

# Value for Money

## 2025



Year ended 31 March 2025



MAGENTA  
LIVING  
**20**  
YEARS  
of opening doors

# Value for Money

The Board of Magenta Living approved its Value for Money (VfM) strategy in 2025. The strategic approach recognises that VfM is not just about cutting costs; it is about understanding the 'Value Chain', and optimising the **Economy, Efficiency and Effectiveness** of everything the company does. This is achieved by considering VfM across all elements of the business including its business plan and budget, its BAU activity such as commercial contract negotiations and its forward-looking activity including service improvements plans and transformation Strategy.

To support the optimisation of the Value Chain, Magenta has implemented Policies and Principles which includes detailing activities which the company will and won't consider in its drive to deliver improved VfM. These principles recognise the importance that different elements of the business play in ensuring we are able to achieve value for money and includes consideration of or strategic objectives, improvement plans, our colleagues and our assets and their sustainability.

The Regulator of Social Housing's Value for Money Standard 2018 sets out its required outcomes and specific expectations of registered providers and their approach to Value for Money. Magenta Living has completed a self-assessment against the VfM Standard, and gains assurance that VfM is being achieved from a variety of sources including:

- Regular review of VfM objectives, targets and performance;
- Strategic discussions as to optimum use of resources in delivering the objectives;
- All Board reports requiring consideration and evidencing of VfM implications of decisions made;
- Executive quarterly monitoring of procurement activity and savings;
- Production of an annual social value report and VfM statement.



## Performance against the RSH (Regulator of Social Housing) VfM Metrics




The following tables provides fuller details of Magenta's performance against the RSH's VfM metrics and future plans.




Metric	Backward Look	Current Year	Forward Look		
	2023/24 Performance	2024/25 Actual	2025/26 Budget/Target	2026/27 Fcast/Target	2027/28 Fcast/Target
Reinvestment %	10.00%	8.88%	11.76%	10.68%	8.19%
New Supply % (social)	1.30%	0.31%	1.21%	0.71%	1.06%
New Supply % (Non-social)	0.00%	0.00%	0.09%	0.09%	0.09%
Gearing %	33.00%	33.25%	39.09%	43.04%	42.00%
EBITDA MRI % (Interest cover)	151.70%	209.87%	137.76%	65.26%	97.71%
Headline Social Housing Cost Per Unit?	£5,544	£5,738	£6,108	£6,538	£6,561
Operating Margin Social Housing %	3.00%	5.96%	5.14%	6.27%	10.25%
Operating Margin overall %	3.00%	7.96%	9.51%	15.41%	15.72%
Return on Capital Employed	0.70%	2.73%	2.78%	4.54%	3.92%



## Performance against internal VfM metrics

The following tables provide evidence of past performance and plans for improvement against Magenta's internal VfM targets. Commentary on the performance of each metric is included within the table.

Metric	2023/24 Performance	2024-25 Budget/ Target	2024-25 Performance	RAG Status	2025-26 Target	Comments and future plans
Empty Homes Repair Cost £	£5,893	£5,400 incl. VAT	£6,300		£6,300	Average Empty Homes Repair Costs were above target for the financial year, primarily due to the scale of refurbishment works required including a significant proportion of high value programmes where the decision was made to proceed with works in the majority of instances. A range of Empty Homes improvement opportunities have been identified through the Social Housing Consultancy critical friend review of structures and processes within Property Services as well as the Property Services Improvement Plan activity informed by four Empty Homes process review workshops. Both reviews highlighted the importance of reviewing the Lettable Standard which has now commenced. Greater scrutiny of empty homes refurbishment programme totalling more than £4,000 is also currently being employed and high value property refurbishment programmes will continue to be referred for Option Appraisal review.
Empty Homes Rent Loss £	1.21%	1.00%	1.21%		1.4%	Void rent loss remained above target at year end. We will continue to minimise relet times and investigate the reasons which will reduce void rent loss.
Development starts on site	109	196	163		175	There were a number of unnamed schemes in the budget for 2024/25 that did not progress to a Start On Site within the financial year. We have a strong pipeline lined up, with a focus on opportunities in Wirral, which will see the number of Starts on Site increase over the next few years.

Metric	2023/24 Performance	2024-25 Budget/Target	2024-25 Performance	RAG Status	2025-26 Target	Comments and future plans
Development completions	187	82	68		106	Due to delays in handovers at Three Sails Point we fell behind this year's target. We currently have 217 homes on-site with handovers expected from Three Sails Point, Brook Street, Halton Canal and Pasture Road. We are confident in achieving the target for handovers in 2025/26.
Ongoing staff sickness levels at below peer group average	7.6 days	3.5%	3.1%		3.5%	Our target absence rate for 2024-25 was 3.5%, we consistently stayed under target with an average rate of 3.1%. We had a number of long term ill health challenges which have since been resolved. Our absence target for 2025-26 will remain at 3.5%. As we continue to manage absence in accordance with our absence policy we are hopeful to see a reduction from last years average and stay under target again this year.
Number of existing housing units increased to EPC level C or above	105	250	84		425	In the 2024/25 financial year, we had an increase of 148 (EPCs) from D's or below to C+; these uplifts came from planned retrofit works completed through funded schemes, such as the SHDF, self-funded improvements including loft insulation top-ups and reassessment of expired/ expiring EPCs. This is below what was targeted, as we are awaiting the completion of post-EPCs for several Wave 2.1 properties. Due to the delay in undertaking these surveys, we were unable to include them in the year-end figures. We have had an additional 469 properties recategorised from D or below to C+ (following gaining access to the Government EPC register); these EPC upgrades have not been included in the reported figure.

Metric	2023/24 Performance	2024-25 Budget/ Target	2024-25 Performance	RAG Status	2025-26 Target	Comments and future plans
Customer satisfaction with services provided by Magenta Living (TSM survey)	76.7%	80%	81.7%	😊	83%	It was pleasing to see an improvement in customer satisfaction, which sees us achieve the customer satisfaction target articulated in our Strategic Plan. The results of the survey and the in depth customer segmentation data will allow us to redesign our services and should result in an increase in satisfaction in 2025/26.
Customer satisfaction with the home (TSM survey)	70.9% (well maintained)	75% (well maintained)	75.6% (well maintained)	😊	1.4%	Satisfaction improvement targets have been designed to deliver incremental improvement leading into the road to 2030.
	73.6% (safe)	80% (safe)	79.3% (safe)	😐	81%	
Customer satisfaction with positive contribution to the Neighbourhood (TSM survey)	55.3%	70%	67.5%	😐	75%	Satisfaction improvement targets have been set to deliver incremental improvement in order to achieve our overall satisfaction target with the services Magenta Living Provides of 90% by 2030.





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