage to heating systems and callouts. Improve VFM.
To minimise impact on customers where contractors fail to deliver.	<ul style="list-style-type: none"> Increase number of repairs contractors from 9 to 12. Key procurements 2025/26: Heating contractor (West); Renewables (East); Ventilation Specialist (East & West); Voids Contract (West); Responsive Repairs – East Sussex (East); Compliance - Asbestos & Legionella; Compliance – Fire Equipment Servicing. Key procurements 2026/27: Responsive Repairs – Devon/Cornwall/Dorset/Somerset/Wiltshire (West); Responsive Repairs – Essex (East); Lift Servicing & Maintenance. Key procurements 2027/28: Responsive Repairs – Norfolk/Suffolk (East); Responsive Repairs – West Sussex (East). 	To build resilience in our repairs and Landlord Compliance services and minimise the impact of contractor failure to our customers.
To keep our residents safe in their homes.	<ul style="list-style-type: none"> Invest in technologies that can remotely monitor properties that have repeated reports of damp conditions. Review ventilation servicing and information provided to customers who live in houses built in the last 20 years. 	Evidence the cause of damp and mould, and utilise that information to support and advise customers.
To dispose of non-strategic assets.	<ul style="list-style-type: none"> Update evaluation of the stock on the disposal list to inform individual disposal strategies. Action 2026/27: Evaluate all stock to inform future disposals. 	Strengthen financial resilience.

Key Performance Indicator	2023/24 performance	2024/25 performance	2025/26 target
Compliance			
Residential buildings meeting Decent Homes Standard	99.7%	99.6%	100%
% of homes over 5 years old subject to DHS surveyed in the last 5 years	44%	74%	99%
Residential buildings with valid gas certificates	99%	99%	100%
Residential blocks with valid fire risk assessment	96%	95%	100%
Residential blocks with valid asbestos management survey	100%	87%	100%
Properties with communal water facilities with valid risk assessment	85%	79%	100%
Residential buildings with current electrical certificate	99%	99%	100%
Communal passenger lifts with valid LOLER inspection	100%	97%	100%
No. of category 1 hazards under Housing, Health & Safety Rating System	16	18	0
% of damp and mould cases inspected within policy timescales	-	59%	90%
Repairs & Maintenance			
Energy efficiency EPC 'C' rating or above	77.1%	80%	83%
Re-let time (excl. major works)	66 days	46 days	20 days
Procurement of Repairs Contractors			
No. of responsive repairs contractors	8	9	12

OBJECTIVE 3: Develop homes in rural areas to support the sustainability of rural communities

As a founding member of the Rural Housing Alliance, Hastoe has a long-established and deep commitment to working alongside local communities, landowners and parish councils to provide new, high-quality, affordable homes. This enables us to find the right sites, ensure that local people who qualify for housing are given first priority, and to make sure our homes remain either for rent or shared ownership in perpetuity.

We have been building high-quality homes for many years including Passivhaus homes. Since 2021, we have been building homes to our own Hastoe New-Build Standard in order to align with the anticipated Future Homes Standard. We remain committed to building high-quality, sustainable homes that support sustainable rural communities.

Where we build: Most of our homes are in the south of England between Devon and Norfolk. While the focus of our new-build activity is in smaller rural communities, through Rural Exception Site (RES) and S106 delivery, we do also provide homes in some of England's larger villages and market towns that serve as a hub for the surrounding area. Hastoe is one of only a few housing associations that continues to build affordable homes in rural England.

New-build products: We are confident we are on the right track to deliver high quality, sustainable homes. Early in 2019, we started to capture our best experiences and consider how we could incorporate them into a Hastoe New-Build Standard (HNBS). Over the next two years we developed our HNBS and, since its launch in 2021, all our new homes have been built to this standard. During 2024/25, we carried out a review and found it performed well when

compared to other build standards. All this has helped consolidate our new-build products.

- **Hastoe New-Build Standard (HNBS)** - This is now our mainstream product. It exceeds building regulations in energy efficiency and is being built to nationally described space standards. All homes are designed to blend with the local village vernacular and our quality management processes apply to ensure a high-quality build. In 2025/26, once the Government has issued regulation for the Future Homes Standard, we will further review our standard, with particular focus on renewable technologies, learning from the evaluation that we will carry out on our existing stock.
- **Section 106 acquisition** - We will continue to acquire properties from other developers where homes meet our high standards and we will remind local authorities of our interest in acquiring rural affordable homes.

The challenging economic climate remains an ongoing risk for our partner SME contractors. We have carried out training for staff and remain vigilant while, at the same time, we are working closely with our partners to deliver schemes on time.

Land supply: We have a 3 to 4-year pipeline of schemes and seek to maintain a 3-year programme where we already have sites agreed in principle. Our land supply will be mainly focused on Rural Exception Sites (RES) and public land. We will continue to work with Local Authority partners, Parish Councils, Rural Housing Enablers (RHEs), landowners, community organisations and developers to ensure we can deliver our land supply.

Our RES delivery is often impacted by a number of factors including delays through the planning system. From April 2024, developers have been required to deliver a Biodiversity Net Gain (BNG) of 10%,

and developments will need to result in more or better quality natural habitat than was there before development took place. We will continue to monitor and review what impact this will have on our rural delivery.

Influencing work: Rural England desperately needs more affordable homes and Hastoe works to influence policy that promotes Rural Exception Sites, design quality and high energy-efficiency standards. To do this we work alongside other rural housing associations and partners including the Rural Housing Alliance (RHA) and the National Housing Federation (NHF).

In 2025/26, we will continue to support the NHF's call for more affordable homes and 'A Long-term Plan for Housing', as well as the rural housing partner initiative 'A Manifesto for Delivering Thriving Rural Communities through Affordable Housing'. We will do this by focusing our efforts on developing case studies that evidence the positive social and economic impacts that RES affordable housing has on rural communities. We will also look for speaking opportunities and build on work we have already done to highlight the findings of UCL research published in February 2024, commissioned by the Rural Housing Network and jointly funded by Hastoe and other rural partners. This identified factors which drive the successful delivery of affordable housing through RES and how their absence has a detrimental effect on supply. In addition, the Hastoe New-Build Standard will continue to act as a catalyst for us to enter topical sector-wide discussions around sustainability, energy efficiency and quality more generally.

Funding: Our Financial Plan supports the delivery of this strategy for the next three years. Our funding comes from the following sources:

- External borrowing – provided through our bonds and bank loan facilities.
- Grant – provided through Homes England and Local Authorities.

- Sales receipts – from disposal of assets and shared ownership sales.
- Rental income – rental income from tenants and shared owners.

Homes England affordable homes programme: Hastoe bids for grant funding under the Continuous Market Engagement route. We will consider the anticipated new AHP once it is issued during 25/26.

Development programme: Funding for RHEs has been confirmed for another year and we will continue to work in close partnership with them and local authorities to secure our development pipeline, identifying areas where there is a recognised housing need and pursuing rural development opportunities. Given the current financial climate we want to limit our borrowing and so do not have any market-led developments or a fixed target for stock acquisitions.

The table below summarises our development programme over the next three years, showing how many homes we plan to start building or acquire. The tenure mix for schemes reflects the identified housing need in each individual parish in which we work, and rents will be set in line with our rent setting policy.

Key Performance Indicator	2025/26	2026/27	2027/28
Starts on site (rented/shared ownership)	90 (74/16)	100 (77/23)	100 (61/39)
Completed new homes	84	67	106

Aims	Actions 2025/26
To support influencing work relating to the need for more RES developments.	<ul style="list-style-type: none"> • Complete RES/HNBS case studies on Eltisley and Curdridge. • Start case studies on Ellesborough and North Molton (£106).

OBJECTIVE 4: Run a professional, efficient organisation and be an excellent employer

We are committed to improving as an organisation, investing further in our staff, demonstrating value for money and maintaining our business resilience.

Following a regulatory inspection by the Regulator of Social Housing at the end of 2024, Hastoe retained the highest regulatory ratings of G1 for governance and, in line with most other housing associations, achieved a rating of V2 for financial viability. Hastoe has maintained Investors in People Gold status for a number of years and, whilst we will continue to invest in development and training opportunities for our employees, we plan to use this year to assess the benefits of ongoing accreditation and whether or not another form of accreditation/assurance may better support our aim of being an excellent employer.

Financial planning: We will continue to reduce our exposure to risk and strengthen our medium-term financial plan through sensible growth and effective use of our assets. We plan to raise £15m via the Affordable Homes Guarantee Scheme to fund our development programme in the coming year.

Effective governance: Hastoe follows the UK Corporate Governance Code (UKCGC) and in early 2025 the Board agreed to adopt the UKCGC revised 2024 edition. An independently run board-effectiveness review was held in 2023 and this confirmed that Hastoe's governance was robust. The recommended improvements have either been implemented or will be in the coming year. The next independent review will be conducted in 2026.



Connect Day November 2024

Employee engagement: Hastoe has around 130 employees, working across a range of roles and a wide geographic area. We recognise that people perform at their best when they are set clear targets, motivated and equipped, and empowered to fulfil their role. This is especially important given Hastoe's context and work environment. A great number of our employees spend much of their time working on their own and away from one of our offices. We place a great deal of importance on ensuring employees are equipped and encouraged to work as autonomously as possible but with good managerial support in place. Remote and mobile workers are supported through regular one-to-one, team and departmental meetings and managers meet with the Executive Team twice a year. In addition, at least once a year, the whole organisation

comes together for a Connect Day (employees and the Board) to share ideas, information and to recognise achievements. We know that regular engagement ensures managers have an understanding of the challenges their teams face and demonstrations of appreciation by management play a big part in maintaining employee motivation. Our Connect Days and manager/executive meetings provide an excellent way of gaining feedback and suggestions for further improvement and help shape revisions to our Business Strategy.

To ensure employees are kept up to date with developments, each year the Executive Team provide an in-person briefing and Q&A in each of our main regions to talk through the rationale and targets set in the Business Strategy. To ensure everyone is aware of progress being made, several times a year our CEO provides a top-level email briefing and also holds Q&A sessions with staff in each of the regional offices. We also have an active and influential Staff Forum which represents employee interests to senior management with issues of interest shared on our Intranet. Starting in 2025, the Communications Team will produce a regular e-newsletter to ensure employees are aware of operational updates, changes in policy/process, and key team achievements.

Recruitment and retention: We have high employee satisfaction and we retained our IIP Gold status in 2022. However, the current employment market remains competitive, and some roles are proving to be particularly challenging to recruit to. We will continue to invest in our employees and encourage ongoing training and CPD for all our employees. We support the findings of the NHF/CIH 'Better Social Housing Review' and we have introduced an offer of fully funded professional housing qualifications. Our aim is to reduce staff turnover and increase the expertise of our existing Housing staff, as well as attracting a high calibre of candidate to these roles. To reduce the number of employees who leave in their first year, we are intending to review employee terms and conditions.

IT and business systems: We will continue to invest in technology and, in the coming year, we will look to develop our approach to the opportunities and risks presented by AI. The projects planned for the year ahead will further improve business efficiency, value for money and enable staff to focus on improving customer service. We have taken a number of steps to further strengthen our cyber security, including the implementation of a managed detection and response service. In the coming year, we plan to achieve cyber essential accreditation.

Aims	Actions 2025/26	Outcome 2025/26
To enhance employee engagement, inclusivity and well-being.	<ul style="list-style-type: none"> Staff Forum to encourage staff to come forward to organise and celebrate EDI activities with an overall budget of £1,000. 	Employee satisfaction is maintained at a minimum of 90%.
	<ul style="list-style-type: none"> Produce a regular employee e-newsletter. 	Improve understanding of changes and developments across the business.
To improve recruitment and retention.	<ul style="list-style-type: none"> Review employee terms and conditions. Implement findings from review of recruitment to deliver a consistent and effective process. 	<ul style="list-style-type: none"> Overall staff turnover lower than 20%. New starters who leave within one year lower than 20%.
	<ul style="list-style-type: none"> Implement an applicant-tracking system to supplement new HR system. 	Streamline the recruitment process for the candidate, recruiting manager and HR.
	<ul style="list-style-type: none"> Review forms of accreditation other than Investors In People to establish if they would better support Hastoe's aim of being an excellent employer. Executive Team to make a decision on how to proceed. 	Make Hastoe more appealing to prospective employees to indicate Hastoe values training and career progression.
To maintain robust and effective governance.	<ul style="list-style-type: none"> Ensure compliance with the revised elements of the UK Corporate Governance Code 2024. Review Board skills required to deliver Business Strategy. Conduct a skills audit of Board members. Monitor succession plan and recruit new Board members, as required, to fill any identified skills gaps. Action 2027/28: Independent review of governance. 	<ul style="list-style-type: none"> Maintain compliance with UK Corporate Code of Governance. Retain G1 governance regulatory rating.
To continue to improve and develop business systems.	<ul style="list-style-type: none"> Move network folders to SharePoint. 	Ensure VFM by making use of free SharePoint storage and removing end of life on premises system.
	<ul style="list-style-type: none"> Move data from Liberty to Documagix. 	Improve efficiency by automating data retention rules.
	<ul style="list-style-type: none"> Complete move of ActiveH to cloud. 	Improved resilience/performance of ActiveH.
	<ul style="list-style-type: none"> Automate data retention rules in ActiveH/Sharepoint and Moorepay (new HR system). 	Simplify compliance with GDPR.
	<ul style="list-style-type: none"> Complete implementation of Moorepay, including Power BI reporting. 	More efficient HR processes with better reporting.
	<ul style="list-style-type: none"> Implement GIS mapping. 	Improved procurement of estate services.

	<ul style="list-style-type: none"> Audit current usage of Artificial Intelligence, explore and report on uses, the risks, governance required and policy for usage. 	Have an agreed practice for the use of AI to improve efficiencies and services.
To continue to improve cyber security.	<ul style="list-style-type: none"> Work to achieve cyber essential accreditation. Action 2026/27: Review accreditation. 	Provide reassurance of protection against cyber attacks.
	<ul style="list-style-type: none"> Implement actions from latest external penetration and internal vulnerabilities testing. 	Zero security breaches.
	<ul style="list-style-type: none"> Continue to roll out Microsoft security updates and data loss prevention functionality. 	Zero security breaches.
To run a cost-effective and efficient organisation.	<ul style="list-style-type: none"> Review whether the office space at Hampton Wick continues to be fit for purpose and provides value for money. Executive Team to make a decision on how to proceed. 	Ensure office space is appropriate for business needs.

Key Performance Indicator	2023/24 performance	2024/25 performance	2025/26 target
Employee satisfaction	90%	Not yet available	Maintain minimum of 90%
Employees that believe they receive appropriate recognition	78%	Not yet available	85%
Employee turnover (rolling year)	23%	18.8%	<20%
New starters that leave within one year	7%	7.1%	<20%

VALUE FOR MONEY

The Board is committed to delivering Hastoe's strategic objectives in a way that represents value for money. This is driven by an awareness of the responsibility to use our assets and resources wisely, to protect our long-term future and to build and manage high-quality, energy-efficient homes that meet the needs of the varied communities in which we operate.

Hastoe uses the 3 E's model – aiming to increase economy, efficiency and effectiveness – to achieve value for money. The targets listed under each of the 4 Objectives in this Business Strategy focus on the effectiveness in delivering Hastoe's ambitions. The table below sets out the Board's other targets for increasing Hastoe's economy, efficiency and effectiveness.

	Forecast		
	2026	2027	2028
EBITDA MRI cover	124%	121%	130%
Social housing interest cover	120%	127%	135%
Operating margin (excluding fixed asset sales)	34%	38%	40%
Operating margin on social housing lettings	37%	41%	44%
Net margin (excluding fixed asset sales)	7%	10%	13%
Gearing (debt/cost properties)	51%	52%	52%
Gearing (debt/revenue)	5.5	6.0	5.9
New supply delivered (social housing)	1.7%	1.8%	1.8%
New supply delivered (non-social housing)	0.00%	0.00%	0.00%
Reinvestment	9.2%	9.0%	7.5%
Return on Capital Employed	3.7%	3.8%	4.0%