

Plus Dane Housing

Value for Money Strategy 2024/27

Delivering a long-term sustainable future achieved through financial resilience and a high performing customer experience.

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Welcome to our VfM Strategy

Plus Dane has a strong record of serving our communities, from our early beginnings in the 1970s as a 400-home landlord, to today with more than 30,000 customers living in over 13,500 of our homes across 14 local authority areas.

The launch of our new Corporate Plan in 2024 sets out how we will build on our rich history and continue to have a positive impact on customers, homes and communities. To help us deliver this plan, we have created our Value for Money (VfM) Strategy. It sets out our ambition to continue to deliver a long-term sustainable future to facilitate delivery of our plans and strategies carefully and effectively. We have made much progress in the last few years to create financial stability and capacity within our business plan despite a prolonged period of rent reductions and more recently a rent cap.

With rent our biggest source of income we need to make sure that we balance affordability for our customers and Plus Dane. This is why this strategy will deliver VfM through everything we do from strategic to operational levels as it runs through the veins of who we are and how we do things.

Times have been challenging for most UK businesses on the back of the pandemic, high inflation and a global economic downturn, this has been no different for registered providers like Plus Dane. It has meant we have had to make a number of strategic decisions to strengthen our financial position and solidify our business plan. This has included long-term pension planning, restructuring our debt portfolio and a comprehensive review of our business plan. Whilst these are large scale projects, this strategy will add further value by embedding an approach to VfM across all strategic and operational activities.

This has set us up well for our future but through this strategy we will further strengthen our long-term financial position. This strategy, coupled with the long-term asks we have set out in the corporate plan for our sector, will help increase our capacity to do more to support **quality homes, great services** and **vibrant communities** and balance affordability challenges as well as delivering our part in tackling the long-term housing crisis.

Then

The last three years have been transformative for Plus Dane, delivering solid foundations from which to build our desired future. We have successfully delivered a £150m private placement, restructured our debt so that we can focus on investment in homes and exited, and paid off, our defined benefit pension schemes. All of this has enabled us to create capacity and resilience within our business plan, ensuring we are aligning our resources to our corporate objectives rather than us being led by financial restrictions. Before this, our investment programme was heavily influenced by our covenant requirements which were based on EBITDA MRI; removing the restrictive MRI has meant we can deliver more value to our customers through investment works. The financial impact has been to increase our annual programme which was c£5m to over £22m.

Despite strategic decisions, we recognise that the pace of our recovery from the pandemic was not at the level we had hoped for, particularly for our front-line services. Like many organisations, we saw a surge in demand as the world opened up again and this has continued to the present day. Our processes and procedures struggled to adapt to this increase in volume and customer satisfaction with our repairs service was impacted. This is why we created the Homes project in 2023/24 to transform how we deliver repairs and maintenance services. We also increased the number of tenancy management officers to reduce the number of homes they manage.

A catch-up programme was established in 2023 to bring repair timescales back to pre-pandemic levels by the end of 2024 but more fundamentally we had in years pre and post pandemic restricted our investment in homes spend due to restrictive MRI covenants.

Coupled with this was an ongoing need to build much-needed homes both to meet the needs of the local authority areas we work in but also to support our business plan and increasing investment required in existing homes. This perfect storm of slow recovery from the pandemic and balancing new versus existing investments has brought VfM to the fore for all Plus Dane stakeholders.

The new focus of VfM

VfM has been a key focus for housing providers, brought into sharper focus with the introduction of the Regulator of Social Housing's (RSH) [VfM Standard](#) in 2018. However, the economic landscape has changed drastically since its introduction, with events such as the pandemic, heightened interest rates and labour and material shortages as well as geo-political unrest which have contributed to global cost inflationary pressures. As we develop the strategy, escalating geo-political conflicts will cause further economic uncertainty and potential further shocks which our VfM objectives will support us to respond to.

In addition to this, there has been a spotlight on the sector due to the poor condition of many existing social homes and the sector's slow response to addressing this.

Other factors such as rising living costs and high levels in inward migration has resulted in a chronic shortage of housing, particularly affordable housing which, has resulted in an increasing need to build. This has meant it is critically important for housing providers' to finely balance budget to maximise investment on both new build and investing in existing homes. We must continue to create financial resilience in our business plan for the next three decades so that we can deliver our corporate plan now and continue to deliver to our customers in the future.

Therefore, the new focus on VfM is considering the regulatory requirements against the sector and environmental challenges meaning our Board has to carefully consider investment requirements.

This strategy directs Plus Dane's response to VfM to support delivery of corporate objectives.

Now

Our Corporate Plan was launched in April 2024, its objectives have VfM embedded within them:

- **Customer experience** is about tailored and first-time resolution, reducing waste and avoidable contact from our current activity.
- **Vibrant communities** aims to provide safe, warm homes achieving a better balance between repairs and maintenance programmes. We will also launch our Vibrant Communities Framework which will be a blend of social and financial data about homes and communities to make informed decisions about future plans.
- The VfM strategy sits within our **sustainable organisation** objective which also includes our approach to processes and becoming leaner and more efficient in what we do and how we do it. We are trialling innovative products and services as part of our testing for the development of our Innovation 2.0 Framework and AI Framework.
- **Colleague experience** is about making sure colleagues are valued and accountable to support us to deliver our corporate plan and all aims within it. A key aim of the VfM strategy is making value an integral part of our culture.

The strategy comes on the back of some strong decisions with VfM at their heart showing that we are in a good position to deliver this strategy:

- Delivery model for repairs has been insourced with risk managed through external delivery of specialist compliance works and investment planning (reviewed as part of strategic partner appointment 2023).
- **£500k** savings identified in 2024/25 by insourcing stock condition surveys.
- Reviewing long-term future of Dane Partnership Homes as a development company to identify if it can add value to Plus Dane's current approach.
- Approach to programme management supports VfM and **benefits realisation** which are reported to Foresight Committee.
- Santander restructure reduced the margin within the facility from 1.75%/1.65% to 1.15% which will give rise to c. **£600k** saving over the lifetime of the facility.

- Removal of the restrictive EBITDA-MRI covenant from all funding agreements, in favour of an EBITDA-only covenant which enables Plus Dane to support much more capital investment throughout the life of its business plan.
- **£1.4m** utility cost savings over an 18-month period.
- Effective procurement led to **£178k** of total annual cashable savings and **£155k** of total annual cost avoidance savings in 2023/24.
- Reviewed our approach to **capitalisation** to maximise value from our activity, coinciding with the removal of the restrictive EBITDA-MRI covenant.
- **£173k** savings on the 2023/24 bathrooms programme due to £500 per unit cost reduction.
- Recovery of rent debts in 2023/24 was positive (**£591k**) when compared with the provision policy for these debts.
- Saving on former tenant satisfaction survey was reinvested to complete corporate plan engagement, which engaged with more than 1,600 customers.
- Securing funding through **Social Housing Decarbonisation Fund wave 1 and 2** to match fund investment in our homes.
- **Restructured** our Leadership Team to improve effectiveness and decision-making, reducing headcount and salary costs.

In 2022, Plus Dane's financial viability rating was downgraded from V1 to V2 by RSH. In practice this meant that the regulator confirmed Plus Dane's continued compliance with the [Governance & Viability Standard](#) but recognised the fine line of our balance between increasing investment in existing homes coupled with the current economic uncertainty in relation to wider inflation and interest rates and the corresponding reduction to Plus Dane's capacity to respond to adverse events. Our Audit & Assurance Committee test our compliance with the VfM standard at least annually to provide assurance to Board that we continue to meet our regulatory requirements.

Through the annual budget and business planning processes, including stress testing and half year refreshes of the plan, Plus Dane continues to work towards increasing resilience and capacity, with the strategy further strengthening that position.

Our financial statements detail our annual performance against VfM metrics with detailed narrative explaining our position. The 2023/24 performance is shown here.

Core Metric	Purpose	2024-Target	2024-Actual	Achieved	2022/23-Plus-Dane-Perf.	2022/23-Peer-Group-Perf.	2025-Plus-Dane-Target
New Supply Delivered - Non-Social Housing	Number of new non-social homes as a proportion of total homes	0.0%	0.0%	★	0.0%	0.0%	0.0%
Gearing	Measures degree of dependence upon debt finance	54.6%	53.7%	★	51.4%	47.7%	53.3%
EBITDA-MR	Measures liquidity. Adjusts surplus for capitalised major repairs & depreciation. Measures the surplus generated compared to interest charge	50.4%	62.3%	★	43.9%	115.5%	42.4%
Social Housing Cost Per Unit	Measures the economy of costs	£5,390	£5,304	★	£5,141	£4,031	£6,069
Operating Margin - Overall	Excludes gain/loss on sale of Fixed assets	20.7%	20.1%	▲	8.2%	14.2%	20.6%
Operating Margin - Social Housing	Measures efficiency of operating assets	29.1%	25.4%	▲	17.5%	19.9%	27.7%
ROCE	Measures efficiency of investment of capital resources	2.7%	2.9%	★	1.3%	3.1%	2.9%

Our customer experience of VfM

Purpose Committee	KPI	Frequency	Baseline End of Year 23/24	Monthly Performance						Current Status	Quarterly Performance		Benchmarking		Trend
				Apr-24		May-24		Jun-24			Target	Q1 Actual	Housemark	Vantage	
				Target	Actual	Target	Actual	Target	Actual						
Customer Experience															
Overall Satisfaction	Cumulative	69.8%	80%	75.0%	80%	76.5%	80%	74.3%	80%	74.3%	69.4%	75.88%			
Satisfaction with repairs	Cumulative	72.6%	75%	70.6%	75%	73.9%	75%	72.8%	75%	72.8%	70.4%	74.98%			
Satisfaction time taken to complete latest repair	Cumulative	63.3%	70%	64.2%	70%	63.4%	70%	62.9%	70%	62.9%	66.4%	71.63%			
Satisfaction that the home is well maintained	Cumulative	67.8%	70%	73.5%	70%	74.0%	70%	73.2%	70%	73.2%	69.4%	76.09%			
Satisfaction that the home is safe	Cumulative	74.1%	80%	78.4%	80%	78.5%	80%	78.5%	80%	78.5%	76.1%	82.37%			
Landlord listens to tenant view and acts upon them	Cumulative	58.3%	65%	68.0%	65%	66.1%	65%	63.7%	65%	63.7%	58.9%	66.87%			
Landlord keeps tenants informed about things that matter to them	Cumulative	65.1%	70%	73.2%	70%	71.9%	70%	71.7%	70%	71.7%	69.5%	75.41%			
Landlord treats tenants fairly and with respect	Cumulative	74.6%	80%	79.1%	80%	79.6%	80%	78.7%	80%	78.7%	76.3%	81.88%			
Landlord keeps communal areas clean and well maintained	Cumulative	52.4%	60%	66.7%	60%	65.0%	60%	59.6%	60%	59.6%	65.5%	66.99%			
Landlord makes a positive contribution to neighbourhoods	Cumulative	53.1%	62%	70.0%	62%	64.0%	62%	62.6%	62%	62.6%	62.5%	68.31%			
Landlord's approach to handling anti-social behaviour	Cumulative	54.7%	60%	63.0%	60%	59.8%	60%	58.9%	60%	58.9%	57.0%	64.29%			
Satisfaction with the landlord's approach to handling complaints	Cumulative	32.5%	38%	45.3%	38%	45.1%	38%	43.2%	38%	43.2%	33.8%	38.65%			
Complaints relative to the size of the landlord (stage 1)	Cumulative	58.2	Data only	3.1	Data only	9.6	Data only	21.1	Data only	Data only	21.1	39.7	58.04		
Complaints relative to the size of the landlord (stage 2)	Cumulative	7.5	Data only	0.1	Data only	1.0	Data only	3.8	Data only	Data only	3.82	5.3	8.5		
Stage 1 Complaints responded to within Complaint Handling Code timescales (LCRA)	Cumulative	87.0%	100%	83.0%	100%	83.3%	100%	78.0%	100%	78.0%	83.3%	85.31%			
Stage 2 Complaints responded to within Complaint Handling Code timescales (LCRA)	Cumulative	46.8%	100%	0.0%	100%	57.1%	100%	57.7%	100%	57.7%	83.3%	84.18%			
Complaints Upheld (%)	Cumulative	84.02%	75%	79.74%	75%	80.68%	75%	82.96%	75%	82.96%	NA	NA			

Performance against the tenant satisfaction measures (TSM's) are detailed above. We know that whilst we saw improvement in Q1 2024/25 we want to improve and have a number of projects and actions in place to address under performance

against our annually agreed performance targets. The metrics are an insight into effectiveness of our current approach to deliver our corporate objectives.

The foundations of our corporate plan were built on customer feedback which we have used to build on for this strategy coupled with insight from our own service delivery.

The cost-of-living crisis continues to put pressure on household finances, increasing customer focus on VfM and in particular service charges. This has been demonstrated in the shift in volume of complaints, with grounds maintenance entering the top five complaint themes for Plus Dane in 2023/24. A service charge is payable for communal gardening, and we have struggled to deliver the service expected by our customers. In addition, 40% of complaints linked to the compliance service area were in relation to door entry issues. This is another provision that attracts a separate service charge. This demonstrates increasing scrutiny from customers in the value they obtain from services they pay for.

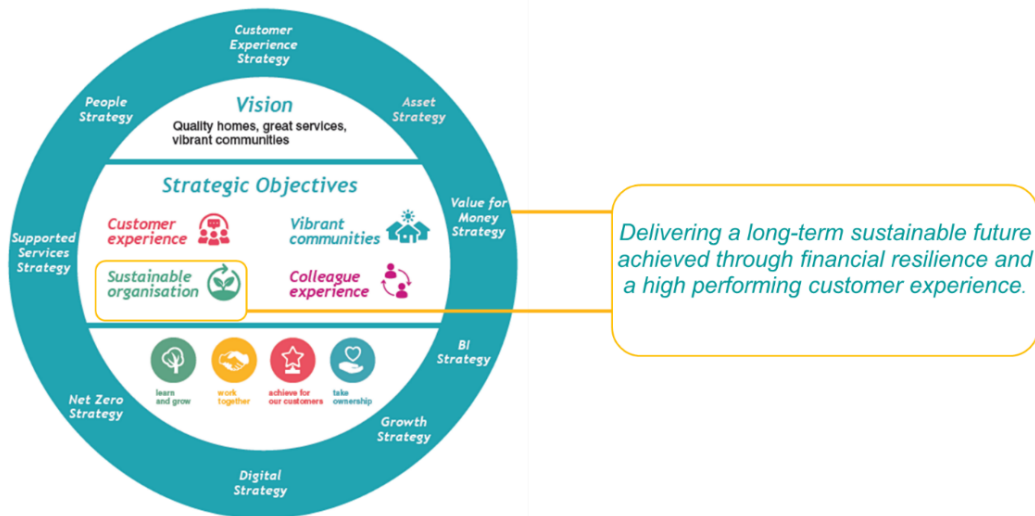
What our customers said

This was further tested in the summer of 2024 with a survey of customers through our Plus Dane Voices forum. 243 customers responded, triangulating the feedback from the TSM's and complaints. Key highlights were:

- 81% feel their rent is VfM.
- Top three aspects consider when thinking about rent as VfM are overall quality of service, quality of home and repairs.
- Issues highlighted were the repairs service, quality of contractors and grounds maintenance.
- 53% of those paying a service charge did not see it as VfM specifically linking it to frequency of service and grass cutting.
- Three areas where customers want us to focus on are consistent with the corporate plan 2023 feedback:
 - o Investing in homes.
 - o Making your home warm & more energy efficient.
 - o Repairs.

This triangulation of customer experiences features through our actions to deliver this strategy.

Into the future



The strategy vision was developed as part the new corporate plan to enable our corporate vision of **quality homes, great services** and **vibrant communities**. We follow the traditional definition of VfM for our three objectives to support a clear approach for what we are trying to achieve for our customer, communities and colleagues.



Economy – managing our costs so that we can make the right decisions for our customers and services.

Efficiency - making the best use of our resources continuously reviewing and improving the way we do things.

Effectiveness & Equity- delivering services that meet our quality objectives and our customers’ expectations but are done so in an equitable way.

Economy

Managing our costs so that we can make the right decisions for our customers and services.

We understand our cost base, reviewing it regularly and comparing it alongside our peers. Our budget and business plan assumptions are reviewed annually with a prudent but practical approach taken to support the delivery of our corporate plan whilst also recognising the resilience we are building within the plan.

We understand that our VfM metrics, shown earlier in this strategy, are outliers compared to our peers in the areas of cost per unit, EBITDA MRI. This is because of conscious decisions we have made to invest more in our homes, responding to previous slowdowns in our investment programme.

We know the balance of our responsive repairs and investment spend is inefficient and therefore commit through this strategy to reducing responsive spend. We are starting to see it curtail but we would expect the increased investment in homes to start to impact on responsive spend from 2025/26 onwards. In our business plan, although not specifically aligned to responsive spend, we have £1.4m worth of savings in year 2 (2025/26), increasing to £3m in Y4, which we will achieve through this strategy and the need to better balance responsive versus reinvestment; any increased spend should be inflation linked only. Our business plan continues to be based on our stock condition data to ensure we have a current and up to date picture of the requirements within our homes.

We are however mindful of the forthcoming Awaabs Law and are viewing how this will impact on our customers; the Homes' projects fundamental review of how we deliver repairs and maintenance places us in good place to respond to the new requirements, but this may need us to consider our current approach. We have however used the Social Housing Decarbonisation Fund and other initiatives to prepare for new legislation.

	EBITDA MRI Interest Cover %	Repairs & Maintenance Spend £k	Capitalised Reinvestment £k
2018/19	128.5%	17,685	5,786
2019/20	125.1%	14,085	5,015
2020/21	151.2%	21,774	4,921
2021/22	142.7%	21,134	10,411
2022/23	43.9%	23,269	10,550
2023/24	62.3%	25,774	17,686
2024/25 (Bgt)	42.4%	26,431	22,267
2025/26 (BP)	84.9%	22,985	18,717
2026/27 (BP)	89.4%	22,864	17,695

Whilst we understand our cost base, we do want to do more to enhance financial reporting and transparency to support our decision-making processes. Through the life of this strategy, we will deliver the Finance Systems project which aims to deliver

a new finance system(s) replacing dated technology, inefficiencies in current processes, improved security, and improved reporting and analytics.

Coupled with this, and the creation of our first Sustainability Strategy, we will consider how our business plan, in particular its profile of our investment programme, can align to our net zero ambitions and the ask of our customers for our homes to be more energy efficient. These factors may us to consider choices about the remaining lifespan of some homes which will also feed into our Asset Strategy.

This will also support us as we conclude our review of the Homeshub team, our leasehold, sales and market rent service. The review will be finalised in 2024/25 allowing a greater line of sight into the profitability of the service including our non-social housing activity, ensuring we continue to act in line with our charitable objectives whilst also enabling us to identify potential areas of income growth.

Rents are our primary source of income and will also be responsible for funding our core business. Our business plan will never rely on alternative sources of income such as income from non-charitable activities however our income growth for social activity is restricted therefore as an approach to manage costs, we will consider responsible growth outside of our core activity to help us achieve more.

This maybe through market rent provision and contracting services and much needed support services. However, any commercial activity must return an investment of at least 6% and other contracting services, delivered in line with our charitable aims, must as a minimum break even for the life of the contract. We have in 2024/25 achieved this through successful tendering of support services for Halton and Cheshire East Councils as well as delivering procurement services for a third party.

The debt funding our business plan has been key to supporting our new approach to investment in homes. We have extended debt maturities, controlled financing costs in the face of a volatile market and have given our plan greater capacity which we will build on through this strategy.

We will aim to continue to achieve an A rating from our private credit rating and will mature our hedging strategy to manage our costs. By the end of the strategy, we will have an agreed approach to lengthening our long term debt.

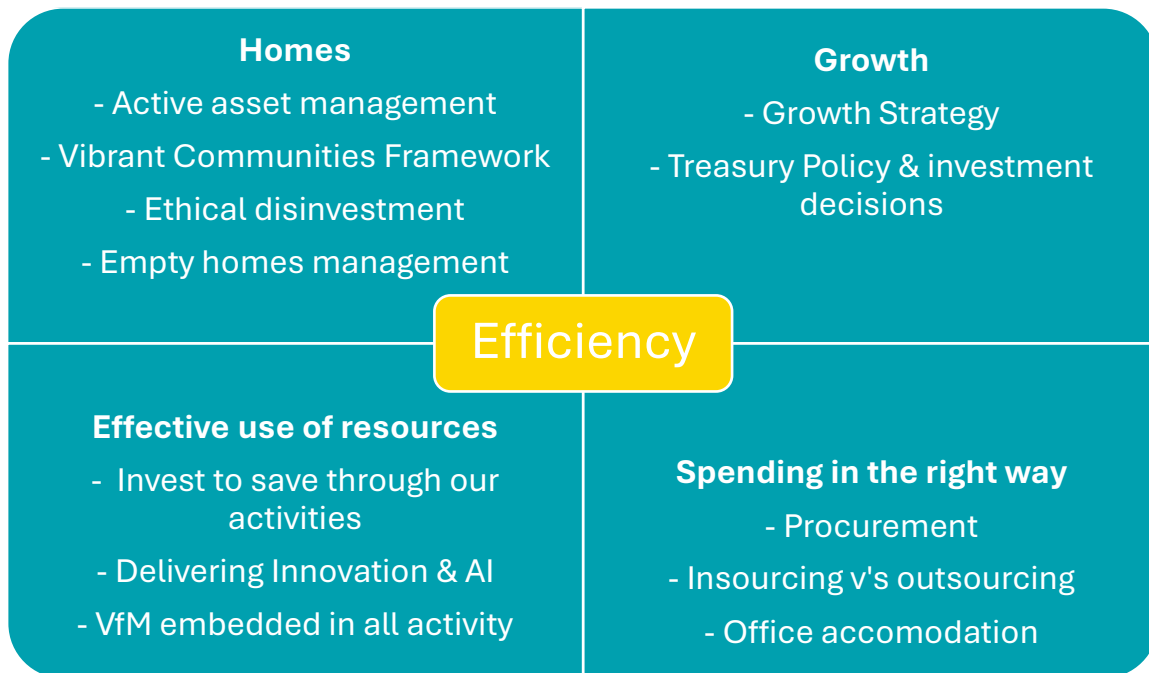
Following on from our 2022 withdrawal from the local government pension schemes, Plus Dane will develop our strategy for our participation in the Social Housing Pension Scheme (SHPS). At a high level, we have considered with our pension advisor's four options which we will appraise in year two of this strategy to ensure that we manage our ongoing liabilities effectively, supporting long term decision making through the business plan whilst also aligning our wider pension offer to the People Strategy objectives.

Efficiency

Making the best use of our resources, continuously reviewing and improving the way we do things.

Through our corporate plan we have given our clear priority to deliver **quality homes, great services** and **vibrant communities** supported by a key pillar of the plan being increasing our financial resilience to create capacity to do more for our customers.

This strategy supports this by making the best use of our resources across four key areas:



Homes

Our Asset Management strategy is being developed in line with this VfM strategy so that the aims are complementary and consistent with our corporate plan. The aim for both strategies is to ensure granularity in our understanding of the performance of all of our homes so that, in line with our Vibrant Communities Framework, we can make socio-economic decisions. This will enable us to continue to make informed decision on individual homes and communities.

This may include decisions around investment, hold, regeneration or disinvestment with the latter being a choice that will be made based on the location of the home(s) and our ability to replace a like for like social home or where the design is no longer fit for purpose. Decisions should always contribute to improving the overall performance of our housing portfolio and meeting local housing needs but we accept that sometimes, in line with our objectives, disinvestment is not practical. Often disposal will never support us to reinvest in a replacement home.

Whilst our homes are profitable and let, a key metric for us is their effective use linked to both the Customer Experience and Asset Management strategies. We will continue to measure tenancy sustainability to ensure homes are appropriately occupied and support services are in place to sustain tenancies for customers who may have additional or complex needs.

Annual targets are in place for relet times; this is to make sure homes are not left empty for undue time. We monitor relets across our portfolio to identify if a particular tenure or scheme type is proving challenging to relet. This will lead to implementation of interventions to improve performance and reduce the time a home is unavailable to offer to customers and reduce lost income.

Growth

Our Growth Strategy details our approach to new homes and regeneration schemes with approval parameters based on financial viability, stakeholder engagement as well as place, design & quality.

We will use our debt borrowing capacity to invest wisely in our growth ambition with treasury management arrangements reviewed regularly to match capacity with programme.

The aims within our economy objective set out our approach to income growth outside of development.

Effective use of resources

Our corporate plan sets out our customer offer and the challenges we have faced in delivering this. We are very clear that our landlord offer is open to all customers, but we recognise some customer groups needs more support, as shown in the bottom half of our offer circle.



To facilitate this, our VfM strategy supports the resilience pillar of the corporate plan by increasing our financial resilience to create capacity to do more for our customers, homes and communities. This invest-to-save model is running through all aspects of our delivery:

- Reducing costly responsive repairs so we can reinvest in our capital and other programmes.
- Reducing empty homes costs whilst meeting empty homes targets.
- Improving service delivery to reduce resources spent on complaint management.
- Reducing the number of avoidable contacts
- Increasing the % of active customers using our customer portal and the number self-serving interactions completed by customers.

- Delivering cashable savings through efficiencies in processes by delivering our Digital Strategy.
- Ensuring an effective supply chain to ensure procurement of materials, fleet and services at the best prices without compromising quality.
- Minimising the risk of tenancy failure through provision of in-house support services such as floating support, welfare advice and tenancy support.
- Making best use of homes by providing a range of homes that meet local need, demographics and support needs.
- Being clear on our offer and signposting when it is not within our offer.
- Delivering our Innovation and AI Frameworks to look at new ways of delivering services and identifying more efficient practices.
- Customer insight driving value across all of what we do by delivering tailored services.

VfM will be embedded in all activity



To achieve the vision of the strategy, we recognise that VfM must be embedded in all we do and therefore spans all activity and colleague behaviour and action. We have demonstrated that VfM is aligned to the way we work strategically, but we want to extend this to every operational activity. Our values framework is set up to support this success.

We will commit as an executive to raise the profile of VfM across Plus Dane to make it an integral part of the day job so colleagues do not just see it as saving money, which can sometimes bring its own challenges in terms of the link between savings, race to the bottom and links to job security. Our aim is to support colleagues to always think about VfM in its widest sense, linked to the three objectives of this strategy: costs to customer, service quality, performance and social value. This may be through awareness sessions, campaigns and / or specific training.

As part of this communication and approach, we will build on our six-monthly sessions with all colleagues talking about corporate priorities, finances and decision making to broaden information showing how we perform relative to the sector and ensuring that corporate processes are followed.

We know that achievement of this strategy and enhanced financial sustainability, can translate to pay and reward; linking to our People Strategy we are currently developing our reward framework as we know that colleague satisfaction with pay and reward sits at 75%, and whilst increasing by 5% from 2023, it remains a lower performing indicator within our annual colleague survey.

We will also assess how VfM is embedded in business streams. We will define value within each of business stream and identify how it will be measured. We know for key services such as finance, treasury, homes and development it is both well developed and refined however we will aim to do this across each area.

Spending in the right way

Our approach to procurement has transformed in recent years helping to secure **£178k** of total annual cashable savings and **£155k** of total annual cost avoidance in 2023/24. We have seen challenge from our Board, Procurement Team and independent auditors on the quality of contract management which continues to be a key focus for us and will continue to be refined through the life of the strategy.

In addition to this, our major focus is strengthening our decision-making framework for insourcing and outsourcing. Earlier in the definition of our current position we demonstrated decisions around insourcing savings, but we need to create a stronger way of evaluating the benefit of these decisions particularly for those services funded through service charges.

Likewise, where we do have insourced services, such as our repairs team, which was introduced a number of years ago, we need to demonstrate and test its value. As described earlier, we know this challenge is increasing from customers to see VfM in delivery particularly around service charges.

As a contracting authority bound by public law, Plus Dane will be required to adhere to the new Procurement Act legislation that will come into force in 2025. The act is underpinned by the following objectives which all contracting authorities must have regard to in all procurement activity covered by the act:

- Delivering value for money.
- Maximising public benefit.
- Sharing information for the purpose of allowing suppliers and others to understand the authority's procurement policies and decision.
- Acting, and being seen to act, with integrity.

The act also requires contracting authorities to have regard to “the particular barriers to participation in public procurement that small and medium-sized enterprises may have, and whether they can be removed or reduced.”

The final action is around our office accommodation requirements. Our previous project was delivered pre-covid when our decision to streamline office accommodation was based on existing working practices which we know have changed exponentially since the pandemic having an impact on recruitment and retention practices. We will further review our current office portfolio in line with the requirements of our Customer Experience and People strategies.

Effectiveness & Equity

Delivering services that meet our quality objectives and our customers' expectations but are done so in an equitable way.

Our corporate plan sets out our aims for the next year with this strategy supporting capacity to meet such objectives over the life of the plan as well as preparing our transition to beyond 2027.

We will review and refine our performance management framework, aligning our quality objectives with those financial targets and measures that we have in place giving a clear line of sight to the achievement of our overall corporate plan objectives.

We would fully expect through the life of the strategy, to see an improvement across measures as strategic actions are delivered. Although we are fully aware of a recent report from benchmarking service, Housemark, reporting a 12-month lag in the delivery of improvements, impact in particular, customer satisfaction measures.

We will also develop a new process for measuring the impact of our intervention and proactive community activity. This ranges from employability support to cost of living and crisis funds. We will improve the way we evaluate how such activities impact on communities but also contribute to tenancy retention and sustainability.

We recognise however that we have a responsibility to use our charitable resources equitably across our homes and neighbourhoods and aim to ensure that services reach their intended audience and are delivered fairly in line with our equality, diversity & inclusion principles.

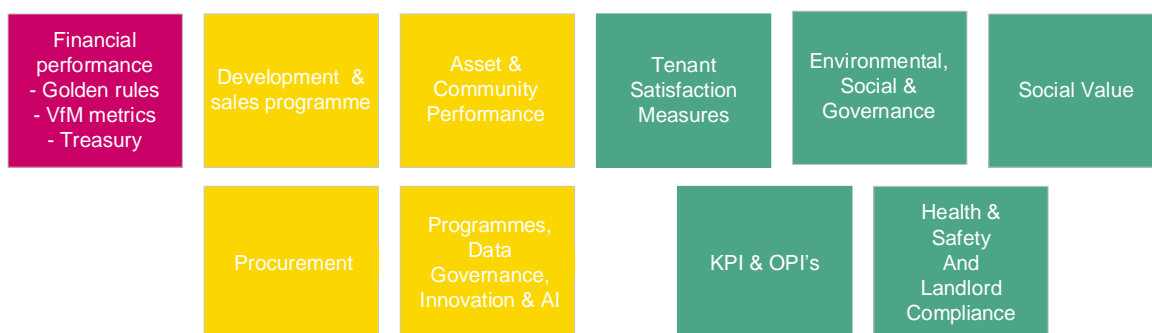
Ownership & Measuring success

Role	Strategy responsibility
Board	Strategy approval and ensuring corporate and financial plan objective and rules are met
Audit & Assurance	Recommending the strategy to Board and once approved, oversight of the SMART action plan
EMT	Delivery of the strategy, objectives and financial metrics. Increasing awareness of VfM across all activity
Colleagues	Thinking about VfM in its widest sense, linked to the three objectives of this strategy: costs to customer, service quality, performance and social value.

This strategy is reserved for Board approval, once approved, Audit & Assurance Committee will have oversight of delivery against the agreed SMART action plan, as a minimum annually to deliver improvements under each strategic aim. Not all actions reported in this strategy are reflected directly in the VfM plan as they are captured elsewhere through projects and other supporting strategies; this is particularly evident in the Homes Project, Finance Systems Project and invest-to-save activities.

The success measures for this strategy are wide ranging, according to the strategic aim and are summarised below:

Corporate Plan Objective Monitoring



Board review progress against the corporate plan quarterly as well as our position through 'economy - Managing our costs' by review financial performance which includes performance against our financial golden rules, quarterly position against budget, VfM metrics and treasury position.

In terms of efficiency, Board receive quarterly assurance on development and sales programme performance and at least annual asset & community performance data. Procurement reporting is quarterly to Audit & Assurance Committee which covers our approach from procurement to contract management to contract exit. Foresight Committee look at our new approaches to service delivery through programmes, task forces, AI and innovation.

Effectiveness is measured by a number of key measures cutting across the key reports shown above. They are monitored by Board's and Committee's detailing the service outcomes for our customers in delivering **quality homes, great services** and **vibrant communities**.

Action Plan

No	Strategy aim	Action	Expected Outcomes	Output	Ownership	Due Date
1.	Economy	Complete review of Homes Hub	Investment activity returning a profit of 6%	<ul style="list-style-type: none"> - Line of sight into commercial activity and performance - Enhanced reporting 	Director of Growth	March 2025
2.		Clear approach to hedging to deliver appropriate cost management	Fixed rate debt between 65-75%	Approach to hedging agreed	Head of Treasury	March 2025
3.		Prepare to lengthen current debt portfolio	Enough cash or headroom to fund 18 months cash requirements	Approved refinancing plan	Head of Treasury	March 2027
4.		Ensure clear guidance to meet charitable objectives and strategy ambition	Golden rules and financial performance targets achieved. Corporate Plan Objectives achieved.	Investment & growth guidance Continued work to deliver Service Level Contribution analysis to understand how services are funded.	Director of Finance	March 2026
5.		Appraise and develop an approach to phase 2 pensions	Operating margin 20% or greater with long term certainty within the business plan	Option appraisal and delivery plan	Director of Finance	March 2026
6.	Efficiency	Raise profile of VfM through proactive communication to colleagues	Golden rules and financial performance targets achieved	Agreed standardised communication to colleagues	Director of Communications	May 2025
7.		Define value across all business activity	Golden rules and financial performance targets achieved	VfM statement for all services	Deputy Chief Executive	August 2025
8.		Refine contract management arrangement for insourced services	Clearly defined processes & value for customers	Set of specific contract management instructions, KPIs and resources	Senior Procurement Business Partner	October 2025

No	Strategy aim	Action	Expected Outcomes	Output	Ownership	Due Date
9.		Provide greater transparency on insourcing / outsourcing	Defined process and framework to be followed	Create a trigger point for when a decision is needed on insource / outsource and define the framework for making the decision	Senior Procurement Business Partner	March 2026
10.		Develop a clear approach for defining and demonstrating value for all service charge services	Clearly defined value for customers	Set of specific contract management instructions for contract managers when managing a service chargeable service	Senior Procurement Business Partner	March 2026
11.		Ensure preparedness of the Procurement Act legislation that will come into force in 2025	Compliance with legislative requirements	Procurement Policy and supporting documents updated to reflect legislative requirements	Senior Procurement Business Partner	February 2025
12.		Agree office accommodation arrangements	Reduced office accommodation overheads	Defined accommodation arrangements and implementation plan	Deputy Chief Executive	December 2025
13.	Effectiveness	Deliver clarity on performance management arrangements	Effective framework to manage corporate objectives and key performance indicators to drive performance improvement	Performance management framework	Director of Governance & Assurance	March 2025
14.		Improve approach to monitoring impact of non-core activity	Agreed social value measurement and targets	Social value impact reporting	Director of Communities	August 2025