

# ForHousing

Value for money (VfM) –  
Self Assessment

**2024/25**

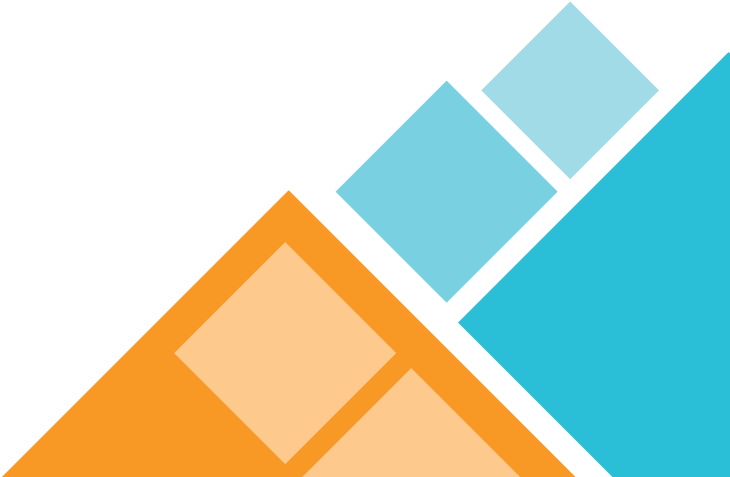


FCA reg no: 30483R  
RSH reg no: L4528

# Introduction

We focus on what matters and tenants are at the heart of what we do. We provide affordable, quality and well maintained homes where tenants feel safe and secure.

Tenant satisfaction is the foundation of our plans and we aim to provide excellent services that are easy to access and fast – through automation and insight. Our resources focus on delivering efficient local services that matter to tenants.



# VISION, MISSION AND VALUES

We are guided by The ForHousing Strategy which sets out our vision to positively impact the lives of our social housing tenants



# Our approach to Value for Money (VfM)

Value for Money means making sure every pound we spend helps improve homes, services and the communities where our tenants live. It's about doing more with less, so we can keep homes safe, affordable, and well-maintained.

VfM is considered across all areas of our organisation, through which we can demonstrate that we:

- positively impact the lives of our social housing tenants; optimise productivity and efficiency and reduce waste; strike the right balance between cost and quality; manage our assets and resources effectively;
- develop a high-performing culture; and
- embrace value-adding technologies to drive service improvement and efficiency.

The UK economy and ForHousing's operating environment continue to be under pressure, which is not expected to improve significantly in the short-term. As a result, the cost of maintaining homes and delivering high quality services to tenants has increased, so VfM is more important than ever.

The 2023-2028 ForHousing Strategy sets out the organisation's five-year ambitions, including the creation of at least 1,117 new affordable homes. Our VfM Strategy Action Plan sits within the Resources Strategy and has a cross-cutting mandate across all of the ForHousing Strategies. We will demonstrate the delivery of VfM through our 'Seven Principles of Value for Money', which have been developed to shape future strategy and business planning to ensure we have the capacity and resources to support the delivery of the Board's vision.

## Our Seven Principles of value for money are:



# Our Value for Money Performance

Metric	Sector Median	2023/24 Peer Group* Median	2024/25		2025/26	
			Actual	Target	Actual	Target
Reinvestment	7.7%	10.5%	7.2%	9.1%	7.6%	11.5%
New Supply delivered (social)	1.4%	1.2%	0.9%	1.0%	0.8%	0.4%
New Supply delivered (non-social)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Gearing	45.6%	40.6%	46.2%	43.0%	48.2%	44.8%
Interest cover (EBI TDA-MRI)	121.7%	123.3%	202%	151.8%	131.1%	137.5%
Headline social housing cost per unit	£5,136	£5,146	£4,435	£5,003	£5,423	£5,278
Operating margin – social housing lettings**			8.5%	10.1%	7.7%	8.3%
Operating margin – social housing lettings (excluding CWaC)	20.4%	15.6%	11.4%	11.8%	10.3%	9.7%
Operating margin Overall**	18.5%	12.2%	10.4%	12.4%	9.1%	11.8%
Operating margin (Overall) excluding CWaC			13.5%	14.6%	11.8%	12.7%
Return on capital employed (ROCE)	2.8%	2.8%	2.9%	3.2%	2.6%	2.7%

■ Q1
 ■ Q2
 ■ Q3
 ■ Q4

\* Peer Group: Bolton at Home Limited; First Choice Homes Oldham Limited; Great Places Housing Group Limited; Livv Housing Group; Magenta Living; One Manchester Limited; One Vision Housing Limited; Onward Group Limited; Plus Dane Housing Limited; Progress Housing Group Limited; Regenda Limited; Rochdale Boroughwide Housing Limited; Wythenshawe Community Housing Group Limited, Your Housing Group Limited

\*\* The Board sets 'stretch' targets for Operating Margin which are above the more prudent Business Plan, to ensure the Business Plan has the headroom to absorb any under-performance. In addition, the Operating Margin on the commercial housing management contract with Cheshire West and Chester Council dilutes the operating margin for ForHousing owned properties.

The table opposite outlines our VfM performance against the Regulator of Social Housing's Value for Money Metrics compared to our peer group.

In a complex and evolving operating environment, our 2024/25 results continue to reflect a period of strategic investment and financial balance, as we continue to navigate our way through the ongoing pressures of inflation, and increased customer demand and regulatory expectations. We remain focused on our long-term commitment to invest in homes and services - our 5-year forecasts on page 9 demonstrate our focus on capital investment and improving financial returns.



# Our Value for Money Performance

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**Re-Investment** – Our ability to invest in new and existing homes has been affected over the past two years by rising costs and delays in funding from Homes England. These challenges, combined with financial restrictions linked to our loan agreements, have limited our capital investment.

Although our performance has matched the sector average, it has lagged behind similar organisations. Since regaining our compliant governance rating in February 2025, we've taken steps to improve our financial flexibility by refinancing our loans. This change allows us to invest more in our homes going forward.

From April 2025, we expect to see a marked improvement in our performance, moving from the lowest quartile to the top half of the sector.

**New homes delivered (social)** – This measure tracks the number of new social homes we complete and bring into management. Over the past two years, delays in funding from Homes England linked to our previous non-compliant governance rating have slowed down our development plans.

Looking ahead, we expect a strong improvement in performance from April 2027, moving from the lowest quartile to the top quartile in the sector. We're aiming to build around 1,200 new homes by March 2030.

**New homes delivered (non-social)** – This measure looks at the number of new homes we build that are not for social housing. From April 2026, we plan to deliver a small number of homes for outright sale in areas where demand and property values are high.

All profits from these sales will be reinvested into our social housing work, helping us to support more people and communities.

**Gearing** – This measures how much debt we have compared to the value of our housing assets. Our gearing remains strong when compared to similar organisations, and we expect this to continue over the next five years.

The refinancing strategy we are implementing in 2025 will strengthen our financial position, give us more flexibility in how we fund future projects, and unlock additional capacity for investing in our homes

**Interest cover** – Interest cover shows how well our earnings can cover the cost of loan interest. In 2024/25, our performance was in the third quartile compared to similar organisations, and second quartile across the wider sector. This was mainly due to a lower operating margin (explained on page 7).

Performance from April 2025 returns to first and second quartile, apart from 2026/27 which is due to planned investment to remediate critical safety related works to high-rise blocks.





# Our Value for Money Performance

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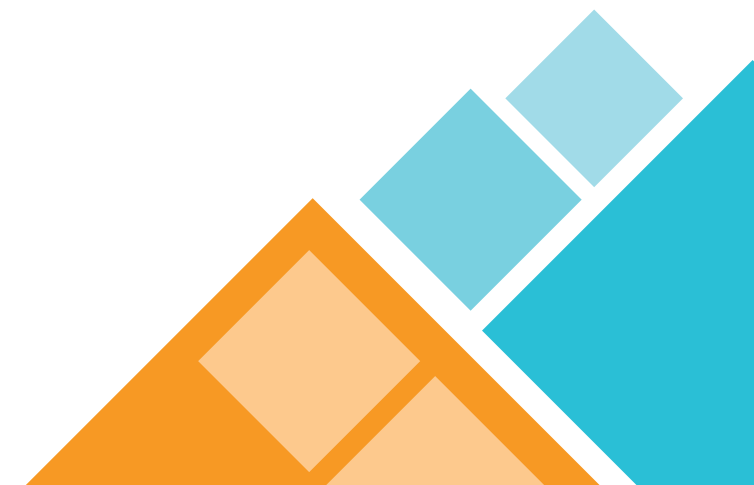
**Headline Social Housing Cost per unit** – This measure looks at how much we spend on social housing, relative to the number of homes we own and manage. Over the past year, costs have risen significantly due to increased demand for repairs and maintenance, work to address damp and mould, inflation, and growing regulatory requirements.

These pressures are expected to continue in the short to medium term. In addition, following our 2025 refinancing, we're investing more in our existing homes, which will also impact future costs.

**Operating margins** – This measures how much surplus we generate compared to our income, both across all operations and specifically within social housing. Because our income is relatively fixed, rising costs, are putting pressure on our margins. Additionally, the low margin from our Cheshire West & Chester (CWaC) contract reduces our overall margin.

However, excluding the CWaC contract, our overall operating margin is expected to improve from April 2025, moving into the second quartile and reaching the top quartile by March 2030. The margin for social housing lettings is lower than the overall margin, due to the positive contribution from our market rent portfolio.

**Return on capital employed (ROCE)** – measures the return against our net asset base and measures how efficiently we use our capital – the reduced Operating Margin directly impacts this measure. We expect ROCE to remain in the third quartile during 2025/26. However, from April 2026, performance is forecast to improve to the second quartile, reaching the top quartile by March 2030.



# Social Value

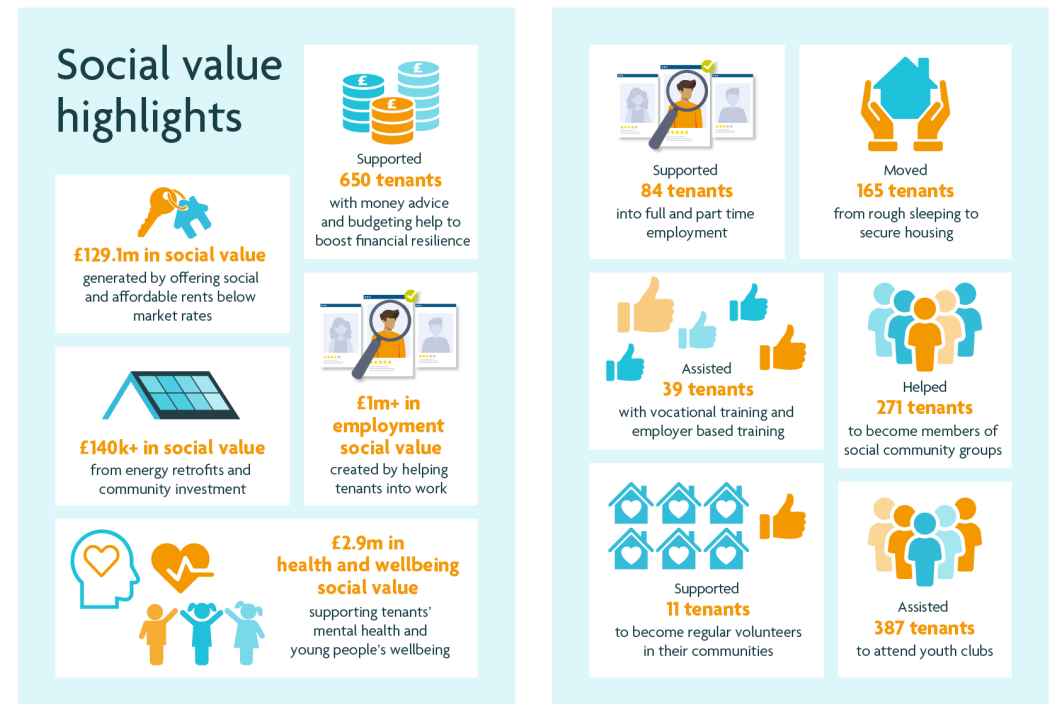
Through our Value for Money (VfM) Strategy Action Plan, ForHousing is committed to creating meaningful social value that goes beyond providing homes. Our goal is to make a positive and lasting impact on the lives of our social housing tenants and the communities we serve.

We work with HACT (Housing Associations' Charitable Trust) to measure the social value we generate through our services and partnerships. In the past year, HACT calculated that we delivered over £71 million in social value through the following activities

- **Employment and enterprise** – by creating pathways into employment for our tenants we've generated over £1m in employment social value.
- **Health and wellbeing** - through our mental health and wellbeing support to new tenants, and resident support services for existing tenants, we've generated over £2.9m in social value. We also generated over £230,000 in social value for younger people.
- **Financial Inclusion** – providing access to money advice and budgeting support to increase tenant resilience and reduce hardship. We were able to assist 650 tenants to obtain money advice and improve their financial stability, generating £2.3m in social value.
- **Sustainable communities** – we continue to invest in local initiatives, reducing anti-social behaviour and supporting community cohesion through our 'Tenant Voice' initiative. Our energy efficiency retrofit works have generated over £140,000 in social value.



As well as working with HACT, we have internally calculated the social value of our social and affordable housing rents within the areas that we operate. Compared to the average market rent in each area, we estimate this generates £129.1m in social value.

Other notable social value achievements during the year are shown below:



# Looking Ahead – Value for Money (VfM) Metrics 2025/26 to 2029/30

Metric	Target 2025/26	Target 2026/27	Target 2027/28	Target 2028/29	Target 2029/30
Reinvestment	11.5%	14.6%	12.2%	11.8%	11.4%
New Supply delivered (social)	0.4%	1.0%	2.0%	1.5%	1.5%
New Supply delivered (non-social)	0.0%	0.1%	0.1%	0.1%	0.1%
Gearing	44.8%	46.4%	46.9%	46.2%	44.1%
Interest cover (EBI TDA-MRI)	137.5%	120.9%	150.4%	166.6%	194.3%
Headline social housing cost per unit	£5,278	£5,571	£5,599	£5,560	£5,552
Operating margin – social housing lettings**	8.3%	9.9%	12.9%	14.9%	17.1%
Operating margin – social housing (excluding CWaC)	9.7%	11.6%	13.5%	14.9%	17.1%
Operating margin (Overall)**	10.8%	12.4%	15.3%	17.2%	19.3%
Operating margin (Overall) excluding CWaC**	12.7%	14.6%	16.0%	17.2%	19.3%
Return on capital employed	2.7%	3.0%	3.1%	3.2%	3.6%

 Q1
  Q2
  Q3
  Q4

\*\*The Board sets stretch targets for Operating Margin which are above the more prudent Business Plan, to ensure the Business Plan has the headroom to absorb any under-performance.

Our 30-year Business Plan, approved by the Board in June 2025, provides a forward look of our forecast Value for Money performance.

The Business Plan demonstrates significant improvement in all VfM metrics over the next 5 years, with all metrics achieving first or second quartile by March 2030, apart from Social Housing Cost per Unit, which reflects our increased investment in our existing homes.

Taking all of the factors outlined in this report into account, ForHousing continues to meet the Regulator of Social Housing's Value for Money Standard.

You can find out more about  
our financial accounts for 2024/25  
on our website

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