



aspire
housing

Value For Money

Strategy 2024 - 2030

VISION

Getting the most out of our resources and ensuring our money is well spent

- Reducing waste
- Engagement with customers
- Robust financial management
- Performance management & reporting
- Embedding VfM culture & strong governance
- Continuous improvement

Introduction

The **Value for Money (VfM)** strategy supports delivery of the Corporate Plan
Core Purpose:

We put People First by delivering
safe, decent homes and
excellent housing services
through our talented **Aspire team**

Measuring VfM



Economy

Reduce costs, deliver safe and decent homes and excellent housing services ensuring every £1 of rent is well spent



Efficiency

Ensure people, processes and technology are smarter, simpler, slicker to achieve optimum return from resources



Effectiveness

Make sure our investment in new homes, communities and people is well spent and we achieve our objectives



Regulation

Registered providers must:

- Clearly articulate their strategic objectives
- Have an approach agreed by their board for achieving VfM to meet these objectives & demonstrate delivery of VfM to stakeholders
- Through their strategic objectives, articulate their strategy for delivering homes that meet a range of needs
- Ensure optimal benefit is derived from resources & assets & optimise economy, efficiency & effectiveness in the delivery of their strategic objectives

Governance

VfM
is embedded
throughout our
Governance
structure & key
strategies

Board

Approves VfM Strategy/monitors delivery of objectives

Executive Team

Strategic VfM decision making

Leadership Team

Responsibility for delivering VfM

Customers

Engagement and feedback to drive service improvement

Audit & Risk Committee

Scrutiny and Audit outcome reviews

VfM Objectives

- **Effective procurement** ensuring we procure high quality services & goods at the lowest price
- **Good governance** & a strategic approach from the Board, maintaining compliance with the Regulatory standards
- Embedding a **VfM Culture**
- **Performance monitoring with** reporting & an improvement plan
- **Customer engagement**, providing an excellent customer experience
- **Efficient investment** ensuring we get the most out of our assets
- Deliver low cost new social & **affordable homes**
- Delivering our Transformation Plan, facilitating business change & driving **continuous improvement**

Effective Procurement

ensuring we
procure high
quality services
& goods at the
lowest price

How will this be achieved

- **Buy Local** – We place special importance on the ability to engage with organisations that operate within & support our local area
- **Buy Social** – We consider the environmental, social & economic benefits to our area that can be driven through our spending
- **Buy Quality** – We will always balance cost & quality, never resorting to lowest price if that undermines the quality of the product or service
- **Implement spend-mapping & category-based decision making** & be able to demonstrate procurement resource is deployed where it can have most impact
- **Improve sourcing efficiency** by capability & capacity building
- **Cost savings** – We have an ambition to realise cashable savings of £200k per year evidenced through reduced budgets & budgetary compliance, whilst maintaining or improving against service delivery metrics

Good governance

& a strategic approach from the Board maintaining compliance with the Regulatory standards

How will this be achieved

The Board has a clear strategic approach to VfM, setting and monitoring measurable targets.

Our Homes

We will provide safe, decent and affordable homes

Our Housing Services

We will be customer service obsessed

Our Aspire Team

We will nurture an environment where colleagues can be their best

- Regular performance monitoring of VfM metrics, procurement savings & review of performance against targets
- Compliance with Regulator Standards in particular VfM Self Assessment to ensure compliance

Embedding a VfM Culture

Champion VfM across the organisation with strong leadership cascading a consistent message and ensuring a VfM culture is embedded in our day job.

How will this be achieved

- **Considered** in all Board reports & commercial decisions
- **Leaders & managers** to champion the cause & accountability & responsibility, colleagues clearly understand what VfM is and how they can contribute
- **Clear communication** channels to reinforce importance & share updates & success stories
- **Engaging with customers** to ensure we are meeting their needs
- We have a **framework** in place to engage with customers through the Oasis Group & also have a customer Board member
- **All budgets are challenged** in order to drive efficiency & economy by identifying waste. A zero based budget approach is taken with all expenditure justified to ensure it meets our core business & strategic aims
- **VfM** is demonstrable as part of new contracts, renewals & contract management

Performance

monitoring, reporting & establishing an improvement plan

To record, monitor performance against the VfM metrics, our peers and internal targets.

How will this be achieved



- **Regular reporting** in the management accounts through the Board
- **Scrutiny through the Audit & Risk Committee** with approval of financial statements which includes the benchmarking of Regulator VfM metrics
- **Board approval of the Budget** & stretching targets set on VfM to ensure we are financially strong & robust
- **Year end financial data** on the Regulator metrics
- **Improvement** or transformation plans to reduce costs on outliers

Customer engagement

providing an excellent customer experience

To be customer obsessed, improving customer satisfaction and neighbourhoods.

How will this be achieved

- **Ensuring tenancies are sustainable**, managing arrears & bad debts to targeted levels
- **Meeting customer satisfaction** targets in line with median or above
- **Engaging with our customers** & involving them in key areas such as procurement
- **Listening and collecting customer feedback** & ensuring service charges represent the best value for money for our customers
- **Ensuring we deliver VfM** to improve lives of residents & communities. Working closely with our communities to improve wellbeing, including offering financial advice & enhancing their skills
- **Allocate resource into neighbourhoods** with Locality teams who know their patch & can provide a more efficient & effective service
- **Expand our services** into the community through relevant partnerships
- **Engagement** with customers through OASIS

Efficient investment

ensuring we get the most out of our assets

Ensure that our homes are safe and decent, reducing the environmental impact on our homes by actively managing and buying services efficiently to achieve best value for customers and communities.

How will this be achieved

- **Review our repairs & investment delivery model** to maximise value from a single team approach across repairs, investment & cyclical
- **Continue to rationalise unsustainable stock**, prioritising non-traditional properties & review our disposal policy
- **Measure asset performance** through a combined NPV/Quality model & future energy performance to 2050
- **Maintain 5 year stock condition cycle** across all homes & related assets
- **Continue to invest in our in-house delivery model** where value is demonstrated & exit services where it is not
- **Review core replacement component specifications** against lifecycle costs, sustainability & align with new build
- **Develop a new procurement model across property services** to rationalise suppliers with a continued local focus
- **Maintain an up to date 30 year business plan investment commitment & externally validate stock condition data in 2025 (every 5 years)**
- **Energy efficient homes** meet Government 2030 target of EPC rating C

Deliver low cost new social & **affordable homes**

To ensure we deliver a wide range of new homes to the local area that meet customer demands.

How will this be achieved



- **Build Local** – We will prioritise the North Staffordshire conurbation for our development investment in order to maximise our support for local organisations & businesses
- **Build Quality** – We will prioritise the quality of our housing offer & deliver schemes that focus on space standards, aspire to achieve smart technology, building safety & minimising our environmental impact
- **Embed the Future Homes Design Guide** deliver high quality homes & develop our approach to **use smart technology** in new build homes
- **Develop a range of homes** to meet the diverse range of our customers
- **The new homes will improve lives**, offer a future return in rent & help refresh areas that need investment

Delivering the Transformation Plan, facilitating business change & driving

continuous improvement

Delivery of our Transformation Plan resulting in more efficient and effective services for customers.

How will this be achieved



- **Define a clear VfM plan with agreed timescales**, to be shared & approved by the Board. Clear targets & savings set which deliver efficiencies and improve effectiveness
- **Clear project management**, reporting progress regularly to the Steering Group & Executive
- **Careful management of key milestones**, control of costs & resource to ensure we deliver an efficient, effective & economic change
- **All projects have a clearly defined business case for delivering VfM**, ensuring the project benefits support the achievement of our corporate objectives

Performance targets will continue to be reviewed **annually** and outcomes **reported** to the **Board**.

We will continue to **compare performance** with our **benchmarking group** and **adjust** our targets going forward **dependent on performance achieved**.

What are the targets

Regulator Metrics	Additional benchmarked Metrics	Additional Aspire metrics
<ol style="list-style-type: none"> 1. Reinvestment 2. Gearing 3. New Supply – social housing % 4. EBITDA-MRI interest cover 5. Headline social housing cost per unit 6. Operating margin (social housing units) 7. Operating Margin (overall) 8. Return on Capital Employed 	<ol style="list-style-type: none"> 1. New supply delivered- units 2. Overall satisfaction with service provided 3. Occupancy at 31st March 4. Ratio of responsive to planned repairs 5. Rent collected as % of rent due 6. Overheads as a % of adjusted turnover 	<ol style="list-style-type: none"> 1. EBITDA operating margin 2. Void Rent Loss 3. Current Arrears 4. Satisfaction with VfM of Rent 5. Subsidy generated from asset sales 6. Procurement Savings Target



aspire
housing