



VALUE FOR MONEY SUMMARY 2022-23

Our approach

Our aim is to achieve our purpose by managing and maintaining our existing homes well and making a surplus every year to create the capacity to build new ones. We do this by making our business as efficient and customer focused as possible, whilst using our substantial assets to raise finance to help house people. We are clear that the better value for money we can achieve from everything we do, the more we can do to help those in need.

We compare ourselves to peer organisations in the sector for benchmarking purposes, utilising information from Housemark, a leading data and insight provider for the UK housing sector (sector scorecard).

Our value for money approach has been reviewed by the Board and we continue to regularly review and scrutinise our strategy. Our assessment includes the Regulator's Value for Money (VFM) metrics that form part of the Value for Money Standard, and these are included in our measures of how we perform as a business. Our VFM targets for 2023/24 are shown below.

Our assessment of our performance also includes the recently introduced Tenant Satisfaction Measures (TSMs). We are required by the Regulator to capture TSM performance from 1 April 2023 although many of the measures were already captured in our ongoing engagement with our stakeholders. As peer benchmark data emerges, we will assess our performance against our peers and our previous experience where relevant. As benchmark data is not yet available the Board has set the initial target of being at or above the sector median for all TSM metrics.

Those TSMs marked ¹ are collected from the tenant perception survey that is presented as a percentage of the respondents who report positively divided by the total number of respondents. Those TSMs marked ² are generated from management information.

Rather than separately present the external measures adopted, we have assessed our performance against the three key areas outlined in our Corporate Plan using these measures:

People

Homes	Cottsway peer group			2024 target	2023 target	2023 actual	2022 actual
	Upper	Median	Lower				
TSM metric ¹ - Overall satisfaction	n/a	n/a	n/a	79%*	n/a	84%	n/a
TSM metric ¹ - Satisfaction that the landlord listens to tenant views and acts upon them	n/a	n/a	n/a	Sector median or above*	n/a	75%	n/a
TSM metric ¹ - Satisfaction that the landlord keeps tenants informed about things that matter to them	n/a	n/a	n/a	Sector median or above*	n/a	81%	n/a
TSM metric ¹ - Agreement that the landlord treats tenants fairly and with respect	n/a	n/a	n/a	Sector median or above*	n/a	84%	n/a
TSM metric ¹ - Satisfaction with the landlord's approach to handling of complaints	n/a	n/a	n/a	Sector median or above*	n/a	53%	n/a
TSM metric ¹ - Satisfaction with the landlord's approach to handling anti-social behaviour	n/a	n/a	n/a	Sector median or above*	n/a	68%	n/a
TSM metric ² - Complaints relative to size of landlord	n/a	n/a	n/a	Sector median or above*	n/a	15	n/a
TSM metric ² - Complaints responded to within Handling Code timescales	n/a	n/a	n/a	Sector median or above*	n/a	97.2%	n/a
TSM metric ² - Anti-social behaviour relative to the size of the landlord	n/a	n/a	n/a	Sector median or above*	n/a	61	n/a
Overall net promotor score	38.5	36	31	36	36	31	36

* Target is based on the 2021/22 benchmark median score.

Overall net promotor score

We achieved 31 against a target of 36, this was primarily impacted by Q4 results which were down on the rest of the year and consistent with similar drops in satisfaction overall. We saw an increase in reports of damp and mould during this time and an increase in heating and hot water failures, all were responded to, and action taken; we believe external factors have also impacted on our customer general feeling.

Homes

Homes	Cottsway peer group			2024 target	2023 target	2023 actual upper	2022 actual median
	Upper	Median	Lower				
TSM metric ¹ - Satisfaction that the landlord keeps communal areas clean and well-maintained	n/a	n/a	n/a	Sector median or above*	n/a	66%	n/a
TSM metric ¹ - Satisfaction that the home is safe	n/a	n/a	n/a	Sector median or above*	n/a	85%	92%
TSM metric ² - Gas safety checks	n/a	n/a	n/a	100%	100%	100%	n/a
TSM metric ² - Fire safety checks	n/a	n/a	n/a	100%	100%	100%	n/a
TSM metric ² - Asbestos safety checks	n/a	n/a	n/a	100%	100%	100%	n/a
TSM metric ² - Water safety checks	n/a	n/a	n/a	100%	100%	100%	n/a
TSM metric ² - Lift safety checks	n/a	n/a	n/a	100%	100%	100%	n/a
TSM metric ² - Satisfaction with repairs	n/a	n/a	n/a	Sector median or above*	n/a	84%	79%
TSM metric ¹ - Satisfaction with time taken to complete last repair	n/a	n/a	n/a	Sector median or above*	n/a	80%	n/a
TSM metric ² - Non-emergency repairs completed within target timescale	n/a	n/a	n/a	Sector median or above*	n/a	n/a	n/a
TSM metric ² - Emergency repairs completed within target timescale	n/a	n/a	n/a	Sector median or above*	n/a	n/a	n/a
TSM metric ¹ - Satisfaction that the home is well-maintained	n/a	n/a	n/a	Sector median or above*	n/a	83%	n/a
TSM metric ² - Homes that do not meet the Decent Homes Standard	n/a	n/a	n/a	Sector median or above*	n/a	0.29%	0.04%
New homes developed - handovers	165	89	44	147	181	211	130
VFM metric - New supply delivered (social housing units)	2.4	1.8	0.9	2.71%	3.49%	3.96%	2.53%
Sector scorecard - Ratio of responsive repairs to planned maintenance spend	40%	50%	70%	28.5%	35.5%	45.3%	51.3%
Sector scorecard - Occupancy	99.8	99.7	99.6	99.0%	99.0%	99.3%	98.5%

Gas safety checks (%)

100% of homes that required gas safety checks had been completed against the Board target of 100%. The target for 2023/24 remains 100%.

Fire safety checks (%)

100% of homes that required fire risk assessments had been completed against the Board target of 100%. The target for 2023/24 remains 100%.

Asbestos safety checks (%)

100% of homes that required asbestos management surveys or re-inspections had been completed against the Board target of 100%. The target for 2023/24 remains 100%.

Water safety checks (%)

100% of homes that required legionella risk assessments had been completed against the Board target of 100%. The target for 2023/24 remains 100%.

Lift safety checks (%)

100% of homes that required communal passenger lift safety checks had been completed against the Board target of 100%. The target for 2023/24 remains 100%.

Satisfaction with repairs (%)

We performed well against the target for 2023, achieving 84% against a target of 80%.

Homes that do not meet the Decent Homes Standard (%)

At the end of March 2023 there were 14 homes classified as non-decent due to a particular component coming to the end of its lifecycle, the component itself is operational and functional and replacement scheduled for the coming year. If a component fails or is a health and safety risk at any point, this will be addressed, regardless of the age of that component or if the customer has declined to have to work carried out in the first instance.

New homes developed - handovers (#)

We exceeded our target due to acquiring a new scheme at West Witney during the year.

New supply delivered (social housing units) (%)

We exceeded our target due to acquiring a new scheme at West Witney during the year.

Ratio of responsive repairs to planned maintenance spend (%)

We achieved a 45.3% ratio against a 35.5% target, the reason for the higher than target ratio was due to us proactively moving some of our inhouse workforce onto responsive repairs to ensure we had no back log repairs ahead of launching our new customer portal.

Occupancy (%)

We performed well against the target for 2023, achieving 99.3% against a target of 99%.

Business strength

Homes	Cottsway peer group			2024 target	2023 target	2023 actual	2022 actual
	Upper	Median	Lower				
VFM metric - Operating margin overall excluding gains/loss on disposal of fixed assets (%)	28.3%	23.4%	19.8%	41.4%	38.6%	34.1%	36.4%
VFM metric - Operating margin (social housing lettings only)	29.8%	25.1%	21.7%	38.7%	38.2%	34.9%	37.5%
VFM metric - EBITDA MRI interest cover (%)	188.3%	148.6%	103.7%	124.7%	145.9%	136.8%	146.7%
VFM metric - Reinvestment (%)	8.2%	6.8%	4.5%	9.03%	8.26%	8.51%	7.17%
VFM metric - Gearing (%)	40.3%	55.7%	61.9%	54.2%	62.7%	59.3%	59.7%
VFM metric - Return on capital employed (%)	4.3%	3.6%	2.7%	3.65%	3.65%	3.52%	3.83%
VFM metric - Headline social housing cost per home (£)	3745	4316	4778	4413	3487	3543	3027
Sector scorecard - Overhead costs as a percentage of turnover (%)	12.0%	13.3%	15.3%	11.5%	12.0%	11.5%	10.3%
Sector scorecard - Rent collected as a percentage of rent due (%)	97.6%	97.1%	95.3%	100.0%	100.0%	102.6%	101.3%
Cost of standard repairs vs. external benchmark (%)	n/a	n/a	n/a	Not yet set	95.0%	101%**	94%
Management costs vs. rental income (%)	n/a	n/a	n/a	23.0%	n/a	n/a	n/a

* All 2024 targets against the VFM metrics are based on the 2023/24 business plan that was approved by the Board in May 2023.

**Benchmark costs were not adjusted to incorporate the high rates of inflation.

Operating margin overall excluding gains/loss on disposal of fixed assets (%)

2023 operating margin as calculated using the Regulator for Social Housing (RSH) methodology was 4.5% below the 2023 target. The 2023 target was set before external factors that resulted in higher inflation within the wider macroeconomic environment. Despite this, the table above shows that Cottsway was significantly above the upper quartile of our peer group.

Operating margin (social housing lettings only) (%)

Operating margin on social housing lettings only was 3.3% below target and the same macroeconomic factors that influenced the shortfall are applicable here. Despite this, the table above shows that Cottsway was significantly above the upper quartile of our peer group.

EBITDA MRI interest cover (%)

EBITDA MRI interest cover as calculated under the RSH methodology was 9.10% below target at 136.8%. This was again caused by the wider macroeconomic environment with higher inflation.

Reinvestment (%)

Reinvestment was marginally (0.2%) above the 2023 target. This reflects the higher costs of materials which has increased costs but resulted in a greater investment in existing homes.

Gearing (%)

Gearing as calculated under the RSH methodology was 3.40% below target which is a positive variance. Investment in new homes was below the 2022 business plan forecast due to planning delays and an uncertain land market which resulted in less drawn debt and therefore lower gearing at the year end.

Return on capital employed (%)

Return on capital employed was slightly below target as performance was impacted by higher inflation.

Headline social housing cost per home (£)

2023 performance was marginally higher than the 2023 target where the impact of inflation was partly offset by an increase in new homes delivery.

Rent collected as a percentage of rent due (%)

Our rent collection was ahead of target and also 2021/22 sector performance. This was partly supported by an increase in voids whereas as standard we attempt to get a rent payment in advance of letting.

Overhead costs as a percentage of turnover (%)

Overhead costs were ahead of target despite inflationary increases as out turnover was higher than planned due to increased shared ownership sales and also the repairs turnover of our property services department increasing.

Cost of standard repairs vs. ARK benchmark (£)

The historic benchmarks costs do not include the high inflation rises; we are in the process of getting updated benchmarks which will use to set future targets.

Management costs vs. rental income (%)

This is a new measure being introduced to support the delivery of our corporate plan.

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