

# RSH reports on 2021 value for money metrics

The Regulator of Social Housing has today (24 February 2022) published its 'Value for money metrics and reporting 2021'.

[Value for money](#) is a key regulatory standard that requires private registered providers to clearly articulate their strategic objectives and to annually report on their performance against a suite of measures defined by the regulator, as well as their own objectives.

The regulator is publishing this report so that boards and a wide range of stakeholders, including tenants, can assess performance on these metrics and see how providers compare to other organisations.

The report highlights the challenges that the pandemic posed for the sector in 2020-2021. It also reinforces the importance of good quality data-driven performance monitoring, alongside clear objective setting, to mitigate risks to providers' businesses.

Providers are responding to multiple pressures on their resources, including catching up on major repairs, improving services and quality, building safety, decarbonisation and delivering new affordable homes. In this context, it will be essential that they achieve value for money in delivering their strategic objectives.

The value for money report comes after RSH released its [quarterly survey for Q3 2021](#) (published on Tuesday 22 February), which provides a more recent overview of the sector's financial health and investment forecasts for 2022.

The [value for money report](#) shows that reinvestment in existing stock fell between April 2020 and March 2021 during the coronavirus pandemic and resulting lockdowns. Reinvestment in new and existing social housing stock was 5.8% of the total value of existing stock, compared to 7.2% in 2019-2020. However, the quarterly survey shows that providers are already delivering capital investment programmes to catch up works that were delayed by the pandemic.

The sector spent less on maintenance and repairs in 2021 than it did in 2020. This was due to coronavirus restrictions delaying planned maintenance and repairs works. The median Headline Social Housing Cost metric fell to £3,730 per unit (2.7% lower than 2020). However by Q3 2021 capitalised major repairs and maintenance had exceeded pre-pandemic levels. Cost pressures are expected to increase over the short term as a result of material and labour shortages and resulting inflation. Providers will need to carefully manage those pressures as they seek to deliver repairs and investment in existing homes and development of new homes.

The sector invested £9.5bn in new supply and existing stock in 2021, compared

to £12.2bn in 2020. Despite the challenging economic climate, providers delivered 41,000 homes in 2021. Investment rebounded by Q3 2021, during which providers recorded the highest ever quarterly levels for development spending.

Fiona MacGregor, Chief Executive, said:

Despite significant challenges, registered providers have maintained essential services, attracted investment and maintained their financial resilience. Although the pandemic resulted in very difficult trade-offs in 2020/21, providers are already responding with major investment programmes in existing and new homes.

Providers are faced with multiple and competing pressures on resources. They must ensure tenants' homes are safe and of good quality, alongside working towards higher environmental standards and investing in new homes.

As the sector faces greater scrutiny, it is fundamental in the context of value for money that scarce resources are used effectively and efficiently, decisions are made on a sound basis, and stakeholders understand how those decisions were made. It is more important than ever for boards to have clear objectives, good quality data and insight to deliver the most value from their resources.

The annual publication is available on the [Global Accounts page](#) of our website.

The Value for Money standard requires providers to annually report on their performance against a suite of measures defined by the regulator.

The Value for Money report is part of the regulator's continuing work to help the sector contextualise the performance of individual providers more easily. It aims to help boards compare themselves to organisations with similar business models and geographical locations. It is an annex to RSH's Global Accounts, published in December 2021.

The Value for Money metrics data file contains information at a provider level. The report is accompanied by a detailed Value for Money Technical note, which explains the metrics in greater depth. These documents and all previous VFM publications can be found on our [VFM collections page](#).

The Regulator of Social Housing promotes a viable, efficient and well-governed social housing sector able to deliver homes that meet a range of needs. Its role is defined in legislation to have an economic regulation objective relating to private registered providers, and a consumer regulation objective relating to both local authority providers and private registered providers. In line with current legislation, RSH regulates consumer standards reactively.

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