# VALUE FOR MONEY STATEMENT – 2024-25

At ccha, we take pride in our mission to provide decent, safe, and affordable homes to our local community in Croydon, Sutton, and Bromley. Since we were founded in 1967, we have been deeply rooted in this community, weathering challenges and evolving to meet the needs of our residents.

Value for money (VFM) is extremely important to ccha, as we want to ensure our limited resources are being used effectively to achieve our strategic objectives, be able to meet the demand for our services, have a positive impact on our customers and bring value to the communities we work with and provide a home for.  We aim to manage our costs to maximise the resources available and identify and implement improvements in the way we work to bring about efficiency savings. This is also supported by providing more affordable homes for the area, which will bring economies of scale.

We are proud to create sustainable communities by forging strong local partnerships, local initiatives like our, resident open days, estate action days and Legacy Youth Zone and working closely with residents to increase our social value. We are also committed to developing more homes to meet the increasing demand in our community. We currently provide just under 1600 homes in the area.

We are still operating in an area where housing is in short supply compared to the demand. We therefore recognise that the supply of genuinely affordable housing for rent, and sale needs to be increased and that many people in our community, particularly those on lower income and on state benefits are seeing their income fall in real terms. We therefore need to continue to develop to meet the needs of the community and in turn will help us become more cost effective. We have a programme to build 103 more homes over the next two years with the support of the GLA's Affordable Homes Programme 21-26. We are pleased that we will be starting on site in Q2 of 25-26 to address the housing need in our community.

We understand that expectations of our residents have increased alongside that of the regulator of social housing, but we continually set our actions on reaching these. In 2020, we set new foundations for ccha, centred around our CARE values. This was about providing an excellent customer service that meets residents' needs. Over the past five years, we've been building on these foundations – introducing customer service advisors to take calls and support our teams, implementing a new repairs model which would give us greater control over our repairs service, improving our systems and data, and building new homes.

The new business plan ccha2030 continues to address this and ensures we are providing a quality service. The emphasis now is on delivering a great service to our current residents while continuing to provide more homes for our community. We understand the pressing need for affordable housing and want to balance this with caring for our existing residents and homes.

We have been navigating high borrowing costs, regulatory changes, and affordability concerns, while prioritising our residents' well-being. Resident and staff feedback and challenges from the past five years have shaped our new five-year business plan.

This year we have mapped all our key processes on our upgraded Cx housing management and continue to ensure these are efficient and documented.

We continue to move forward in strength, with new effective and efficient ways of working, able to grow our capabilities and expand on our potential, to support our residents, and develop new affordable homes.

More than ever, our strategic VFM aim remains the same to achieve **Median Quartile Cost and Upper Quartile Quality.**   Our headline cost per unit serves as a metric for assessing our value-for-money (VfM) expenditure. In the 24-25 period, we achieved our aim of the medium quartile compared to our peers. When we compare our 24 – 25 TSM results with the TSM results from 23 – 24 for London associations, 5 of these achieve upper quartile. While customer satisfaction remains an area for improvement, we've made progress with our internal changes this year and we are aiming to reach the upper quartile in the remaining areas by the end of our business plan ccha2030.

## Resident safety and wellbeing

ccha is proud to report **100% Landlord Compliance** at the end of 2024-25. This year our Audit and Risk Committee oversaw steady state audits into each of the top six areas which were externally undertaken by Tersus Group. All audits had substantial or reasonable assurance.

We have improved the damp and mould reporting and management processes so that it is live data reported through our CRM system, and we have ensured that #everyvisitcounts to gain access to all properties to inspect and will continue to monitor and keep track of damp and mould cases.

The team have been working to improve the energy efficiency of our homes and now have over 93% homes with an EPC-C rating or above. In 2025- 26, there will be a new sustainability strategy which will map out our pathway to achieving not only 100% of all homes having an EPC-C but also how we intend to get to Carbon Net Zero.

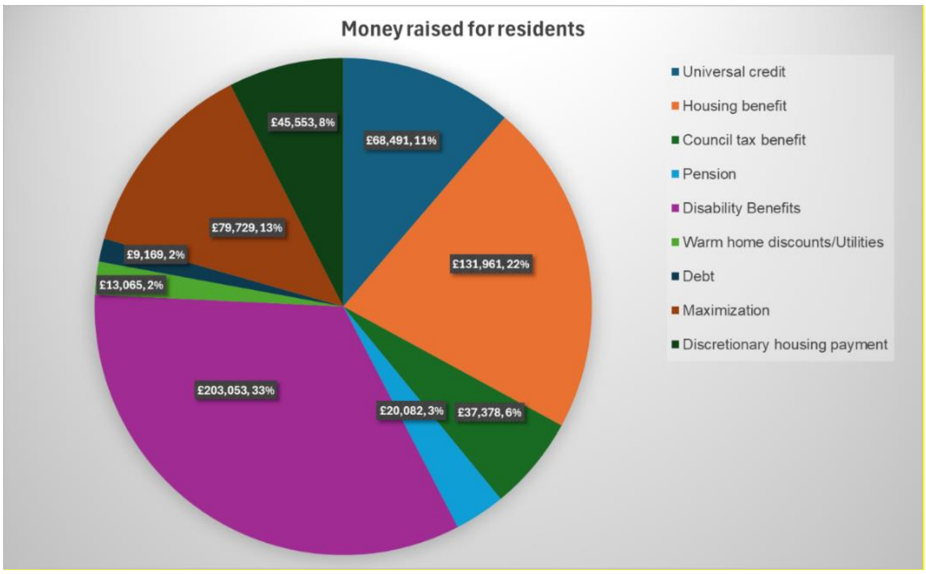
The cost of living this year has risen to financially challenging levels which has had a significant impact on our residents. Despite this, we have finished the year in a good position in terms of our overall rent arrears figure and have achieved our target for residents on universal credit. We invest in this service as it provides much needed support for our residents at a financially challenging time. The income management team truly work to our values, and their approach is supportive wherever possible.

We have continued to support residents over the phone where residents prefer this approach, saving time on both sides and increasing efficiency of this service.

We are pleased to have been able to invest further in our income team and provide an additional welfare and debt administrator to our existing welfare and debt officer. This service provides significant value for money and is an effective investment that ccha has chosen to support our residents, especially at a time when cost of living continues to rise and people need more support with accessing the right services. As a result of this, we are pleased that our current arrears figures are at 3.51%.

We are proud of the income maximisation work completed by our income team who have managed to bring in a huge **£609k** for our residents which otherwise would not be available for some of our vulnerable residents.

This year, we enhanced the social well-being for 161 of our residents, with 480 separate households receiving financial assistance from ccha. Among those, 88% obtained support for their council, disability, or housing benefits.




We carried out additional work to improve the environment for 473 residents through estate improvements. The ccha estate improvement budgeted Fund enabled us to invest just over £47k on these improvements to our communal spaces. This included providing additional outdoor planting, changes and improvements to landscaping, fencing and gates, improving bin store and parking areas, additional lighting to help deter anti-social behaviour and providing additional seating for residents to enjoy their outdoor spaces.

We completed sixteen estate action days across out general needs estates and ran regular coffee mornings at our older persons schemes. Our annual residents open days which were held over two days in the office also attracted 53 Residents. These activities enabled us resolve individual and estate-based issues. They also helped us to get to know our residents better, increased our understanding of what's working and what needs to improve, and enabled us to explain the changes we were looking to make following resident feedback and the benefits we expected this to bring.

We also continue to support residents through our dedicated Hardship Fund with over £11k helping 89 residents in financial crisis to alleviate some immediate needs with things like food, utilities and other essentials.

We have also promoted job and training opportunities through our regular job bulletins to help improve access to work through our partners. We also promoted the Legacy Youth Zone to residents and offered free holiday places for young residents to attend.

## Customer service, customer satisfaction and resident engagement

Our independent surveys are completed by Acuity, and they reported overall satisfaction for the year 2024 – 25 was 62% which is up 2% on Q4 position but down 1% on the year 2023 – 24. If we refer to our TSM satisfaction measures, overall, our year end position 2024-25 has dropped from year end 2023 – 24 with satisfaction dropping in 11 out of the 12 areas reported. Improvements have only been seen in complaints handling which improved from 36.6% in 2023/24 to 41% in 2024/25. However, if we then benchmark our results against others, 5 of our results achieve upper quartile, 3 achieve median quartile and only 4 of these measures are below median quartile, so whilst we had hoped to see improvements with the year end results, we are still comparable with the sector.

Satisfaction has been hugely impacted by our repairs service as well as issues with customer service and communication. The embedding of the new repairs model and customer contact centre is going well, and we have already received positive feedback from residents about it being easier to get through to us and finding the service more responsive.

We have also now invested additional resources in our Neighbourhoods team with a new senior role which will have a greater focus on supporting the team with ASB, so we expect to see improvements in this area. Our estate services have also improved in the second half of the year following a new contract manager and delivery of a service improvement plan. We also intend to continue our programme of Estate Action Days and Coffee Mornings which are well received by residents.

We are also working hard to improve customer service and communication with training being delivered to staff over the last few months. In addition to this, we have also started to do more work on sharing with residents where their feedback has led to changes. This includes a new webpage to highlight resident led changes. We will be building on this over the coming year and will also be launching our new Business Plan which was designed as a direct result of resident feedback.

**Satisfaction overall with services provided by landlord**

| Target | 2022/23 | 2023/24 | 2024/25 |
|---|---|---|---|
| Upper Quartile – 63% | 62% | 63% | 62% |

## Staff Wellbeing and Engagement

It is important to ccha to have a motivated workforce, aligned to our strategic objectives and values. We have had a significant focus on our culture plan during the year to meet this objective.

A committed and satisfied team is more likely to provide excellent service to our residents, operating effectively and efficiently. As a result, each staff member contributes to increased value for money. At ccha, we conduct bi-annual ‘Pulse’ surveys to gain insights into staff sentiments, engagement, and satisfaction. The feedback from these surveys informs our culture plan, driving positive changes. While there have been common themes emerging relating to accountability and workload pressures from this year’s survey, we are pleased with the predominantly positive feedback. Staff feel that our organisational culture empowers them to align with ccha’s values which is a good foundation for us to have.

We support our staff to maintain a work/life balance and a healthy lifestyle as we recognise that a happy staff team enables good performance and an improved service for our residents. Our wellbeing committee are now an essential part of this.

We have continued to focus our efforts on performance, recruitment and retention during the year. This has contributed to the increased staff turnover during 24-25. We had 11 leavers this year. We have classed five of these as involuntary (resigned during performance processes or did not pass probation). If these are removed from the figure it comes down to 11.42% which is just above target.

| **Target** | **2022/23** | **2023/24** | **2024/25** |
|---|---|---|---|
| **10.50%** | 8.5% | **16.16%** | **20.65%** |

The organisation effectively manages the average working days lost due to sickness absence per full-time equivalent (FTE). We continue to monitor this, as we are aware hybrid working can mean staff continue to work from home when they are unwell. Staff members are encouraged to take time off when unwell, as prolonged absence can lead to longer recovery periods. During this absence, they receive strong support, but we are aware that staff do not take days off as they would have done if they were in the office. As a result, we have achieved a rate well below our target—just 0.44 days.

| **Target** | **2022-23** | **2023-24** | **2024-25** |
|---|---|---|---|
| **4.4 days** | 10.54 days | **1.53 days** | **0.44 days** |

## Partnership Working

### Croydon Youth Zone

Though we are no longer patrons of Croydon Youth Zone (Legacy), we still promote the Youth Club and Holiday clubs to all residents with children between 8-19 as the Youth Zone is open all year round after school providing a safe space for children to attend and socialise with their friends, take part in extracurricular activities or do their homework. We have stated that we will reimburse any resident who wants to send their child there during half term.

### Contract Procurement and frameworks

We are now a member of five consortiums, and the majority of both our major and minor contracts are being procured through this procurement route. This is a more efficient way of procuring contracts and ensures compliance with the new Procurement Act which came in in February 2025. We have renewed six contracts in 24-25. The estimated total savings from procuring through frameworks rather than individual tender is £33k, this does not take into accounts staff time saved which would increase the savings.

### Support Providers

As part of our strategy for Supported Housing, we have also continued to build on our relationships with Nehimiah, Lookahead and St Mungo's (support providers) and are pleased have provided Nehemiah with new lease agreements, which also supports our development of our own land.

## Value for Money Metrics

We have taken measures to invest in quality of service and ensure we have the systems in place to do this which is continuing into 2025-26. We strive to do this cost efficiently at a headline social housing cost per unit that is benchmarked at the median for our peer group ensuring that the expectations of our residents and stakeholders continue to be met.

The table below shows the Value for Money metrics as set out in the Value for Money metrics technical note. These have been benchmarked against housing associations with under 5000 homes in the London and Southeast Area.

| | Actuals | | | Budget | Actuals | VfM RSH Median |
|---|---|---|---|---|---|---|
| VFM METRICS | 2021-22 | 2022-23 | 2023-24 | 2024-25 | | 2023-24 |
| 1. Reinvestment % | 2.89% | 1.47% | 3.21% | 8.15% | **2.19%** | 6.14% |
| 2a New Supply Delivered Social Housing | 2.64% | 0.00% | 0.00% | 96.00% | **0.00%** | 0.85% |
| 2b New Supply Delivered Non-Social Housing | 0.00% | 0.00% | 0.00% | 0.00% | **0.00%** | 0.00% |
| 3. Gearing % | 40.28% | 45.85% | 38.13% | 47.43% | **41.32%** | 39.75% |
| 4. Earnings Before Interest, Tax, and Depreciation (EBITDA (M | 151.65% | 123.80% | 147.29% | 142.28% | **100.93%** | 109.30% |
| 5. Headline Social Housing Cost Per Unit | £ 6,889 | £ 7,098 | £ 7,120 | £ 8,025 | **£ 7,730** | £ 8,214 |
| 6a. Operating Margin % (Social Housing) | 14.76% | 19.76% | 19.57% | 20.79% | **18.81%** | 19.28% |
| 6b. Operating Margin% (Overall) | 14.19% | 19.14% | 19.67% | 21.49% | **19.58%** | 13.97% |
| 7. Return on Capital Employed (ROCE) | 1.78% | 2.11% | 2.14% | 2.23% | **1.60%** | 2.11% |

## Reinvestment and new supply delivered

We had planned on starting on the redevelopment of our own sites this year, but due to delays in getting planning permission we only now ready to start on site in 25-26. New supply has also been impacted by rising building costs and high expectations of land vendors which affects new scheme appraisals. We expect all new developments to be at least cost-neutral; if they cannot yield a positive return, they should cover their own expenses. Unfortunately, these challenges have led to delays in our development program, resulting in a further year without any site launches and no new supply for 24-25. We have invested in our planned maintenance and start of redevelopments, and this is shown in our reinvestment of 2.19%.

## Gearing

We have undergone a refinance exercise at the end of 24-25 which has increased our available loans for development. However, we did not need to draw on any further loans in year due to the development delays. Gearing is reduced to 41.32% as cash also increased at year end ready for purchase of a newly agreed development which exchanged in March. Furthermore, there has been little increase in the cost of our housing properties.

## EBITDA MRI – interest cover

We are pleased to report that despite one off abortive costs, our EBITDA loan interest cover is met at 1.60 against a loan covenant of 1.40. This demonstrates our strong ability to meet our interest obligations. However, our EBITDA MRI metric has been impacted by several factors, high interest costs on our variable loans, reduction in development costs and capital associated with this, increased revenue costs associated with supporting residents during major repairs that was not covered by insurance.

## Headline social housing cost per unit

We are pleased to report that despite the ccha Board's recent focus on short-term efficiency improvements, we have managed to stay below budget and achieve our target of being at median quartile cost. These investments, made for the long-term benefit of our residents and stakeholders, will result in increased quality of service and better customer care, ultimately delivering greater value for our customers as we see this to have greater impact over the next few years.

As a small organisation with no growth this year, we faced inflationary rises, leading to an increase in our cost per unit compared to last year. However, our careful management of management costs has reduced overall operational expenditure, ensuring that we remain at medium quartile cost and meet our targets in this area.

Moving forward, our continued focus on embedding efficient practices, including rationalising our IT infrastructure and achieving economies of scale, will enhance our efficiency while maintaining and improving service quality.

## Operating Margin

Through careful budget monitoring, we have improved on our budgeted social letting operating margin compared to 23-24. This is reduced against budget due to a reduction in rental income from our supported housing homes, which we have actively been working with the borough to fill voids. The lack of growth in the number of homes we provide has also contributed to this reduction against budget. Though the sector has increased cost pressures, overall, the operating margin has remained healthy.

## Return on Capital Employed (ROCE)

At the end of March 2025, our organisation's return on capital employed (ROCE) was 1.60%, below our target of 2.23%. We invested less in development projects because of delays, which led to a smaller overall surplus. However, this decrease in surplus has only a small effect on our ROCE, which is calculated by dividing our surplus by the difference between our assets and current liabilities. The significant impact has been our abortive scheme costs of £769k