

VALUE FOR MONEY STRATEGY

2019 - 2024

Strategic context

Strategic approach

Our approach and culture of achieving value for money (VFM) is to ensure our money is spent well and we optimise the use of our resources. We have two main aims:

- to deliver value for customers; and
- to deliver value for money to stakeholders.

We have adopted the five E's as the guiding principles of this strategy, these are:

- **economy** – for us this means spending less and/or minimising our costs while continuing to deliver quality homes and services to our customers;
- **efficiency** – we will seek to do more for less thereby getting more from our resources;
- **effectiveness** - we will spend wisely and use our resources to achieve our aims and social purpose;
- **equity** – we will ensure we use our resources to reduce inequality in our communities; and
- **ethics** – we will use our resources with integrity, being open and accountable about our spending decisions.

This is underpinned by careful financial management and good governance. It builds on a strong culture of performance management and continuous improvement. It is supported by creative thinking that promotes innovation, including investment in technology that adds value and improves the customer experience. We are committed to delivering efficiencies and making sure we get the most out of our resources. We will be assisted by customers looking after their homes and adhering to their responsibilities.

This allows us to provide as many new homes as possible and sustain investment in our existing homes, backed by high quality services.

Effective governance

Our strategic approach to delivering VFM is embedded throughout our governance structures throughout the group and key business strategies.

Our Board set our approach to VFM and check it is being delivered. It is a skills-based Board with knowledgeable members that ensure our risk appetite for growth and non-housing commercial activity is well managed. We have a Board Champion to drive VFM and chair our Board VFM Steering Group.

Our Board looks to achieve VFM wherever possible and all Board reports include a VFM section to inform decision making. Each significant investment decision requires a robust business case that considers VFM as part of a detailed cost benefit analysis of alternative commercial, organisational and delivery structures and a rigorous appraisal of options for improving performance.

Our customers are encouraged to shape and scrutinise our services which ensures the delivery of value, including providing VFM for the rent and charges that customers pay.

Our customers are also involved in the procurement of major contracts that directly impact the service they receive.

Finally, our internal auditors scrutinise business processes to ensure we have the necessary controls and management practices in place, then report to back to our Audit and Assurance Committee.

AIM 1. Delivering value for customers

This aim focuses on the principles of effectiveness, equity and ethics as VFM is about using our resources to make a positive impact to the lives and communities of our customers.



Providing quality landlord services to our customers

- Deliver our service standards and meet our performance targets
- Continually improve our services to customers through the latest digital technology and innovation

Existing homes and neighbourhoods

- Maintain our existing homes and neighbourhoods to our Great Homes and Neighbourhoods Standard
- Modernising our homes and improving their energy efficiency but disposing of homes or regenerating areas that have reached the end of their life cycle
- Ensure our housing offer to customers is the best in the local market place

Making a positive social impact

- By continuing to provide affordable, secure, safe, warm, good quality homes we provide an essential safety net to those that most need it as well as a springboard for social mobility
- By delivering more efficient, cost effective services through digital technology resources can be used to support more vulnerable customers

- Support customers to sustain their tenancies by helping them become more financially resilient, through money advice and employment and skills training
- Invest in supporting vulnerable customers to live safely and independently in their home through the provision of a range of health and wellbeing services and providing aids and adaptations
- Continue working with a range of partners to invest in community initiatives

Being a 'landlord for life'

- Provide a range of housing types to meet the needs of our customers throughout their lives – including homes for rent and sale
- Deliver effective leasehold management

Building and supplying more homes

- Continue to build more homes by using our resources effectively and wisely achieving value for money through economies of scale - our aim is to own and manage 30,000 homes by 2024
- Acquire suitable homes when other landlords want to dispose of them
- Provide homes for outright sale through Anthem Homes

AIM 2. Delivering value for money to stakeholders

This aim focuses on the principles of optimising economy, efficiency and effectiveness in the delivery of value for money to stakeholders.



Achieving an optimal benefit

- Generate significant margins and make optimum use of them to deliver our Corporate Plan aims and our social purpose, plus reduce inequalities and pressures on other public services – we call this ‘profit for purpose’

Operating efficiently

- Demonstrate our efficiency by continuing to generate strong operating margins and a return on our investments
- Review our operating processes, structures and workforce to ensure they are lean and reduce any inefficient ways of working to deliver operational efficiency
- Invest in growing and expanding our services, our reach and our range with a focus on innovation and using digital technology to improve the customer experience as well as our efficiency and productivity, while understanding and managing the risks

Operating cost effectively

- Control our costs effectively while maintaining the quality of our homes and services
- Use our data to identify cost outliers and where necessary drive through efficiencies

Achieving our VFM ambitions

- Strengthen a ‘culture’ of VFM amongst colleagues and drive VFM across the business through a colleague and Board VFM Steering Group
- Set, monitor and deliver against a range of VFM targets to contribute towards delivering our Corporate Plan
- Deliver a range of strategic projects that add value to the services our customers receive and the efficiency and cost effectiveness of our business
- Embrace a digital future and implement new technology where it adds value through our Digital First Strategy

Meeting regulatory requirements

- Perform well against the Regulator’s ratings of financial viability and governance
- Comply with Regulatory Standards, and perform well in proactive regulation of the consumer standards
- Comply with the Regulator’s Value for Money Standard and perform well against its value for money metrics

Delivery Plan

ACTIONS	OUTCOMES	WHEN	LEAD TEAM(S)
Maintain compliance with Regulatory Standards	Be a strong and viable business	Annually	Finance
Have a robust business plan that is fully financed and regularly stress-tested	Remain financially resilient and generate strong margins	Annually	Finance
Perform well against the Regulator's value for money metrics	Strong financial performance, low relative costs and a good return on investment	Each September	Finance
Deliver relevant Corporate Plan success measures	<ul style="list-style-type: none"> • Deliver high quality homes and services for our customers • Grow and expand our services, our reach and our range • Be an exceptional place to work that attracts, develops and retains talent • Promote health and prosperity where we can • Deliver a strong business, fit for today and prepared for tomorrow 	2020 or 2024	Business-wide
Establish a value for money ' virtual evidence pack '	Publish an evidence pack of the human stories that show the broader positive value and impact on customers from the homes and services provided by whg and it's partners	Each June	Community Investment
Produce a narrative-based Social Impact Report based on analysis of the virtual evidence pack and incorporating a set of categories to use as a base for future VFM recording	Demonstrate the positive impact of our services on people and places – our social mission	Each July	Community Investment
Produce an annual Value for Money Progress Report	Tell the fuller narrative of whg's delivery value to customers and communities beyond the regulatory requirements	Each June	Finance
Promote to colleagues our commitment to 'VFM'	Embed a culture of VFM across the business	March 2020	Human Resources
Establish a VFM Working Group	Colleagues drive the delivery of VFM across the business	July 2019	Finance
Incorporate a specific VFM section in all future key business strategies	Our strategies are driven by VFM	March 2020	Business Excellence

Version Control

Approved by	whg Board on 28 March 2019
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Strategy owner	Director of Finance
Strategy author	Strategy and External Affairs Manager