Value for Money and Performance Report 2025/26

What we have achieved in 2025/26

In 2025/26 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

- 1,369 homes had improvements including heating, bathrooms and kitchens (at a cost of £4.8 million).
- 156 homes had energy efficiency upgrades through Warm Homes: Social Housing Fund Wave 3 and 668 stock condition surveys completed in the year.
- 164 new homes were delivered.

Reliable landlord services

- The number of 'Engaged Customers' has risen from the starting point of 110 to 332.
- Satisfaction with completed repairs continues to be high at 85.6% (against a target of 85%).
- Repairs and maintenance contract was rescoped and procured.

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 166% 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. 35 of our colleagues have undertaken formal qualifications during 2025/26.
- The most recent colleague survey found that 75% (2025: 74%) of colleagues would recommend Rooftop as an employer, which is the highest result since we began this survey.

Data and technology driven

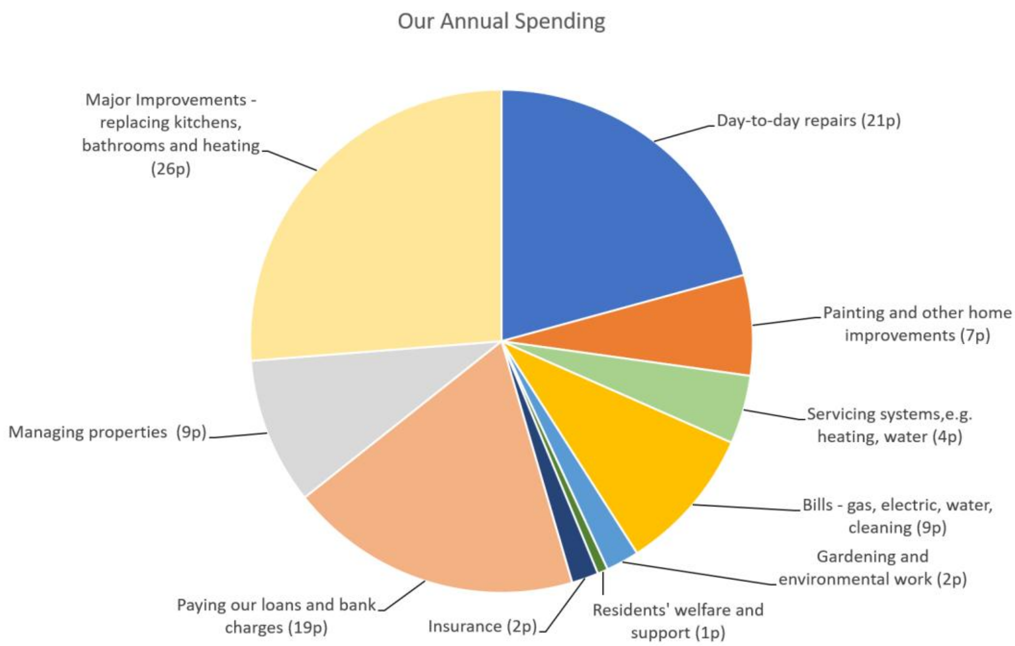
- As part of our drive to achieve Level 4 Data Maturity, we have completed 1,299 Home and Tenancy Check Ins in 2025/26, capturing golden data about our customers which will help inform and shape our service offering.

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 – 2026/27 Budget

The chart below shows a breakdown of every £1 spent. The three largest areas represent 66% of total expenditure:

- The largest area of expenditure is on major improvements to our homes. We have committed to significantly increase the amount we invest into existing homes and includes investment in energy efficiency measures.
- The next largest area of expenditure is on the day-to-day repairs of our homes.
- The third 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.



Meeting the Value for Money Standard

The Board approved a revised Value for Money Strategy in May 2025 to align with the Corporate Plan 2025-2028 and ensure that value for money remains embedded through decision making across the Group. The strategy focuses on delivering high quality services for customers, maintaining financial resilience, investing effectively in existing homes and ensuring that resources are directed towards activities that provide the greatest benefit for customers and communities.

During 2025/26, good progress was made against the first year of Value for Money Action Plan. Key achievements included successful tendering and procurement of a new repairs and maintenance contract, improving procurement and contract management arrangements, continued delivery of the EVSP to generate funding for future affordable homes, and completion of the Social Housing Decarbonisation Fund (SHDF) Wave 2 programme.

We have also continued to strengthen our approach to asset management through the development of an Asset Performance Evaluation framework, providing improved information to support investment and disposal decisions. This work will help ensure that resources are targeted towards homes and services that deliver the greatest value for our customers.

Progress against the Value for Money Strategy and Action Plan is monitored by the Board through regular performance reporting, benchmarking, business planning and annual review of the Value for Money Action Plan.

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 2025/26 are set out below, with comparatives from 2024/25 and targets for 2025/26 and 2026/27. The targets are embedded in budget and performance processes.

Performance and future targets

Regulatory metrics	2024/25 Result	2025/26 Target	2025/26 Result	2026/27 Target
Metric 1 - Reinvestment Percentage	7.9%	7.8%	7.3%	6.2%
Metric 2a - New supply delivered (social housing units)	0.6%	2.7%	2.6%	2.4%
Metric 2b - New supply delivered (non-social housing units)	0.0%	0.0%	0.0%	0.0%
Metric 3 - Gearing	55.0%	53.0%	53.4%	50.5%
Metric 4 - EBITDA MRI as a percentage of interest	62.5%	102.0%	81.9%	75.5%
Metric 5 - Headline social housing cost per unit	£6,040	£5,912	£6,568	£6,848
Metric 6a - Social Housing Operating Margin	24.9%	29.0%	22.0%	24.6%
Metric 6b – Overall Operating Margin	21.5%	23.0%	19.0%	27.7%
Metric 7 - Return on capital employed (ROCE)	3.1%	4.2%	3.4%	5.1%
Other Sector Scorecard metrics				
Overall customer satisfaction	65.8%	71.0%	71.4%	75.0%
Rent arrears as a % of rent debit	2.5%	3.0%	2.0%	2.3%
Overheads as a % of adjusted turnover	10.9%	10.5%	10.3%	13.1%
Void loss as a % of rent debit	2.7%	2.3%	2.6%	2.2%

The Value for Money metrics shows that the **Reinvestment percentage** of 7.3% is below target due to a reduction in spend on works to existing properties; however increased **Headline Social Housing Cost per unit** due to an increase in spend on day-to-day maintenance.

Our **New Supply Delivered of Social Housing** at 2.6% is slightly lower than the target of 2.7% due to the timing of handovers. The target of 2.4% for 2026/27 will be achieved by delivering the 152 homes in the development programme.

EBITDA MRI as a percentage of interest is much lower at 81.9% than our target of 102%. 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. A lower target in 2026/27 reflects a significant increase in Asset Investment budget linking back to stock condition surveys but a commitment to improve performance over the next three years to return to 100%.

Our **Social Housing Operating Margin** of 22.0% is lower than the target of 29%. The peer average in 2024/25 was 18% so we accept that this is a pressure within the sector. The target for next year of 24.6% reflects difficult budgeting decisions made, including an assumed reduction in voids costs.

For **Customer Satisfaction** our year end result was 71.4%, which was above our 2025/26 target of 71%. Our analysis indicates that when repairs work well, it gives rise to strong satisfaction. When they don't, repairs are the biggest driver of dissatisfaction. Communication issues and delays are the main causes underlying dissatisfaction. Property condition is almost as significant as repairs, with problems such as damp and mould giving rise to dissatisfaction.

Our **Rent Arrears as a % of rent debit** was 2.0% compared to a target of 3.0%. 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 2025/26	**Target 2025/26**	**Result 2025/26**	**Achieved? Y/N**
Emergency repairs completed within 24 hours	100%	99.1%	N
Non-emergency repairs completed within 28 days	80%	56.6%	N
Average days to re-let	40	72	N
% of colleague turnover	12%	11.4%	Y

All repair time targets were missed in 2025/26, owing to continued increase in demand. Following the appointment of our new repairs and maintenance contractor, we anticipate service improvements with a particular focus on increasing productivity, reducing works in progress levels and improving repair completion times for our customers.

Complaint handling in 2025/26 has been marked by significantly higher demand but generally stable performance, particularly at Stage 1. Stage 1 response compliance has remained strong at 98%, and Stage 2 has continued to improve, rising to 86%. However, we have experienced a substantial increase in complaint volumes — Stage 1 cases are up 80% and Stage 2 cases up 18% year-on-year — which has contributed to more extensions and operational pressure. Despite this, escalation rates have remained steady at 21%, and outcomes continue to show a broadly even split between upheld and not upheld cases at both stages.

Our average days to re-let of 72 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 2024/25

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 2026. 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.

Overall, the Group performs well against its peer group, with operating margins above peer and sector averages, whilst continuing to invest significantly it our existing homes. This investment has contributed to higher social housing costs per unit and a lower EBITDA-MRI result compared with the peer average.

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)	**7.9%**	**0.6%**	**0.0%**	**55.0%**	**62.5%**	**£6,040**	**24.9%**	**21.5%**	**3.1%**
Two Rivers Housing (G1/V1)	11.2%	2.5%	0.0%	57.5%	146.4%	£5,027	15.4%	16.0%	2.8%
Connexus Homes (C3/G2/V2)	10.9%	1.7%	0.0%	49.3%	42.3%	£7,016	15.3%	23.3%	3.5%
North Devon Homes (C1/G1/V2)	4.0%	0.6%	0.6%	56.2%	52.4%	£5,280	17.0%	16.7%	3.2%
Westward Housing Group (C1/G1/V1)	3.2%	0.5%	0.0%	28.4%	165.2%	£4,308	23.3%	23.4%	3.4%
Aspire Housing (C1/G1/V2)	6.8%	0.4%	0.0%	67.6%	132.6%	£4,508	14.9%	15.0%	3.2%
Thrive Homes (G1/V2)	7.2%	2.7%	0.0%	64.2%	107.0%	£5,665	25.5%	17.2%	3.3%
Gloucester City Homes (G1/V2)	8.6%	1.0%	0.0%	50.1%	-25.9%	£6,406	15.7%	9.6%	2.1%
Selwood Housing (G1/V2)	6.0%	1.7%	0.0%	36.4%	109.3%	£5,824	20.6%	19.5%	2.8%
Trent & Dove Housing (G1/V2)	12.2%	1.3%	0.0%	58.7%	125.0%	£4,996	17.7%	17.6%	3.1%
Magna Housing (G1/V2)	5.7%	0.8%	0.0%	25.2%	166.3%	£6,116	13.6%	16.2%	2.6%
Community Housing (C2/G2/V2)	9.6%	0.8%	0.0%	65.3%	14.1%	£6,599	19.1%	14.8%	2.4%
Peer Average	**7.8%**	**1.3%**	**0.1%**	**50.8%**	**94.1%**	**£5,613**	**18.0%**	**17.2%**	**2.9%**
Regional Average	**8.8%**	**1.5%**	**0.3%**	**49.0%**	**96.7%**	**£5,803**	**22.1%**	**20.4%**	**3.4%**
Sector Average	**8.4%**	**1.5%**	**0.1%**	**45.4%**	**98.9%**	**£6,352**	**20.8%**	**18.4%**	**3.1%**

Social Housing Decarbonisation Fund (SHDF)

As part of our commitment to improving the energy efficiency of our existing homes and supporting the Government's target for social housing to achieve EPC Band C by 2030, we have successfully completed our SHDF Wave 2 programme during 2025/26. The programme delivered £8.3 million of energy efficiency improvements to 156 homes, supported by £2.7 million of government grant funding. Works included the installation of air source heat pumps, cavity wall insulation, replacement windows and doors, ventilation and solar panels.

The programme provided significant improvements in the energy performance of participating homes, with the average Standard Assessment Procedure (SAP) rating increasing from 49 before works commenced (EPC Band E) to 76 following completion (EPC Band C). These improvements are expected to reduce energy consumption, lower household running costs and improve customer comfort.

Building on the success of SHDF Wave 2, Rooftop has commenced delivery of Warm Homes: Social Housing Fund Wave 3, which will support further investment into 645 homes from 2025/26 to 2028/29 and contribute towards achieving EPC Band C across our housing stock.

ISO14001 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 2025. 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. Strategic and operational risks are recorded within risk registers and subject to regular review by the Executive Team, Audit and Risk Committee and Board. This includes consideration of risk appetite, enabling informed decision-making in a challenging operating environment.

During 2025/26, the organisation has continued to operate in a complex and evolving environment, with a number of key risk themes:

- **Health and safety compliance** remains a principal risk and continues to be subject to enhanced scrutiny at Executive Team, Audit and Risk Committee and Board levels. We have continued to strengthen our approach to property safety, including embedding new processes and with the phased introduction of Awaab's Law from October 2025.
- **Asset investment and development delivery** continue to be impacted by wider economic conditions, including inflation, contractor capacity and market uncertainty. These pressures require ongoing prioritisation of investment decisions and careful management of programme viability and delivery timelines with increasing customer expectations.
- **Repairs and maintenance** continues to represent a key strategic risk, with cost and performance pressures requiring sustained focus. The transition from a cost sharing group for the delivery of responsive and planned repairs to a ten year contract with a national service provider, following a successful tender is part of a strategic service improvement plan for 2025/26. This offers us the opportunity to strengthen contract management arrangements which remain central to improving service outcomes and maintaining effective control of expenditure.
- **Financial pressures** have remained a significant feature of the year, driven by continued cost inflation, repairs expenditure and development activity. These risks are interdependent and require ongoing management to maintain financial resilience and compliance with loan covenants. The

organisation has maintained headroom within its financial metrics, supported by active treasury management and oversight.

- **Regulatory expectations** continue to evolve, with a sustained focus on achieving and maintaining compliance with the Regulator of Social Housing's Economic and Consumer Standards. Maintaining the current G1/V2 regulatory grading and progressing towards a C1 consumer standard regrade remains a key strategic priority.