

Amendments to the 2017/18 Financial Report

Following a review of our 2017/18 Value for Money indicators reported in our 2017/18 financial statements, we have identified that a number of our indicators were incorrectly calculated in line with Regulator for Social Housing (RSH) sector scorecard definition.

A detailed review has been undertaken and additional controls have been put in place to ensure this situation is not repeated. The correct figures for 2017/18 are represented in the table below:

	2017/18 Previous	2017/18 Updated	Note
Key Performance Indicators - Business Health			
Operating margin (social housing lettings) %	33.99%	33.99%	
Operating margin (overall) % Association only	28.63%	28.63%	
Operating margin (overall) % Group		24.36%	
EBITDA MRI Interest Cover % Association only	234%	220%	1
EBITDA MRI Interest Cover % Group		215%	
Key Performance Indicators - Development capacity and supply			
Number of homes developed as a percentage of current stock	0.67%	0.67%	
Gearing (housing properties at cost)	80.70%	60.83%	2
Gearing (housing properties at valuation)	55.50%	41.84%	2
New supply delivered (social housing units) %	0.89%	0.81%	3
New supply delivered (non- social housing units) %	0.11%	0.11%	
Key Performance Indicators - Outcomes Delivered			
Reinvestment % as percentage of housing stock cost	3.17%	3.17%	
Reinvestment % as percentage of housing stock valuation	2.18%	2.18%	

Key Performance Indicators - Effective asset management			
ROCE % Association Only	4.8%	4.8%	
ROCE % Group		4.7%	
Key Performance Indicators - Operating efficiencies			
Headline social housing costs per unit	£ 3,104	£ 3,355	3

Explanatory Notes

1. EBITDA interest cover calculation should have been 220%. This figure had not been fully calculated in line with the sector scorecard definition.
2. The sector scorecard definition of gearing expects cash balances to be deducted from the net debt calculation. The original calculation had not done this. It is important to note that neither the original or revised Gearing figure impacts upon any of our loan covenants.
3. The original calculation of these performance indicators included non-social housing units in the housing stock denominator figure.