

Value for Money and Performance Report 2024/25

What we have achieved in 2024/25

In 2024/25 we continued to work towards our Corporate Plan (revised in March 2025) objectives across the following strategic objectives:

Here for our customers

Good quality homes

- 947 homes had improvements including heating, bathrooms and kitchens (at a cost of £7.1 million).
- 34 homes had energy efficiency upgrades completed in the year with a further 123 to be finalised by July 2025.
- 49 new homes were delivered.

Reliable landlord services

- The number of 'Engaged Customers' has risen from the starting point of 30 in November 2024 to 110.
- Satisfaction with completed repairs continues to be high at 87.3% (against a target of 85%).
- Grounds maintenance and cleaning contracts were rescoped and procured.

Support and advice (this objective has since been removed from the Corporate Plan)

- During 2024/25, we have helped 888 customers with money, including signposting to external services and administering food and energy vouchers. We also supported our customers in claiming £389,000 in benefits.

Our business

Efficient and focused

- Despite a challenging year with additional costs, we maintained financial viability, producing a funders' EBITDA interest cover out-turn of 167% against our golden rule of 150%.

Professional and skilled

- We are committed to ensuring that all colleagues are fully trained or undertake training to enhance the skills needed for the role. 45 of our colleagues have undertaken formal qualifications during 2023/24 and 2024/25.
- The most recent employee survey found that 74% of colleagues would recommend Rooftop as an employer (against a target of 80% and compared to 66% in the last survey).

Data and technology driven

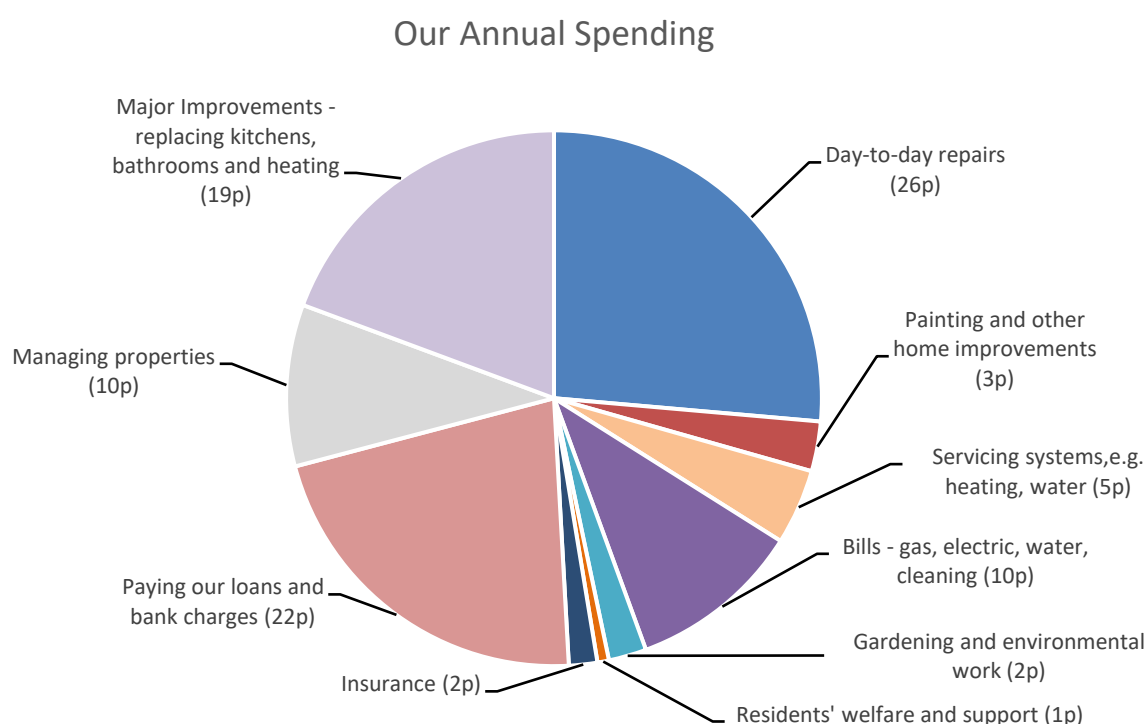
- As part of our drive to achieve Level 4 Data Maturity, we have completed over 961 tenancy audits in 2024/25, capturing golden data about our customers which will help inform and shape our service offering.

Ensuring customers and stakeholders are aware of our impact, costs and delivery of our plans is important to us. A copy of our simple published 'VFM and performance' summary is included in this report; it also appears on the website and in the Customer Report. It shows a breakdown of how income is expended during the year to provide transparency.

How We Will Spend Our Money - 2025/26 Budget

The chart below shows a breakdown of every £1 spent. The three largest areas represent 60% of total expenditure:

- The largest area of expenditure is on the day-to-day repairs of our homes.
- The next largest area of spend is around the servicing our loans. This will increase as we continue to draw down more funding to improve our homes and build new homes for people in housing need.
- Major improvements to our homes is the third largest area and includes investment in energy efficiency measures.



Meeting the Value for Money Standard

The Board believes Rooftop has complied with the VFM Standard during 2024/25 and continues to challenge the Executive Team to drive forward this agenda for the future.

The Corporate Plan 2023-2026 (revised March 2025 and extended to 2028) is monitored and reported against the targets to Board on a quarterly basis. The Board also monitors an annual Value for Money Action Plan setting out the specific improvements and projects Rooftop aims to deliver each year.

The following areas were at the heart of our Value for Money Strategy for 2024/25 and were created in line with our top residual risk areas:

- **Data**

The intention for the year was to develop data insight to allow us to spot trends, performance and foresee requirements. We continue to work towards Level 4 Data Maturity, in particular data held on customers which has increased from 65% to 73% in 2024/25. We have begun collecting information on vulnerabilities and recording reasonable adjustments against all responsive repair jobs. Data Insight will be explored further in 2025/26.

- **Repairs**

The aim was to implement greater financial control on spend. This continues to be a challenge, with continued high demand resulting in additional spend of £3.1 million in 2024/25. Despite this, we were pleased with the level of customer satisfaction with repairs and repairs completed Right First Time, just above 85% target at 87.3% and 89.8% respectively at the end of the year. A Repairs Improvement Plan is in place for 2025/26.

- **Voids**

The level of void loss at the start of the year was 4.23% and we hoped to reduce this to an overall budgeted figure of 2.5%. Many improvements were realised in the year, with an out-turn of 2.67%. In 2024/25, we saw an adverse variance of £137k to budget, with further actions identified to be implemented in 2025/26.

- **Damp, Mould and Condensation**

The focus in 2024/25 was to reduce the number of Damp, Mould and Condensation cases through quicker remediation, better procurement and more proactive works. We have implemented changes to procedures and designed a new structure to enable monitoring and better management of hazard reporting. The new Property Safety Team is working well with data showing both Category 1 and Category 2 hazards reduced significantly.

- **Complaints**

Increasing the percentage of complaints handled within timescales was targeted to prevent escalation, further costs through compensation and loss of reputation. Great improvements were noted in this area, following the roll out of the new Complaints Policy and associated procedures in March 2024. The year ended with 96.4% of Stage 1 and 73.3% of Stage 2 complaints responded to within timescales. Building on this, completing our Complaints Improvement Plan is a key objective for the year ahead and is also part of the CI improvement plan.

A revised Value for Money Strategy was approved by Board in May 2025 and now incorporates the Procurement Strategy, owing to the interconnecting nature of their purpose. Many of the actions identified in the new 2025/26 Value for Money Action Plan recognise the need for strong procurement and contract management in order to achieve Value for Money for the customer. These actions are:

- Repairs – reducing cost and levels outstanding.
- Voids – Voids and Lettings Improvement project plan designed to reduce from 4.23% to overall 2.5%.
- Safety of our customers – reducing the number of hazards (and associated costs).
- Asset Investment – scoping, funding and delivery of EPC Band C works and future decarbonisation.

Progress made towards these defined outcomes will be reported in the 2025/26 Value for Money Statement.

Delivering Value for Money

These Financial Statements include an annual self-assessment of how we are achieving Value for Money in delivering our annual and long-term Corporate Plan objectives and complying with the regulatory Value for Money standard. Our assessment is based on the 'Sector Scorecard' metrics, which include key performance indicators covering customer satisfaction, financial security and our effectiveness as a business. This year we will again strengthen our Value for Money strategy and detailed annual Action Plan.

The Sector Scorecard includes the nine metrics specified by the Regulator of Social Housing. The group-wide results for 2024/25 are set out below, with comparatives from 2023/24 and targets for 2024/25 and 2025/26. The targets are embedded in budget and performance processes.

Performance and future targets

Regulatory metrics	2023/24 Result	2024/25 Target	2024/25 Result	2025/26 Target
Metric 1 - Reinvestment Percentage	5.3%	6.1%	7.9%	7.8%
Metric 2a - New supply delivered (social housing units)	0.6%	2.3%	0.6%	2.7%
Metric 2b - New supply delivered (non-social housing units)	0.0%	0.0%	0.0%	0.0%
Metric 3 - Gearing	54.8%	54.0%	55.0%	53.0%
Metric 4 - EBITDA MRI as a percentage of interest*	108.9%*	104.0%	62.5%	102.0%
Metric 5 - Headline social housing cost per unit	£4,914	£5,431	£6,040	£5,912
Metric 6a - Social Housing Operating Margin	28.9%	31.0%	24.9%	29.0%
Metric 6b – Overall Operating Margin	25.8%	27.0%	21.5%	23.0%
Metric 7 - Return on capital employed (ROCE)	3.4%	4.0%	3.1%	4.2%
Other Sector Scorecard metrics				
Overall customer satisfaction	76.2%	82.0%	65.8%	71.0%
Rent arrears as a % of rent debit	2.6%	3.0%	2.5%	3.0%
Overheads as a % of adjusted turnover	11.0%	10.7%	10.9%	10.5%
Void loss as a % of rent debit	4.23%	2.5%	2.67%	2.3%

*The Regulator of Social Housing in their Value for Money metrics Technical Guidance June 2025 broadened the definition of EBITDA MRI to recognise capitalised major repairs grant received from 2024/25 onwards. The 2023/24 result has not been restated and excluded this grant.

The Value for Money metrics shows that the **Reinvestment percentage** of 7.9% is above target due to an increase in works to existing properties and is also reflected in increased **Headline Social Housing Cost per unit**. The target of 7.8% for 2025/26 reflects the planned development activity and investment in current stock.

Our **New Supply Delivered of Social Housing** at 0.6% is slightly lower than the target of 2.3% due to the timing of handovers. The target of 2.7% for 2025/26 will be achieved by delivering the 186 homes in the development programme.

EBITDA MRI as a percentage of interest is much lower at 62.5% than our target of 104%. A number of factors affected this, including increased repairs and maintenance costs and high voids. The timing of decarbonisation works has meant that this is particularly low but we expect more grant funding in future years. A similar target in 2025/26 reflects an increased budget for repairs and maintenance but a commitment to return a rolling average of at least 100% over the life of the Corporate Plan 2025-28.

Our **Social Housing Operating Margin** of 24.9% is lower than the target of 31%. The peer average in 2023/24 was 19.6% so we accept that this is a pressure within the sector. The target for next year of 29% reflects difficult budgeting decisions made, including an assumed reduction in voids costs.

For **Customer Satisfaction** our year end result was 65.8%, which was 16.2% below our target of 82%. Our analysis indicates that customer communication around repairs and the timely completion of repairs are the main causes of dissatisfaction. This drop appears to be in line with the sector based on evidence available, however hitting the 71% target will be a key focus for the year ahead. Our new Customer Contact team, merging Customer Advisors and Repairs Officers, is already yielding results with call waiting times reducing to 2 minutes and 35 seconds in March 2025, from a high of over 8 minutes in May 2024.

Our **Rent Arrears as a % of rent debit** was 2.5% compared to a target of 3%. Considering the cost-of-living pressures affecting our customers, this is a great result and testament to the proactive measures adopted by our Income Team.

Other Key Metrics – targets for 2024/25	Target 2024/25	Result 2024/25	Achieved? Y/N
Percentage of repairs completed first time	85%	89.8%	Y
Emergency repairs completed within 24 hours	100%	95.2%	N
Non-emergency repairs completed within 28 days	80%	50.5%	N
Complaints responded to within timescales	85%	91.5%	Y
Average days to re-let	40	96.8	N
Customers receiving money advice and support	700	888	Y
% of colleague turnover	12%	11.7%	Y

All repair time targets were missed in 2024/25, owing to continued increase in demand. Action will be taken in 2025/26, focusing on productivity and the reduction in Work In Progress levels.

Dealing with complaints within timescales has previously been a challenge but big improvements have been made following creation of a new Complaints Team and associated processes in March 2024.

Our average days to re-let of 96.8 days is higher than our target for the year and has been disproportionately skewed by the eventual letting of several properties void for more than 180 days. Work is still underway to address this with performance closely monitored at each void stage.

Peer Comparison 2023/24

As part of the Value for Money Standard we must include data around peer comparison and have had a piece of work carried out by Vantage, presented to our Board in January 2025. Together, we have identified a peer group based on geographical location, stock size and similarity of offering. This year, we have expanded our peer group and the table below also includes their most recent Regulatory gradings.

RP	Reinvestment %	New supply delivered (social) %	New supply delivered (non-social) %	Gearing %	EBITDA %	Headline Social Housing Cost Per unit	SHL Operating Margin %	Overall Operating Margin %	ROCE %
Rooftop Housing Group (C2/G1/V2)	5.3%	0.6%	0.0%	54.8%	108.9%	£4,914	28.9%	25.8%	3.4%
Two Rivers Housing (G1/V1)	16.2%	3.9%	0.0%	57.3%	171.8%	£4,447	19.8%	23.1%	3.5%
Connexus Homes (G1/V2)	10.5%	1.4%	0.2%	58.0%	55.0%	£5,456	24.3%	24.3%	3.7%
North Devon Homes (C1/G1/V2)	5.9%	0.5%	0.3%	60.1%	23.0%	£5,450	18.9%	18.2%	2.8%
Westward Housing Group (G1/V1)	4.3%	0.6%	0.0%	29.7%	133.6%	£4,098	23.1%	23.2%	3.0%
Thrive Homes (G1/V2)	11.5%	1.3%	0.0%	66.4%	137.9%	£4,976	27.9%	28.3%	3.6%
Aspire Housing (C1/G1/V2)	9.4%	1.7%	0.0%	70.7%	132.6%	£4,198	14.0%	15.7%	3.1%
Selwood Housing (G1/V2)	7.4%	2.4%	0.0%	35.5%	126.1%	£5,208	18.3%	18.5%	2.6%
Gloucester City Homes (G1/V2)	14.3%	1.1%	0.1%	50.1%	13.9%	£5,378	14.1%	15.0%	2.7%
Magna Housing (G1/V1)	7.6%	0.3%	0.0%	26.2%	123.7%	£5,789	18.1%	18.3%	2.4%
Trent & Dove Housing (G1/V2)	12.9%	1.9%	0.0%	63.1%	110.0%	£4,588	18.0%	17.2%	2.8%
Community Housing (C2/G2/V2)	6.7%	0.1%	0.0%	64.5%	65.9%	£4,230	18.8%	11.2%	1.9%
Peer Average	9.7%	1.4%	0.1%	52.9%	99.4%	£4,893	19.6%	19.4%	2.9%
Sector Average	9.0%	1.6%	0.1%	46.4%	110.1%	£5,549	21.1%	19.2%	2.9%

Electric Vehicles

We are committed to finding innovative ways to improve our sustainability. We have leased a car for colleagues to use for business trips and an electric van for our handypersons to use. All colleagues are encouraged to use the electric car as their first port of call instead of using their own petrol or diesel vehicles, thus promoting a healthier environment. The electric pool car has proven to be very successful.

We are currently looking into installing electric vehicle charge point (EVCPs) to our keyworker accommodation at Worcester Royal Hospital to support our residents. If this proves to be successful, we will roll this out over other schemes at Rooftop.

Social Housing Decarbonisation Fund (SHDF)

As part of a government requirement for all social landlords to improve their existing housing stock up to EPC Band C by 2030, we actively bid for SHDF government funding. The improvement of 157 of off-grid homes with low carbon heating systems (air source heat pumps), new windows and doors, ventilation, solar panels and cavity wall insulation and loft insulation is nearing completion, with final handovers expected in July 2025.

In 2024/25, Rooftop was successful in bidding for the latest government funded energy efficiency project and are looking to improve a further 700 homes to an EPC Band C in the next three years under Warm Homes: Social Housing Fund (Wave 3).

ISO 14001 Certified

We are committed to improving our quality and environmental performance for the Group and the people we do business with. This is reflected in a successful ISO 45001 audit in December 2024. Rooftop also holds ISO 9001 Quality Management System accreditation and ISO 14001 Environmental Management Systems accreditation. We are always looking to make further environmental improvements across the organisation. All ISOs are merged into one integrated management system (IMS).

Principal risks and uncertainties faced

We have a comprehensive and well-established risk management system, which allows risks to be identified for all parts of the business. Risks are assessed, prioritised and control measures are implemented. The risk process is dynamic with Strategic and Business risk registers being reviewed by Audit and Risk Committee and Board quarterly. During 2024/25 repairs and maintenance costs have continued to increase, with financial control of this expenditure remaining a challenge throughout the year. A number of controls have been introduced to mitigate this, and the Board continue to have oversight of this as a top strategic risk, monitored closely by the Executive Team. Void loss has reduced in 2024/25 following improvements to our processes, ending the year close to target. Development projects have however created some challenges through delays and increased costs. There are strong controls in place to monitor these risks and mitigate against external factors where possible.

2024 saw the announcement of an acceleration of the migration of benefit claimants onto Universal Credit (UC). Despite this challenge, and the continuing cost-of-living crisis facing our customers, income collection performance has continued to exceed targets. The acceleration of UC migration has been managed as a Business Risk with specific controls in place to mitigate the risk.

The health and safety of our customers and colleagues remains one of our top risks monitored at every Audit and Risk Committee and Board meeting. Repairs was an identified area for improvement at our Regulator of Social Housing Inspection, and these improvements are being worked through our Repairs Improvement Plan with oversight by our Executive Team. Progress of our Repairs Improvement Plan is reported to the Board and we are working with partner contractors to address the backlog of routine repairs. Work continues to mitigate risks for customers in their homes, with 2024/25 seeing the introduction of our Property Safety Team, with new processes in place for managing hazard reports and to prepare for Awaab's Law to be phased in from 1 October 2025.