



Regulator of
Social Housing

Value for Money metrics

Technical note guidance 2026

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1. Introduction

- 1.1 The [Value for Money Standard](#)¹ requires all private registered providers to annually report on their performance against a suite of measures defined by the regulator, along with their own value for money (VFM) measures and targets, with which to measure economy, efficiency, and effectiveness.
- 1.2 This technical note document sets out the details of the range of VFM metrics and how these are defined, including the calculation of each measure from the Electronic Annual Accounts (EVA) 2026. Providers should also refer to the [EVA guidance](#)², which is available on our data collection website, NROSH+. The latest submission date for the EVA return is six months after a provider's year end. For most of the sector this will be 30 September 2026.

Important changes and points to note

- 1.3 We have made no amendments to the VFM metrics nor their measures for the financial reporting year ending 2026.
- 1.4 There are changes to a limited number of lines on the EVA template which are reflected in Annex A in this Note. Specifically, the particulars of turnover and operating expenditure from social housing lettings in part D (the operating surplus note) now has two additional columns which split out income and expenditure relating to general needs housing, supported housing and housing for older people between social rent and affordable rent.
- 1.5 As a reminder, since 2025, providers are required to **recognise capitalised major repairs new grant received** when calculating the EBITDA MRI Interest Cover metric. This is to ensure the calculation reflects both the cost of undertaking capitalised major repairs and **new** grant funding that is

¹ Value for Money Standard and Code of Practice - GOV.UK

² Guidance and Documents | NROSH+

associated with meeting those costs. The recognition of **new** grant income relating to capitalised major repairs is highlighted in Annexes A and B.

- 1.6 Amendments to FRS102 and the Housing SORP are effective for accounting periods commencing on or after 1 January 2026. For the majority of providers, the first period to which the amended standards will apply will be the year ending 31 March 2027. Therefore, there are no implications for the FVA template this year as a result of the new accounting requirements, and references to FRS102 and the 2018 version of the Housing SORP in the FVA guidance³.
- 1.7 However, the figures submitted in the FVA should reflect the accounting treatment used in the published financial statements. If early application of the revised standards has been adopted for the year-ending 31 March 2026, please provide details of the adjustments made in a supporting document as a part of the FVA submission on NROSH+.
- 1.8 The Accounting Direction has been updated to reflect the amendments to FRS102 and the Housing SORP but has not introduced any new requirements.
- 1.9 One of the key objectives in defining a set of standard VFM metrics was to support transparency and allow providers to analyse their performance alongside that of their peers on a comparable basis. To support this objective, we publish providers' performance on the range of VFM metrics to help organisations benchmark their performance more easily and allow interested stakeholders to understand how providers perform when compared to the rest of the sector.
- 1.10 The [VFM benchmarking tool](#)⁴ offers flexibility when comparing organisations with similar characteristics based on providers' own knowledge of their peers, in particular, the location of the homes that they own and manage. The tool

³ Guidance and Documents | NROSH+

⁴ Value for money 2025 benchmarking tool - GOV.UK

includes additional [statistically significant factors which influence providers' VFM performance](#)⁵ such as stock height and the percentage of non-Social Housing Lettings (SHL) income. The VFM benchmarking tool can be found on the RSH website.

- 1.11 Small registered providers⁶ should refer to Annex B which sets out how the VFM metrics are calculated, using designated lines from their annual accounts (financial statements).

⁵ Summary regression report 2024 - GOV.UK

⁶ Providers who own and or manage fewer than 1,000 low-cost rental accommodation and low-cost home ownership units combined (for providers in a group, units are measured at a registered group level). Such providers are termed 'small providers' for the purposes of the requirements in this document.

2. Reporting expectations

- 2.1 The VFM metrics have been selected on the basis that they work for the majority of the sector. However, we acknowledge that any metric, however calculated, may be more appropriate for some providers than others, and there may be a minority of cases where reporting on a particular basis is difficult, or inappropriate, given the unusual nature of a given organisation's business or differences in accounting practice.
- 2.2 We cannot change the required VFM metrics for individual providers because this would undermine comparability of results across the sector. However, where a provider's reported data is affected by a factor particular to that organisation, they should clarify this in the commentary accompanying the publication of their data.
- 2.3 It is essential that the metrics are calculated on the precise basis required. Inconsistent or inaccurate reporting undermines transparency to tenants and other stakeholders and could affect the reputation of an organisation.
- 2.4 Annually, we publish sector performance on the range of VFM metrics and achievements delivered by the sector. We also share feedback on how well providers are meeting and adhering to the reporting requirements of the VFM Standard in an effort to drive continuous improvement across the sector. In [our latest report](#)⁷, we found that for around a third of large providers, the reported performance was misrepresented for at least three or more key VFM metrics, including on New Supply, Reinvestment, Headline Costs and EBITDA MRI Interest Cover, compared to the results calculated from the financial viability accounts (FVA) – the annual electronic regulatory return that replicates the accounts in data form.
- 2.5 Typical departures from the requirements include failing to deduct gains on disposals from the operating surplus and excluding one-off or unusual

⁷ Value for money metrics and reporting 2025 - GOV.UK

transactions. For example, loan break costs associated with refinancing, or exceptional spend to address building safety, while some providers included the capital cost of stock transferred from other providers as part of their reported reinvestment metric in the accounts.

- 2.6 While we recognise that unusual costs may cause reported results to be unrepresentative of underlying performance, providers must calculate and report the metrics in their accounts defined by the Technical Note and required by the Standard. Consistent reporting enables comparability across the sector which is undermined by deviation from the reporting requirements.
- 2.7 Providers are encouraged to report on other value for money measures that increase stakeholder insight (including adjusting for the impact of unusual costs). However, these should be in addition to, not instead of, the Technical Note metrics.
- 2.8 Another issue is reported differences in relation to unit numbers between the FVA and either the audited accounts or to other regulatory submissions. While there may be some differences in reported unit numbers between the FVA and the Statistical Data Return (SDR) due to different reporting periods and reporting on units that fall outside of England, inaccurate data results in flawed metrics, rendering the benchmarking process misleading. Providers should, as far as possible ensure that the reported units in data returns and the audited accounts are correct to ensure the benchmarking tool functions at its highest potential.
- 2.9 We will continue to seek assurance that providers make best use of their resources and have on-going plans in place to make improvements to the value for money in their organisations. As a part of our assurance work, relating to the outcomes of the VFM Standard, we will also use the VFM metrics to support our understanding of providers' overall strategic delivery performance. We may follow up with a provider where there are gaps or conflicting evidence and will come to a view regarding the level of assurance

we have about the provider in the delivery of the outcomes of the VFM Standard.

- 2.10 Further detail of the regulator's approach to value for money regulation is set out in [Regulating the Standards](#)⁸.

⁸ How we regulate - GOV.UK

3. The Value for Money metrics

Metric 1 – Reinvestment %

- 3.1 The Reinvestment metric looks at the investment in properties (existing stock and new supply) as a percentage of the value of total properties held.
- 3.2 This metric is not based on cashflow data, due to the limitations on data collected as part of the FVA return.
- 3.3 For tangible fixed assets, providers should use the measure agreed in their Statement of Financial Position / Balance Sheet. The figure should be either historic cost or valuation.

Measurement of VFM cost chain – efficiency	Enter value in FVA as
[Development of new properties (Total housing properties)	Positive
+ Newly built properties acquired (Total housing properties)	Positive
+ Works to existing (Total housing properties)	Positive
+ Capitalised interest (Total housing properties)	Positive
+ Schemes completed (Total housing properties)]	Either
Divided by	
[Tangible fixed assets: Housing properties at cost (Current period)	Positive
OR Tangible fixed assets: Housing properties at valuation (Current period)]	Positive

Metric 2 – New supply delivered %

3.4 The New supply metric sets out the number of new social housing and non-social housing units that have been newly constructed (acquired or developed) in the year as a proportion of total social housing units and non-social housing units owned at period end.

3.5 Registered providers will report on two New supply delivered ratios:

A New supply delivered (social housing units)

B New supply delivered (non-social housing units)

A. New supply delivered (Social housing units) % Measurement of VFM cost chain – effectiveness	Enter value in FVA as
[Total social housing units developed, or newly built units acquired in-year (owned):	
Social rent general needs housing (excluding Affordable rent), Affordable rent general needs housing, social rent supported housing and housing for older people (excluding Affordable rent), Affordable rent supported housing and housing for older people, low-cost home ownership, care homes, other social housing units, social leasehold]	Positive
Divided by	
[Total social housing units owned at period end ('social units' as defined in numerator)]	Positive

B. New supply delivered (Non-social housing units) % Measurement of VFM cost chain – effectiveness	Enter value in FVA as
[Total non-social units developed, or newly built units acquired in-year (owned):	
Non-social rental housing units owned, non-social leasehold units owned, new outright sale units developed or acquired]	Positive
Divided by	
[Total social and non-social housing units owned at period end:	
Total social housing units and social leasehold units owned (as per denominator for the 'A' metric, new supply social housing), plus non-social rental housing units owned, plus non-social leasehold units owned]	Positive

Metric 3 – Gearing %

- 3.6 The gearing metric 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 registered provider's appetite for growth.
- 3.7 For tangible fixed assets, providers should use the measure agreed in their Statement of Financial Position / Balance Sheet. The figure should be either historic cost or valuation.
- 3.8 Note: registered providers can be restricted by lenders' covenants and therefore may not have the ability in which to increase the loan portfolio despite showing a relatively average gearing result.

Measurement of VFM cost chain – efficiency	Enter value in FVA as
[Short-term loans	Positive
+ Long-term loans	Positive
- Cash and cash equivalents	Positive
+ Amounts owed to group undertakings	Positive
+ Finance lease obligations]	Positive
Divided by	
[Tangible fixed assets: Housing properties at cost (Current period)	Positive
OR Tangible fixed assets: Housing properties at valuation (Current period)]	Positive

Metric 4 – EBITDA MRI Interest Cover %

- 3.9 The Earnings Before Interest, Tax, Depreciation, Amortisation, Major Repairs Included (EBITDA MRI) Interest Cover measure is a key indicator for liquidity and investment capacity. It seeks to measure the level of surplus that a registered provider generates compared to interest payable; the measure avoids any distortions stemming from the depreciation charge.
- 3.10 Note - Where applicable, capitalised major repairs **new** grant received should be recognised when calculating the EBITDA MRI Interest Cover metric.

Measurement of VFM cost chain – efficiency	Enter value in FVA as
[Operating surplus / (deficit) (overall)]	Either
- Gain / (loss) on disposal of fixed assets (housing properties)	Either
- Gain / (loss) on disposal of other fixed assets	Either
- Amortised government grants	Positive
- Government grants taken to income	Positive
+ Interest receivable	Positive
- Capitalised major repairs expenditure	Positive
+ Capitalised major repairs new grant received	Positive
+ Total depreciation charge]	Positive
Divided by	
[Interest capitalised	Negative
+ Interest payable and financing costs]	Negative

Metric 5 – Headline social housing cost per unit

- 3.11 The Headline social housing cost per unit is a proxy cash measure of a social housing cost per unit. This means it excludes non-cash items such as depreciation, amortisation and write downs.
- 3.12 Leasehold units, which for example include Right to Buy and fully stair-cased shared ownership units where the provider retains the freehold, are excluded from the denominator of this metric.
- 3.13 New grant related to capitalised major repairs expenditure is not netted off in this calculation.

Measurement of VFM cost chain – economy	Enter value in FVA as
[Management costs	Positive
+ Service charge costs	Positive
+ Routine maintenance costs	Positive
+ Planned maintenance costs	Positive
+ Major repairs expenditure	Positive
+ Lease costs	Positive
+ Capitalised major repairs expenditure for period	Positive
+ Other (social housing letting) costs	Positive
+ Charges for support services (Operating expenditure)	Positive
+ Development services (Operating expenditure)	Positive
+ Community / neighbourhood services (Operating expenditure)	Positive
+ Other social housing activities: Other (Operating expenditure)]	Positive

Measurement of VFM cost chain – economy**Enter value
in FVA as**

 Divided by

 [Total social housing units owned and / or managed at period
end:

 Social rent general needs housing (excluding Affordable Rent),
Affordable Rent general needs housing, social rent supported
housing and housing for older people (excluding Affordable
Rent), Affordable Rent supported housing and housing for older
people, Low-Cost Home Ownership, care homes, other social
housing units]

Positive

Metric 6 – Operating margin %

3.14 The Operating margin 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. In assessing this ratio, it is important that consideration is given to registered providers' purpose and objectives (including their social objectives). Consideration should also be given to Supported Housing providers who tend to have lower margins than average.

3.15 Registered providers will report on two operating margin ratios:

A Operating margin (social housing lettings only)

B Operating margin (overall).

A - Operating margin (social housing lettings only) % Measurement of VFM cost chain – efficiency	Enter value in FVA as
Operating surplus / (deficit) from social housing lettings ⁹	Either
Divided by	
Turnover from social housing lettings	Positive
B - Operating margin (overall) % Measurement of VFM cost chain – efficiency	Enter value in FVA as
[Operating surplus / (deficit) (overall)]	Either
- Gain / (loss) on disposal of fixed assets (housing properties)	Either
- Gain / (loss) on disposal of other fixed assets]	Either
Divided by	
Turnover (overall)	Positive

⁹ Gain / (loss) on disposal of fixed assets must be excluded.

Metric 7 – Return on capital employed %

- 3.16 The Return on capital employed (ROCE) 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 supports registered providers with a wide range of capital investment programmes.
- 3.17 In contrast to the operating margin calculations, ROCE includes the gain / (loss) on disposal of fixed assets.

Measurement of VFM cost chain – efficiency	Enter value in FVA as
[Operating surplus / (deficit) (overall)]	Either
+ Share of operating surplus / (deficit) in joint ventures or associates]	Either
Divided by	
Total assets less current liabilities	Positive

Annex A: Reference lines to FVA 2026

FVA lines for metric 1 – Reinvestment %

+/-	FVA 2026 item	FVA 2026 part	FVA 2026 line	FVA 2026 column	Enter value in FVA as
	[Development of new properties (Total housing properties)]	E: notes 1	33	7	Positive
+	Newly built properties acquired (Total housing properties)	E: notes 1	34	7	Positive
+	Works to existing (Total housing properties)	E: notes 1	35	7	Positive
+	Capitalised interest (Total housing properties)	E: notes 1	36	7	Positive
+	Schemes completed (Total housing properties)]	E: notes 1	37	7	Either
	Divided by				
	[Tangible fixed assets: Housing properties at cost (Current period)]	C: SOFP	2	1	Positive
OR	Tangible fixed assets: Housing properties at valuation (Current period)]	C: SOFP	3	1	Positive

Note on lines used to calculate metric 1: For tangible fixed assets, providers should use the measure agreed in their Statement of Financial Position / Balance Sheet. The figure should be either historic cost or valuation.

FVA lines for metric 2a – New supply delivered (social housing) %

+/-	FVA 2026 item	FVA 2026 part	FVA 2026 line	FVA 2026 column	Enter value in FVA as
	[Total social housing units developed, or newly built units acquired in-year (owned):				
	Social rent general needs housing (excluding Affordable rent), Affordable rent general needs housing, social rent supported housing and housing for older people (excluding Affordable rent), Affordable rent supported housing and housing for older people, low-cost home ownership, care homes, other social housing units	E: notes 1	10	2	Positive
+	Social leasehold units owned]	E: notes 1	16	2	Positive
	Divided by				
	[Total social housing units owned (Period end)	E: notes 1	10	6	Positive
+	Social leasehold units owned (Period end)]	E: notes 1	16	6	Positive

Note on lines used to calculate metric 2a: Line 10 (total social housing units owned) is automatically calculated as the total of the different housing types owned and/or managed entered in lines 1 – 7, less the total managed but not owned in line 9.

FVA lines for metric 2b – New supply delivered (non-social housing) %

+/-	FVA 2026 item	FVA 2026 part	FVA 2026 line	FVA 2026 column	Enter value in FVA as
	[Total non-social housing units developed, or newly built units acquired (owned):				
	Total non-social rental housing units owned	E: notes 1	13	2	Positive
+	Non-social leasehold units owned	E: notes 1	19	2	Positive
+	New outright sale units developed or acquired]	E: notes 1	22	1	Positive
	Divided by				
	[Total social and non-social housing units owned (Period end):				
	Total social housing units owned (Period end)	E: notes 1	10	6	Positive
+	Total non-social rental housing units owned (Period end)	E: notes 1	13	6	Positive
+	Social leasehold units owned (Period end)	E: notes 1	16	6	Positive
+	Non-social leasehold units owned (Period end)]	E: notes 1	19	6	Positive

Note on lines used to calculate metric 2b: The numerator for metric 2b must reflect the FVA lines as set out above. New homes delivered off-balance sheet, for example through joint ventures are excluded from this measure. The denominator for metric 2b must include all social **AND** non-social housing units owned at the period end.

FVA lines for metric 3 – Gearing %

+/-	FVA 2026 item	FVA 2026 part	FVA 2026 line	FVA 2026 column	Enter value in FVA as
	[Short-term debt	C: SOFP	18	1	Positive
+	Long-term debt	C: SOFP	25	1	Positive
-	Cash and cash equivalents	C: SOFP	14	1	Positive
+	Amounts owed to group undertakings	C: SOFP	26	1	Positive
+	Finance lease obligations]	C: SOFP	27	1	Positive
	Divided by				
	[Tangible fixed assets: Housing properties at cost (Current period)	C: SOFP	2	1	Positive
OR	Tangible fixed assets: Housing properties at valuation (Current period)]	C: SOFP	3	1	Positive

Note on lines used to calculate metric 3: For tangible fixed assets, providers should use the measure agreed in their Statement of Financial Position / Balance Sheet. The figure should be either historic cost or valuation.

FVA lines for metric 4 – EBITDA MRI interest cover %

+/-	FVA 2026 item	FVA 2026 part	FVA 2026 line	FVA 2026 column	Enter value in FVA as
	[Operating surplus / (deficit) (overall)]	B: SOCI	6	1	Either
-	Gain / (loss) on disposal of fixed assets (housing properties)	B: SOCI	4	1	Either
-	Gain / (loss) on disposal of other fixed assets	B: SOCI	5	1	Either
-	Amortised government grants	D: operating surplus note	20	7	Positive
-	Government grants taken to income	D: operating surplus note	21	7	Positive
+	Interest receivable	B: SOCI	10	1	Positive
-	Capitalised major repairs expenditure for the period	F: notes 2	1a	1	Positive
+	Capitalised major repairs new grant received for the period	F: notes 2	1b	1	Positive
+	Total depreciation charge for the period]	F: notes 2	2	1	Positive
	Divided by				
	[Interest capitalised	E: notes 1	117	1	Negative
+	Interest payable and financing costs]	B: SOCI	11	1	Negative

Notes on lines used to calculate metric 4: The interest capitalised and interest payable lines are entered in the FVA as negative. The total must be converted to positive before using it to divide the numerator total.

FVA lines for metric 5 – Headline social housing cost per unit

+/-	FVA 2026 item	FVA 2026 part	FVA 2026 line	FVA 2026 column	Enter value in FVA as
	[Management costs	D: operating surplus note	25	7	Positive
+	Service charge costs	D: operating surplus note	26	7	Positive
+	Routine maintenance costs	D: operating surplus note	27	7	Positive
+	Planned maintenance costs	D: operating surplus note	28	7	Positive
+	Major repairs expenditure	D: operating surplus note	29	7	Positive
+	Lease costs	D: operating surplus note	31	7	Positive
+	Capitalised major repairs expenditure for the period	F: notes 2	1a	1	Positive
+	Other (social housing letting) costs	D: operating surplus note	34	7	Positive
+	Charges for support services	D: operating surplus note	2	3	Positive
+	Development services	D: operating surplus note	3	3	Positive
+	Community / neighbourhood services	D: operating surplus note	4	3	Positive
+	Other]	D: operating surplus note	6	3	Positive
	Divided by				
	Total social housing units owned and / or managed at period end.	E: notes 1	8	6	Positive

FVA lines for metric 6a – Operating margin (social housing lettings) %

+/-	FVA 2026 item	FVA 2026 part	FVA 2026 line	FVA 2026 column	Enter value in FVA as
	Operating surplus / (deficit) on social housing lettings	D: operating surplus note	36	7	Either
	Divided by				
	Turnover from social housing lettings	D: operating surplus note	24	7	Positive

FVA lines for metric 6b – Operating margin (overall) %

+/-	FVA 2026 item	FVA 2026 part	FVA 2026 line	FVA 2026 column	Enter value in FVA as
	[Operating surplus / (deficit) (overall)]	B: SOCI	6	1	Either
-	Gain / (loss) on disposal of fixed assets (housing properties)]	B: SOCI	4	1	Either
-	Gain / (loss) on disposal of other fixed assets]	B: SOCI	5	1	Either
	Divided by				
	Turnover (overall)]	B: SOCI	1	1	Positive

FVA lines for metric 7 – return on capital employed %

+/-	FVA 2026 item	FVA 2026 part	FVA 2026 line	FVA 2026 column	Enter value in FVA as
	[Operating surplus / (deficit) (overall)] ¹⁰	B: SOCI	6	1	Either
+	Share of operating surplus / (deficit) in joint ventures or associates]	B: SOCI	9	1	Either
	Divided by				
	Total assets less current liabilities.	C: SOFP	24	1	Positive

¹⁰ including gain / (loss) on disposal of fixed assets

Annex B: Guidance on the VFM metrics reporting for small providers

This part of the guidance should be used by registered providers with a stock holding of fewer than 1,000 units. These providers are not required to submit an electronic copy of the annual accounts (FVA) to the regulator.

This guidance note is intended to help small providers calculate the VFM metrics from their annual accounts (financial statements). The tables on the following pages set out how the metrics should be calculated with reference to specific lines in the accounts

The regulator is aware that not all the VFM metrics will be applicable to every small provider given the diversity of business models across the sector. In the spirit of transparency and accountability, where the value of a VFM metric is calculated as zero, this should be reported as so.

As a reminder, since 2025, providers are required to recognise **new** grant received related to capitalised major repairs when calculating the EBITDA MRI Interest Cover metric. This is to ensure the calculation reflects both the cost of undertaking capitalised major repairs and **new** grant funding that is associated with meeting those costs.

The Value for Money Standard requires providers to report on the VFM metrics, including the sub-metrics for new supply and operating margin, within their annual accounts (financial statements). For reporting purposes, providers should discuss and agree the format of their annual accounts with their auditor or their accountant.

Key to tables	Enter value in FVA as
Numerator	The figure(s) above the line in a division calculation
Denominator	The figure(s) below the line in a division calculation
SORP	Statement of Recommended Practice
SOCI	Statement of Comprehensive Income (Housing SORP)
SOFP	Statement of Financial Position (Housing SORP)
SOFA	Statement of Financial Activities (Charity SORP) - where the location of data differs between the Housing SORP and the Charity SORP, this is shown in square brackets like this: SOCI / [SOFA], SOFP / [BS]
BS	Balance Sheet (Charity SORP)
Note TOE	Note: Turnover and Operating Expenditure; this note may have different names including Income and Expenditure from social housing lettings
Note Creds <1	Note: Creditors: Amounts falling due within one year
Note Creds >1	Note: Creditors: Amounts falling due after more than one year
Units in Management	This may have different names, such as Accommodation in Management

Accounts lines for metric 1 – Reinvestment %

+/-	Line in accounts	Include in	Location in accounts	Shown as
	[Development of new properties (Total housing properties)	Numerator	Fixed assets note	Positive
+	Newly built properties acquired (Total housing properties)	Numerator	Fixed assets note	Positive
+	Works to existing (Total housing properties)	Numerator	Fixed assets note	Positive
+	Capitalised interest (Total housing properties)	Numerator	Fixed assets note	Positive
+	Schemes completed (Total housing properties)]	Numerator	Fixed assets note	Either
	Divided by			
	[Tangible fixed assets: Housing properties at cost (Period end)	Denominator	Fixed assets note	Positive
OR	Tangible fixed assets: Housing properties at valuation (Period end)]	Denominator	Fixed assets note	Positive

Notes on lines used to calculate metric 1

- Works to existing (Total housing properties): This should include only those works to existing properties which were capitalised (i.e. added to Fixed Assets in the Statement of Financial Position / Balance Sheet).
- Capitalised interest (Total housing properties): This is sometimes shown in the narrative beneath the Note, rather than as a line in the Note itself.
- Schemes completed (Total housing properties): The net value is often nil.
- Tangible fixed assets: These lines should be Net Book Value, which includes accumulated depreciation. Providers should use the relevant measure (historic cost or valuation) that is used in their Statement of Financial Position / Balance Sheet to calculate the reinvestment metric.

Accounts lines for metric 2a – New supply delivered (social housing) %

+/-	Line in accounts	Include in	Location in accounts	Shown as
	[Total social units (developed or acquired in-year)]	Numerator	Note: Units in Management	Positive
+	Social leasehold units (acquired in-year)]	Numerator	Note: Units in Management	Positive
	Divided by			
	[Total social housing units owned (Period end)]	Denominator	Note: Units in Management	Positive
+	Social leasehold units owned (Period end)]	Denominator	Note: Units in Management	Positive

Notes on lines used to calculate metric 2a

- The units used in the numerator should exclude existing properties transferred from other providers.
- Where a provider develops a unit on behalf of another provider, the new units should only be reported by the provider acquiring (and owning and / or managing the unit).
- These include shared ownership units and other units which are leased to tenants by the provider as social lettings.
- The units used in the both the numerator and the denominator should only include properties owned by the provider.

Accounts lines for metric 2b – New supply delivered (non-social housing%)

+/-	Line in accounts	Include in	Location in accounts	Shown as
	[Total non-social rental housing units owned (acquired in-year)]	Numerator	Note: Units in Management	Positive
+	Non-social leasehold units owned (acquired in-year)	Numerator	Note: Units in Management	Positive
+	New outright sale units (developed or acquired)]	Numerator	Note: Units in Management	Positive
Divided by				
	[Total social housing units owned (Period end)]	Denominator	Note: Units in Management	Positive
+	Total non-social rental housing units owned (Period end)	Denominator	Note: Units in Management	Positive
+	Social leasehold units owned (Period end)	Denominator	Note: Units in Management	Positive
+	Non-social leasehold units owned (Period end)]	Denominator	Note: Units in Management	Positive

Notes on lines used to calculate metric 2b

- The units used in the numerator should exclude existing properties transferred from other providers.
- Where a provider develops a unit on behalf of another provider, the new units should only be reported by the provider acquiring (and owning and / or managing the unit).
- The units used in the both the numerator and the denominator should only include properties owned by the provider.

Accounts lines for metric 3 – Gearing %

+/-	Line in accounts	Include in	Location in accounts	Shown as
+	[Short-term debt	Numerator	Note: Creds <1	Positive
+	Long-term debt	Numerator	Note: Creds >1	Positive
-	Cash and Cash equivalents	Numerator	SOFP / [BS]	Positive
+	Amounts owed to group undertakings	Numerator	Note: Creds <1 and / or Note: Creds >1	Positive
+	Finance lease obligations]	Numerator	Note: Creds <1 and / or Note: Creds >1	Positive
Divided by				
	[Tangible fixed assets: Housing properties at cost (Period end)	Denominator	Note: Fixed assets	Positive
OR	Tangible fixed assets: Housing properties at valuation (Period end)]	Denominator	Note: Fixed assets	Positive

Notes on lines used to calculate metric 3

- The short-term debt and long-term debt figures should include 'Amounts owed to related / connected parties'.
- Tangible fixed assets: These lines should be Net Book Value, which includes accumulated depreciation. Providers should use the relevant measure (historic cost or valuation) that is used in their Statement of Financial Position / Balance Sheet to calculate the reinvestment metric.

Accounts lines for metric 4 – EBITDA MRI interest cover %

+/-	Line in accounts	Include in	Location in accounts	Shown as
	[Operating surplus / (deficit) (overall)]	Numerator	SOCI / [SOFA]	Either
-	Gain / (loss) on disposal of fixed assets (housing properties)	Numerator	SOCI / [SOFA]	Either
-	Gain / (loss) on disposal of other fixed assets	Numerator	SOCI / [SOFA]	Either
-	Amortised government grant	Numerator	Note TOE	Positive
-	Government grants taken to income	Numerator	Note TOE	Positive
+	Interest receivable	Numerator	SOCI / [SOFA]	Positive
-	Capitalised major repairs expenditure for the period	Numerator	Note: Fixed assets	Positive
+	Capitalised major repairs new grant received for period	Numerator	Note: Fixed assets	Positive
+	Total depreciation charge for the period]	Numerator	Note: Fixed assets	Positive
Divided by				
	[Interest capitalised	Denominator	Note: Fixed assets (or Note: interest payable)	Negative
+	Interest payable and financing costs]	Denominator	SOCI / [SOFA]	Negative

Notes on lines used to calculate metric 4

- The gains / (losses) on disposal of housing and other fixed assets should only be deducted if they are included in the operating surplus (overall). If they are shown 'below the line' in the accounts, they should not be deducted.
- The capitalised major repairs grant received for period added back should only include grant received in respect of the capitalised major repairs recorded in the line above (capitalised major repairs expenditure for the period). This should exclude grants associated with major repairs expenditure that is treated as a revenue item.
- The total depreciation charge for the period added back should include depreciation for all assets, not just housing properties.
- The interest payable figure should include the financing costs (i.e., interest payable) in respect of defined benefit pension schemes.
- The interest payable and interest capitalised are typically shown as negatives in the accounts. The total must be converted to positive before using it to divide the numerator total.

Accounts lines for metric 5 – Headline social housing cost per unit

+/-	Line in accounts	Include in	Location in accounts	Shown as
	Management costs	Numerator	Note TOE	Positive
+	Service charge costs	Numerator	Note TOE	Positive
+	Routine maintenance costs	Numerator	Note TOE	Positive
+	Planned maintenance costs	Numerator	Note TOE	Positive
+	Major repairs expenditure	Numerator	Note TOE	Positive
+	Lease costs	Numerator	Note TOE	Positive
+	Capitalised major repairs expenditure for the period	Numerator	Note Fixed assets	Positive
+	Other (social housing letting) costs	Numerator	Note TOE	Positive
+	Charges for support services	Numerator	Note TOE	Positive
+	Development services	Numerator	Note TOE	Positive
+	Community / neighbourhood services	Numerator	Note TOE	Positive
+	Other social housing activities: Other	Numerator	Note TOE	Positive
	Divided by			
	Total social housing units owned and / or managed at period end	Denominator	Note: Units in Management	Positive

Notes on lines used to calculate metric 5

- Routine maintenance costs - this figure should include Void repairs, if these are disclosed separately).
- The denominator should include properties which are either owned by the provider or managed for others.

Accounts lines for metric 6a – Operating margin (social housing lettings) %

+/-	Line in accounts	Include in	Location in accounts	Shown as
	Operating surplus / (deficit) (social housing lettings)	Numerator	Note TOE	Either
	Divided by			
	Turnover from social housing lettings	Denominator	Note TOE	Positive

Accounts lines for metric 6b – Operating margin (overall) %

+/-	Line in accounts	Include in	Location in accounts	Shown as
	Operating surplus / (deficit) (overall)	Numerator	SOCI / [SOFA]	Either
-	Gain / (loss) on disposal of fixed assets (housing properties)	Numerator	SOCI / [SOFA]	Either
-	Gain / (loss) on disposal of other fixed assets	Numerator	SOCI / [SOFA]	Either
	Divided by			
	Turnover (overall)	Denominator	SOCI / [SOFA]	Positive

Notes on lines used to calculate metric 6b

- The gains / (losses) on disposal of housing and other fixed assets should only be deducted if they are included in the operating surplus (overall). If they are shown 'below the line' in the accounts, they should not be deducted.

Accounts lines for metric 7 – return on capital employed %

+/-	Line in accounts	Include in	Location in accounts	Shown as
	Operating surplus / (deficit) (overall)	Numerator	SOCI / [SOFA]	Either
+	Share of operating surplus / (deficit) in joint ventures or associates	Numerator	SOCI / [SOFA]	Either
	Divided by			
	Total assets less current liabilities	Denominator	SOFP / [BS]	Positive



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The Regulator of Social Housing regulates for a viable, efficient, and well governed social housing sector able to deliver quality homes and services for current and future tenants.