

Value for Money 2017-18

The Value for Money (VfM) Standard was recently updated in 2018 after originally being introduced in 2012. The VfM Standard has 7 metrics to measure economy, efficiency and effectiveness .

Please find below the 7 metrics, the annual performance for the last two financial years, how Wellingborough Homes compares to our peers and a comment explaining what the metric.

Description	2016/17	2017/18	Direction of Travel	2017/18 Housemark Peer Group	Comment
Reinvestment %	11.20%	9.80%	↓	Median	Considers the investment in properties (existing stock as well as new supply) as a percentage of the value of total properties held.
New supply delivered (social units) %	2.01%	0.94%	↓	Median	Sets out the number of new social housing and non-social housing units that have been acquired or developed in the year as a proportion of total social housing units and non-social housing units owned at period end
Gearing %	35.30%	30.50%	↑	Upper	Assesses how much of the adjusted assets are made up of debt and the degree of dependence on debt finance. It is often a key indicator of a RP's appetite for growth.
Interest cover EBITDA MRI %	340.90%	370.50%	↑	Upper	A key indicator for liquidity and investment capacity. It seeks to measure the level of surplus that a RP generates compared to interest payable; the measure avoids any distortions stemming from the depreciation charge.
Headline unit cost	£2,664	£2,596	↑	Upper	The headline social housing cost per unit as defined by the regulator.
Operating margin (overall) %	34.70%	38.50%	↑	Upper	Demonstrates the profitability of operating assets before exceptional expenses are taken into account. Increasing margins are one way to improve the financial efficiency of a business.
Return on capital employed %	8.90%	8.90%	↔	Upper	This metric compares the operating surplus to total assets less current liabilities and is a common measure in the commercial sector to assess the efficient investment of capital resources. The ROCE metric would support RPs with a wide range of capital investment programmes.