

Value for Money



Value for Money 2026

Value for Money (VfM)

The Board of Magenta Living approved its Value for Money (VfM) strategy in January 2025. Our customers need to be at the heart of every financial decision we make. We need to always bear in mind the consequences of our costs and the correlations they have to our customers rents and service charges. Our strategic approach to VfM recognises that we must maintain a robust assessment of the performance of all our assets and resources. In practice this definition of value for money means managing our resources economically, efficiently, and effectively to provide homes and services of high quality. It also means that we need to plan and continually assess our performance to deliver ongoing improvements in value for money.

Our strategic approach recognises that VfM is not just about cutting costs; it is about understanding the 'Value Chain,' investing strategically and appropriately, and optimising the relationships between costs, processes and the quality of outcomes, or the Economy, Efficiency and Effectiveness of everything we do.

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		
	2024/25	2024/25	2024/25	2025/26	2026/27	2027/28	2028/29
	Peer Median	Actual	Peer Quartile	Actual	Target	Target	Target
Reinvestment %	10.00%	8.88%	3	15.31%	12.73%	17.75%	17.72%
New Supply % (social)	1.20%	0.65%	4	0.96%	0.82%	2.79%	1.82%
New Supply % (Non-social)	0.00%	0.00%	2	0.00%	0.03%	0.45%	0.07%
Gearing %	41.30%	33.25%	3	33.79%	42.60%	45.56%	51.45%
EBITDA MRI (Interest cover) %	146.40%	209.87%	1	228.07%	100.20%	116.33%	101.59%
Headline Social Housing Cost Per Unit £	£5,478	£5,715	2	£5,760	£6,506	£6,460	£6,675
Operating Margin Social Housing %	15.60%	5.96%	3	3.77%	6.36%	10.77%	15.50%
Operating Margin overall %	14.50%	7.96%	3	7.52%	11.23%	17.02%	19.12%
Return on Capital Employed	3.10%	2.73%	4	2.81%	3.12%	3.67%	3.77%

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	2024-25 Actual	2025-26 Budget/Target	2025-26 Performance	RAG Status	2026-27 Target	Comments and future plans
Empty Homes Repair Cost £ average	£6,300	£6,300	£6,200		£5,000	To strengthen value for money and ensure investment was focused where it makes the biggest difference, the service increased scrutiny of repair and improvement specifications valued above £4,000 and carried out a review of lettable standards.

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Metric	2024-25 Actual	2025-26 Budget/ Target	2025-26 Performance	RAG Status	2026-27 Target	Comments and future plans
Empty Homes Rent Loss	1.2%	1.4%	1.32%		1.4%	Reducing re-let times and getting homes ready for new customers remained a major priority throughout the year. Performance remained slightly outside the 38-day target for much of the year, however the overall direction of travel was positive.
Development starts on site	163	175	167		200	In March 2026, the Board approved a refreshed version of the Road to 2030 strategy increasing our new homes target from 1,000 to 1,300
Development completions	68	106	123		188	
Ongoing staff absence levels	3.1%	3.5%	3.5%		3%	Absence levels across the year, increased from 2.6% in April 2025 to 3.5% in March 2026. It remained below the wider social housing sector average of 3.6%. Mental health-related absences received wellbeing support throughout the period. Overall, the picture is one of broadly stable absence levels that remained in line with sector norms, with some opportunity for further improvement.
Percentage of existing housing units at EPC level C or above	66.2%	71.0%	67.7%		73%	While the increase during the year was modest, this was anticipated. Much of 2025/26 was spent developing future programmes rather than undertaking large volumes of retrofit works.
Customer satisfaction with services provided by Magenta Living (TSM survey)	82%	83%	80%		82%	Customer feedback continues to highlight opportunities to improve communication, increase digital capability, reduce avoidable contact and deliver more consistent customer experiences. We also recognise the importance of further improving satisfaction with complaint outcomes and continuing to strengthen services affected by contractor performance

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

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

Metric	2024-25 Actual	2024-25 Budget/ Target	2024-25 Performance	RAG Status	2025-26 Target	Comments and future plans
Customer satisfaction with the home (TSM survey)	75% (well maintained)	73% (well maintained)	77% (well maintained)		77% (Well maintained)	As agreed with Board - targets meet or exceed national median benchmarks, with annual reviews supporting our ambition to reach upper quartile performance by 2030.
	79% (safe)	76% (Safe)	79% (Safe)		81% (Safe)	
Customer satisfaction with positive contribution to the Neighbourhood (TSM survey)	67%	65%	66%		70%	See above – this applies to all TSM's





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