



VFM Strategy

May 2025



Regulatory context

The Regulator of Social Housing requires us to comply with the Value for Money Standard (April 2018) and have regard to the Value for Money Code of Practice (April 2018) when assessing compliance with the Value for Money Standard. The Standard includes a set of required outcomes and specific expectations.

Required outcomes

1.1 Registered providers must:

- a. clearly articulate their strategic objectives
- b. have an approach agreed by their board to achieving value for money in meeting these objectives and demonstrate their delivery of value for money to stakeholders
- c. through their strategic objectives, articulate their strategy for delivering homes that meet a range of needs
- d. ensure that optimal benefit is derived from resources and assets and optimise economy, efficiency and effectiveness in the delivery of their strategic objectives.

Specific expectations

2.1 Registered providers must demonstrate:

- a. robust approach to achieving value for money – this must include a robust approach to decision making and a rigorous appraisal of potential options for improving performance
- b. regular and appropriate consideration by the board of potential value for money gains – this must include full consideration of costs and benefits of alternative commercial, organisational and delivery structures
- c. consideration of value for money across their whole business and where they invest in non-social housing activity, they should consider whether this generates returns commensurate to the risk involved and justification where this is not the case
- d. that they have appropriate targets in place for measuring performance in achieving value for money in delivering their strategic objectives, and that they regularly monitor and report their performance against these targets.

2.2 Registered providers must annually publish evidence in the statutory accounts to enable stakeholders to understand the providers:

- a. performance against its own value for money targets and any metrics set out by the regulator, and how that performance compares to peers
- b. measurable plans to address any areas of underperformance, including clearly stating any areas where improvements would not be appropriate and the rationale for this.

This strategy aims to provide the framework with which we collate and provide evidence that we meet the required outcomes and specific expectations.



Strategic context

We are working within a challenging operating environment. Over the past few years, we have experienced high inflation on our cost base, restrictions on our income stream from the rent cap, higher borrowing costs and increasing regulations, all of which combined have put pressure on our finances. Achieving value for money for every pound spent has therefore become even more important for us. 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 adopted the five Es as the guiding principles of this strategy, these are:

- + **Economy** – we will strive for the lowest cost possible for the quality of services we aim to deliver.
- + **Efficiency** – we will seek to stretch our existing and new resources as far as possible.
- + **Effectiveness** – we will strive for our services to deliver back-office their intended outcomes.
- + **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 facilitates efficient back-office processes and improved customer experience.

We are committed to delivering efficiencies and making sure we get the most out of our resources. 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, key business strategies and Our 2030 plan. Our Board set and monitor our approach to VFM, 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. Our internal auditors scrutinise business processes to ensure we have the necessary controls and management practices in place and report into our Audit and Assurance Committee.



Value for Money underpins Our 2030 plan



Data driven decisions

Our new, integrated Digital, Data and Technology Strategy is aimed to deliver enhanced customer and colleague experiences, drive **efficiency** and ensure organisational resilience. Underpinning our success in this area is the quality of our data which is a key focus for us over Our 2030 plan. Delivering continuous improvement in the streamlining and accessibility of our data will help us prioritise investment to those areas where it can be most **effective**, understand the opportunity cost of our decisions, and deliver **economy** gains.



Forward thinking services

This theme is designed to focus our investment on creating more proactive service models where we are able to anticipate customers' needs and respond with solutions. We aim to do this by redesigning our services and working practices. Enhancing the use of data and technology, and how we deploy these both in house and to customer facing services, will help us to be more **efficient** in terms of productivity and eliminating waste. We aim to create **economy** gains by reducing recurring costs where we are able to without materially impacting our Tenant Satisfaction Measures so that we continue to demonstrate our **effectiveness** to customers.



Social justice and transforming lives

Our Social justice strategy will help us deliver on our **ethics** and **equity** gains by addressing inequalities in our communities through our stronger communities initiatives. We believe that our investment in Money Advice, Employment initiatives and Jobs/training advice all contribute towards reducing the impact of financial deprivation. We will leverage in grant income to fund these activities and invest £500k per annum.



Sustainable futures

Our sustainability strategy will help us to continue delivering on our **ethics** and **equity** gains. We aim to deploy our resources with integrity to reduce our environmental impact. We also seek to improve energy **efficiency** for our customers so that by 2030, all of our homes are a minimum of EPC-C.



Making places

Our new build programme is intended to deliver **equity** and **ethics** gains by providing more homes, reduce inequality in our areas of development, improve economic success of the local area and contribute towards health and wellbeing of new customers. Our robust financial control framework ensures we manage costs carefully and pay the best price for our new developments.



Work and workplace of the future

Our four strategies in this area set out how we aim to create the most empowered workforce, increase capacity and build colleague capability. Investing in training and skills development, colleague wellbeing initiatives and optimum colleague remuneration packages all lead to an engaged and productive workforce that strives to be the most **efficient** and **effective** in their roles.

How we will measure Value for Money

Strategy success measures

Our 2030 plan sets out our vision and objectives and underpinning the plan is a series of strategies defining how we will deliver our plan. Each strategy has within it a set of defined success measures which will be monitored and reported on in the VFM statement every year.

Quantified VFM Gains

Our VFM gains are budgeted for each year and reported on monthly in the management accounts to GEXEC and quarterly to the Board.

These gains are generated in a number of different ways such as:

- + Developing cost reductions/efficiencies plan
- + Generating income from commercial activity to re-deploy into the delivery of social housing
- + A company structure that optimises tax savings on commercial areas of activity
- + Procurement activity which includes streamlining contractual arrangements, regular market testing and encouraging social value gains
- + A funding structure that provides the most capacity for borrowing and servicing debt so that we can continue to invest in our existing and new homes whilst maintaining our average cost of borrowing at a level which promotes ongoing financial viability

- + Generating income from grants to fund existing homes investment as well as new build
- + Making use of technology to generate more efficient processes for back-office as well as frontline services
- + Environmental gains as we work towards improving the average energy efficiency rating of all of our homes
- + Investment in our stronger communities initiatives such as employment and training support and money advice service

Regulator VFM Metrics

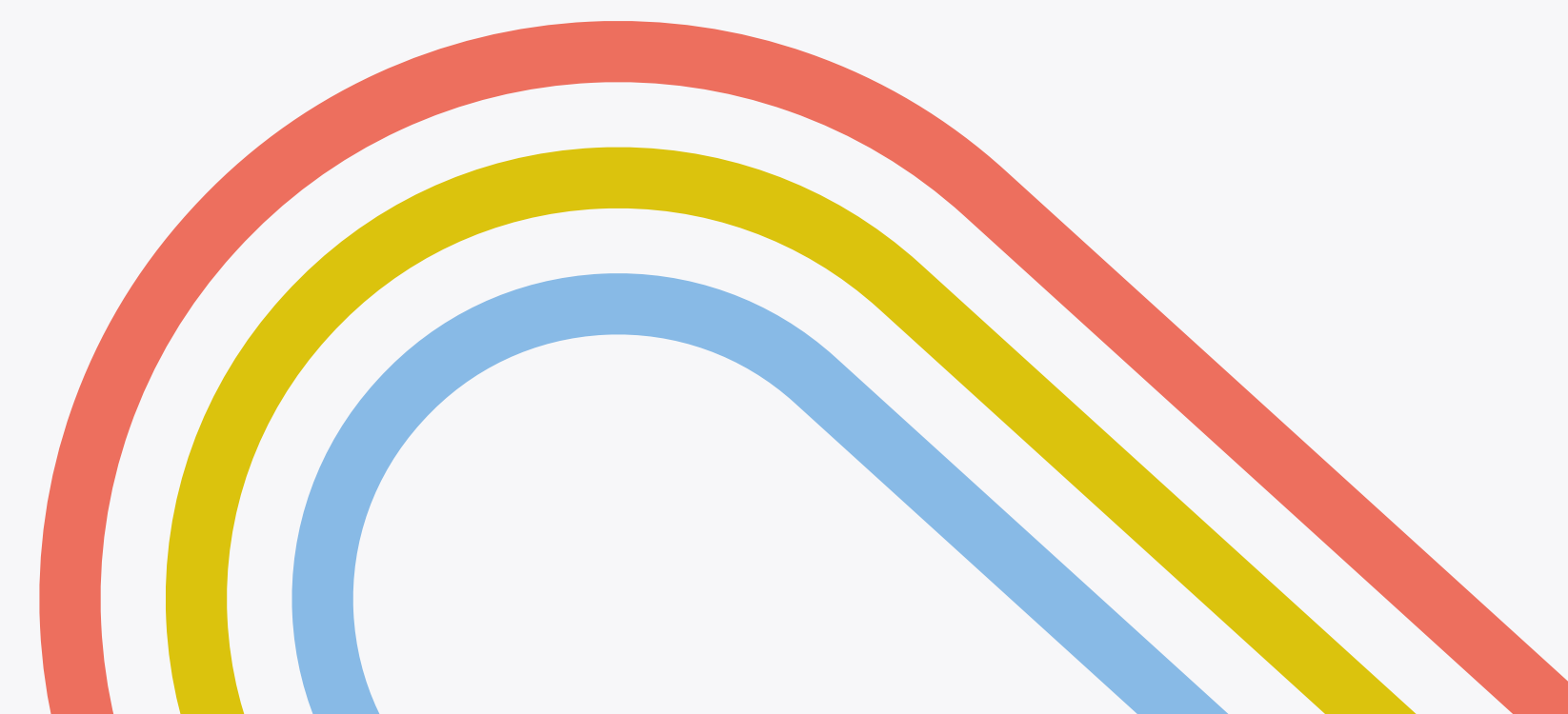
We commit to demonstrating Value for Money through our performance on the Regulator's VFM Metrics. We use these metrics, along with our Tenant Satisfaction Measures and our business intelligence to inform our strategic priorities for investment. Performance on these metrics help us to demonstrate that we make the best use of our resources and where there are areas of underperformance, that we have clear plans in place to address this. Demonstrating this to our customers is important to us but also to our key stakeholders. Presenting a position of financial strength will preserve our relationship with our current and prospective funders who support us to deliver our ambitions and make it possible for us to secure the best price for our debt. Our reputation with our Credit Rating Agency is also key for us because having a strong credit rating will in turn support our relationship with Funders.

Regulator Tenant Satisfaction Measures

Our TSMs provide the most valuable insight into the **effectiveness** of our service delivery. We use these measures to understand our relative performance and this feedback from our tenants is used to help shape our services and inform our future investment priorities.

Service reviews

To ensure we get value for money from our operational structures and ways of delivering services, we will carry out service reviews where we can benchmark ourselves against others and identify ways to become more efficient in terms of how we deploy our people resource and whether or not we are maximizing use of technology in our processes. Gains made from implementing any recommendations of these reviews will be reported on in the quantified VFM gains to GEXEC and Board. Service reviews will be carried out using a combination of in house subject matter experts, our Insight and Improvement Team and third party advisors.



Quantified VFM gains

Our VFM reporting structure provides effective capture of our VFM gains, reported quarterly to the Board. We set three year VFM gains targets that are reviewed annually and added to where new areas of activity have arisen.

We aim to generate both cashable and non cashable gains. Cashable gains help us to reduce cost to free up capacity to increase investment in other priorities. We have included some cashable gains in the form of grants that are not yet confirmed. Non cashable gains are all about us improving our productivity, and efficiency in systems and processes to make our existing resources stretch further.

Economy

Economy	2025/26	2026/27	2027/28
Paying the lowest possible price to achieve the desired quality	£000s	£000s	£000s
Procurement	300	308	315
Asset Management – Grants	5,075	0	0
Asset Management	11	11	12
Treasury – Debt Restructure	641	641	641
Treasury – Investments	48	48	48
Project Benefits	93	0	0
Communications	28	0	0
Construction Skills Funding	350	0	0
Vacancy Review	1,000	0	0
Further Cost Reductions	0	200	200
Total VFM Savings	7,545	1,207	1,215
Cashable	7,545	1,207	1,215
Non Cashable	0	0	0

Our economy gains are all expected to be cashable gains as we benefit from previous years treasury restructures and grant income for decarbonisation works.

Efficiency

Efficiency	2025/26	2026/27	2027/28
Getting the most out of the resources put in	£000s	£000s	£000s
Procurement	250	256	263
Vat Recovery (Partial exemption)	75	75	75
Vat Recovery (whg Developments)	28	28	28
Vat Recovery (Components)	1,136	1,136	1,136
Universal Credit BOT	15	16	16
Project Benefits	394	121	6
Income from commercial activity	636	636	636
Meter Readings	10	10	10
Vehicle Costs	828	1,047	1,047
Further Cost Reductions	0	646	646
Total VFM Savings	3,373	3,971	3,862
Cashable	2,714	3,578	3,578
Non Cashable	659	393	284

Our efficiency gains are all about us making our existing resources stretch further. The cashable gains arise mainly from our company structure being set up in such a way as to maximise tax efficiencies. We also use our procurement activity to identify opportunities for further gains.

Effectiveness

Effectiveness	2025/26	2026/27	2027/28
Using our resources to achieve our aims and social purpose	£000s	£000s	£000s
Procurement	15	15	16
Insurance	55	56	58
Housing Disrepair	55	56	58
Total VFM Savings	125	128	132
Cashable	0	0	0
Non Cashable	125	128	132

Our effectiveness gains have a financial value by mitigating future costs for insurance or housing disrepair claims. Our Tenant Satisfaction Measures provide the most informative effectiveness measures shown later in the strategy.

Quantified VFM gains

Ethics and Equity

Ethics	2025/26	2026/27	2027/28
Use our resources with integrity in our communities	£000s	£000s	£000s
Health & Wellbeing Outcomes	14,705	16,755	16,964
Customer Voice	4,912	5,597	5,667
Housing Benefit Bill Savings	6,000	6,837	6,922
External Funding	344	344	344
Donations	0	0	0
Environmental Gains	270	270	270
EPC C energy bill savings	990	990	990
Total VFM Savings	27,221	30,793	31,157
Cashable	614	614	614
Non Cashable	26,607	30,179	30,543

Equity	2025/26	2026/27	2027/28
Use our resources to reduce inequality	£000s	£000s	£000s
Development	217,930	224,294	284,258
Money Advice Service	18,534	21,118	21,382
Employment	3,098	3,530	3,574
Jobs & Training	1,288	1,467	1,486
Total VFM Savings	240,850	250,410	310,699
Cashable	0	0	0
Non Cashable	240,850	250,410	310,699

Our Ethics and Equity Gains help us to quantify the social impact of our investments, whether that's from creating families a new home to live in, money advice to help customers claim for more financial support or providing help for customers in seeking employment/training opportunities.

We also aim to generate environmental returns by reducing our carbon emissions and making our homes more fuel efficient, saving fuel costs for customers as we journey towards all our homes being a minimum of EPC-C.

To quantify our non cashable gains, we use the HACT model of calculating social value returns. This is a way to quantify how different interventions affect people's lives in terms of the overall impact on people's wellbeing, or their quality of life. It is a way of measuring the positive benefits the work we do has on both individuals and communities. The methodology works by applying different ratios to every £1 spent to calculate returns. For example, the social return of building one new house for £200k, using a multiplier of 3.5 x initial cost, generates £700k in social value to the local economy and to the person/family's quality of life through access to local education, services and opportunities.

Using this methodology helps us to make informed decisions about how we can deliver our services, with increased positive results.



Regulator VFM Metrics

Our regulator VFM metrics are a valuable measure of our performance when compared to the sector weighted average performance as well as more select peer groups. Our most representative peer group, taken from the Regulator's database of all RPs, is providers between 20,000 to 30,000 homes, at least 80% of their homes of general needs type and at least 50% of their homes in the East Midlands, North East, North West, and West Midlands. LSVTs and Traditional providers are grouped in this peer group to enable a significant dataset to compare to. Our metrics are rated 'green' if we are stronger than our peer group average or 'red' if we are weaker than the peer group average. Whilst we focus on our peer group, we continue to monitor ourselves against the Sector Weighted Average position too.

Reinvestment

	2021/22	2022/23	2023/24	2024/25	2025/26
whg	10.3%	11.6%	13.3%	11.0%	11.5%
Peer Group	7.0%	8.3%	7.9%		
Sector Weighted Average	6.3%	6.9%	7.7%		

Green = at or above peer group average

Red = below peer group average

This metric is a helpful indicator of the scale of our investments made relative to our asset base. We aim to be equal or stronger than our peers and the sector weighted average on this measure as we continue to invest in existing homes and new homes.

New supply delivered (social housing)

	2021/22	2022/23	2023/24	2024/25	2025/26
whg	2.0%	1.2%	2.3%	2.1%	0.6%
Peer Group	2.1%	1.7%	2.0%		
Sector Weighted Average	1.6%	1.7%	1.7%		

Green = at or above peer group average

Red = below peer group average

We aim to deliver more new social housing than the sector weighted average and our peers, relative to our size, over Our 2030 plan period. Our 'Making Places' theme sets out how we commit to delivering over 2,000 homes by 2030. We will use our voids disposal income to help subsidise the programme and maximise grants where possible.

New supply delivered (non-social housing)

	2021/22	2022/23	2023/24	2024/25	2025/26
whg	0.0%	0.0%	0.0%	0.0%	0.0%
Peer Group	0.1%	0.1%	0.1%		
Sector Weighted Average	0.2%	0.3%	0.2%		

Green = at or above peer group average

Red = below peer group average

This relates to the delivery of tenures which are not considered to be affordable homes such as homes for outright sale. We have taken the strategic decision not to grow our investment in this area over the short to medium term given the risks in the economic environment, specifically high borrowing costs which could make selling homes difficult, increasing the risk of not generating the target level of returns to subsidise delivery of social housing. We therefore expect to perform lower than the sector weighted average and our peers on this.

Gearing

	2021/22	2022/23	2023/24	2024/25	2025/26
whg	57.9%	56.3%	51.2%	50.0%	51.4%
Peer Group	50.1%	51.5%	52.4%		
Sector Weighted Average	47.0%	47.4%	48.1%		

Green = at or below peer group average

Red = above peer group average

Despite our percentage being already in excess of the peer group and sector average, this metric provides an indication of our borrowing strength. We have arrangements with our Funders that allow us a maximum gearing percentage of 65% so we have capacity to continue growing our debt to fund our Making Places Strategy. However we need to ensure an optimal level of debt so that our credit rating is not compromised which would likely push up the price of our debt. Having a stable A2 Credit Rating with Moody's links into this and to generate the best value for money from our funding structure means preserving our low weighted average cost of funds as much as possible.

Regulator VFM Metrics

EBITDA MRI Interest Cover

	2021/22	2022/23	2023/24	2024/25	2025/26
whg	137%	141%	194%	127%	105%
Peer Group	130%	106%	80%		
Sector Weighted Average	128%	104%	89%		

Green = at or above peer group average

Red = below peer group average

This metric shows our ability to service our debt (i.e. meet loan interest payments); another indicator of financial strength, ability to carry on borrowing funds for investment and important for our credit rating. We aim to keep this metric above 100% at all times and equal to or above the sector weighted average.

Return on Capital Employed

	2021/22	2022/23	2023/24	2024/25	2025/26
whg	5.1%	4.8%	5.2%	4.8%	4.4%
Peer Group	2.9%	2.8%	2.6%		
Sector Weighted Average	2.9%	2.6%	2.5%		

Green = at or above peer group average

Red = below peer group average

This metric is a good indicator of the scale of our returns in our asset base, the higher the percentage, the stronger the level of investment which in turn should strengthen our business, enabling us to deliver higher quality homes and services to current and future customers.

Operating Margin (SHL)

	2021/22	2022/23	2023/24	2024/25	2025/26
whg	28.7%	24.8%	26.1%	21.9%	26.3%
Peer Group	25.9%	21.2%	23.9%		
Sector Weighted Average	25.3%	21.3%	21.6%		

Green = at or above peer group average

Red = below peer group average

88% of our income is generated from renting and maintaining affordable homes. This is a relatively stable and low risk income stream, with a relatively stable cost base, and therefore our key stakeholders expect us to perform strongly on this metric. Our performance is stronger than our peers and the sector, demonstrating good cost control. The more efficient we can be in delivering our target quality of services, the higher our margin will be.

Headline Social Housing Cost per Home

	2021/22	2022/23	2023/24	2024/25	2025/26
whg	£3,815	£4,051	£4,455	£5,097	£5,404
Peer Group	£4,174	£4,531	£5,444		
Sector Weighted Average	£4,599	£5,251	£5,759		

Green = below peer group average

Red = at or above peer group average

We have a high concentration of general needs homes, a relatively small number of high-rise blocks, none of which are subject to building/fire safety remediation works like many other RPs have and no supported housing or care homes. This means that our cost base in terms of running costs and investment in homes is lower than those RPs who have such blocks/tenures in their portfolio. It is therefore essential that we keep our social housing cost per home below the sector weighted average so that we can demonstrate strong cost control to deliver our streamlined, core services.

Regulator VFM Metrics

Operating Margin (Overall)					
	2021/22	2022/23	2023/24	2024/25	2025/26
whg	26.6%	24.2%	24.8%	21.1%	24.8%
Peer Group	21.0%	19.2%	20.2%		
Sector Weighted Average	19.6%	16.6%	16.9%		

Green = at or above peer group average

Red = below peer group average

This margin takes into account any diversified activities we spend money on but as we do not invest a material amount in diversified activities, our trend on this margin should follow a similar trend to the social housing lettings margin.

For 2025/26 we expect to perform better than our peers on a number of metrics with the exception of new supply delivered. Our expected delivery for 2025/26 is likely to be lower than our peers but this reflects our careful approach to new development to ensure we select the most value for money opportunities both in terms of cost to whg but also the most affordable for our future customers too.

Regulator Tenant Satisfaction Measures

Our Tenant Satisfaction Measures are reported quarterly to our Customer Services Oversight Committee. We aim to perform better than the sector average (median) on our measures as we strive to deliver a good service, particularly in those areas that are most important to our customers. We have legal obligations to fulfill which will sometimes mean our investments in our homes and communities will not be seen immediately by our customers but this enables us to be effective in our role as a registered provider so that we can continue to provide affordable housing. Where we are able to increase levels of investment in areas which our customers want it most, we will, and we will use our Tenant Satisfaction Measures to inform us what customers want so that we can be most effective with our investment.

We have presented our Tenant Satisfaction Scores for the most recent quarter (quarter 3 of 2024/25) and rated these in 'green' or 'red' to show where we are in relation to the Regulator's published sector average (median) position. All those measures marked as 'green' show that we already perform better than the sector average in many areas however we know we have further work to do to improve how effective we are for the following:

- + **TP06:** Listening to and taking action on our customers views.
- + **TP07:** Keeping our customers informed about things that matter to them.
- + **TP09:** Improving our approach to complaints handling. As the CH01 measure shows, we know we have a higher number of stage 2 complaints each year than the sector average, so we aim to understand the drivers of this and enhance our effectiveness in this area.
- + **TP10:** Keeping our communal areas clean and well maintained.
- + **TP12:** Improving our approach to the handling of anti-social behaviour. As the NM01 measure shows, our communities have a higher number of anti-social behaviour cases each year than the sector average, so we know we have challenges to address.

Where possible, we will channel investment into those areas that need improving the most. Due to the nature of our areas in operation, predominantly Walsall, nearly 90% of our homes are in the top 30% of the poorest neighbourhoods in England, and 46% are in the top 10%. This is much higher than the national social housing average where 57.8% of homes are in the top 30% and 24% are in the top of 10%. Our socio economic metrics make improving certain scores extremely challenging.

Tenant Satisfaction Measure	Q3 2024/25 whg Performance	23/24 Average (Median) Scores Published by the Regulator	23/24 Peer Group Average Scores	Proposed Effectiveness Targets	
TP01: Taking everything into account, how satisfied or dissatisfied are you with the service provided by your landlord?	75.7%	73%	71%	At or above 73%	Below 73%
TP02: How satisfied or dissatisfied are you with the overall repairs service from your landlord over the last 12 months?	79.1%	73%	70%	At or above 73%	Below 73%
TP03: How satisfied or dissatisfied are you with the time taken to complete your most recent repair after you reported it?	69.5%	69%	64%	At or above 69%	Below 69%
TP04: How satisfied or dissatisfied are you that your landlord provides a home that is well maintained?	75.9%	73%	71%	At or above 73%	Below 73%
TP05: Thinking about the condition of the property or building you live in, how satisfied or dissatisfied are you that your landlord provides a home that is safe?	82.4%	79%	78%	At or above 79%	Below 79%
TP06: How satisfied or dissatisfied are you that your landlord listens to your views and acts upon them?	61.0%	63%	61%	At or above 63%	Below 63%
TP07: How satisfied or dissatisfied are you that your landlord keeps you informed about things that matter to you?	70.7%	73%	72%	At or above 73%	Below 73%
TP08: To what extent do you agree or disagree with the following? "My landlord treats me fairly and with respect."	83.3%	79%	78%	At or above 79%	Below 79%
TP09: How satisfied or dissatisfied are you with your landlord's approach to complaints handling?	34.0%	37%	36%	At or above 37%	Below 37%
TP10: How satisfied or dissatisfied are you that your landlord keeps these communal areas clean and well-maintained?	63.0%	67%	68%	At or above 67%	Below 67%
TP11: How satisfied or dissatisfied are you that your landlord makes a positive contribution to your neighbourhood?	67.7%	65%	65%	At or above 65%	Below 65%
TP12: How satisfied or dissatisfied are you with your landlord's approach to handling anti-social behaviour?	56.8%	61%	62%	At or above 61%	Below 61%
RP01: Proportion of homes that do not meet the Decent Homes Standard	0.1%	0.07%	0.2%	At or below 0.07%	Above 0.07%
RP02: Percentage of repairs within the target time set for themselves – Emergency Repairs in time	99.3%	95%	89%	At or above 95%	Below 95%
RP03: Percentage of repairs within the target time set for themselves – Non-Emergency Repairs in time	80.2%	80%	65%	At or above 80%	Below 80%
BS01: Proportion of homes for which all required gas safety checks have been carried out	99.96%	100%	99.9%	100%	Below 100%
BS02: Proportion of homes for which all required fire risk assessments have been carried out	100%	100%	99.8%	100%	Below 100%
BS03: Proportion of homes for which all required asbestos surveys have been carried out	100%	100%	99.4%	100%	Below 100%
BS04: Proportion of homes for which all required legionella risk assessments have been carried out	100%	100%	99.9%	100%	Below 100%
BS05: Proportion of homes for which all required communal lift safety checks have been carried out	100%	100%	97.4%	100%	Below 100%
NM01: Anti-social behaviour cases relative to the size of the landlord – total cases per 1K homes	39	36	43	At or below 36	Above 36
NM02: Anti-social behaviour cases relative to the size of the landlord – cases involving hate crime per 1K homes	0.7	0.6	1	At or below 0.6	Above 0.6
CH01: Complaints received relative to the size of the landlord – total stage 1 complaints per 1K homes	28	48	60	At or below 48	Above 48
CH02: Complaints received relative to the size of the landlord – total stage 2 complaints per 1K homes	7	6	10	At or below 6	Above 6
CH02: Complaints responded to within Complaint Handling Timescales – Stage 1	98.6%	87%	82%	At or above 87%	Below 87%
CH02: Complaints responded to within Complaint Handling Timescales – Stage 2	98.4%	88%	87%	At or above 88%	Below 88%