



VFM STRATEGY

2025-2028

ARAWAK WALTON
HOUSING ASSOCIATION





Value for Money Strategy

Approved by	Board of Management
Date of Approval	July 2025
Date issued to staff	July 2025
E&D impact Assessed	Yes
Date of Next Review	July 2028
Policy Ownership	Finance Director
Values	We value people We aim high We move with the times We are keen financial managers We rely on teamwork We are open and accountable
Legal Review	No
Version	1.0

1) Overview

As a specialist Black and minority ethnic (BME) housing provider, Arawak Walton's mission is to champion the provision of quality affordable homes in sustainable multi-cultural communities. We aim to redress the inequity faced by BME communities in accessing good housing, health, education, training and employment. To do this, we work in areas where BME communities predominantly live or aspire to live. We play a direct role in contributing to the success of the local economy and aspire to employing local staff and utilising the services of local contractors and suppliers.

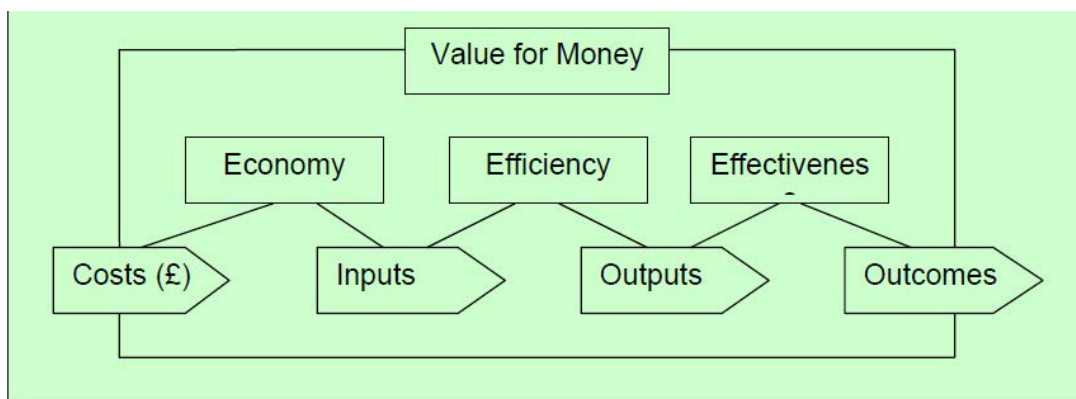
We recognise that we operate in areas with high level of deprivation and socio-economic inequality and the service we provide to our tenants is our key focus. We offer an intensive service to those who need it which we recognise will incur greater costs. We

also aim to procure services locally which may require more intensive work to ensure we evidence cost effectiveness.

This strategy is fully aligned with the Corporate Plan 2025-30, supporting delivery of its four strategic themes: Homes and Growth; Customers and Communities; People and Culture; and Financial Sustainability. Value for Money underpins each of these themes through disciplined financial management, efficient operations, and social impact-driven investment.

2) What is Value for Money?

VFM has been defined as the relationship between economy, efficiency and effectiveness and is illustrated in the following diagram:



VFM is high when there is an optimum balance between all three - relatively low costs, high productivity and successful outcomes.

So VFM is about:

- Reducing inputs for the same outputs.
- Reducing prices for the same outputs.
- Getting greater outputs or improved quality for the same inputs.
- Getting more outputs or improved quality in return for an increase in resources that is proportionally less than the increase in outputs.

We know it is not just about cutting costs, it's about getting more quality and quantity and improving service to tenants by reinvesting in front line delivery where possible.

3. Value for Money and the Corporate Plan 2025-30

Value for money is about delivering our corporate objectives in the most cost-effective way possible. The Corporate Plan 2025-30 sets out four strategic priorities, all of which rely on effective Value for Money (VfM) practices to succeed:

1. Homes and Growth

- Evaluate all development and acquisition opportunities for financial and social return.
- Ensure retrofit programmes deliver energy efficiency within cost-effective investment frameworks.

- Use asset performance data to prioritise reinvestment and avoid unviable stock.

2. Customers and Communities

- Maintain cost-effective, culturally sensitive services.
- Balance investment in digital tools with access for digitally excluded tenants.
- Use VfM indicators such as Tenant Satisfaction Measures (TSMs), repairs satisfaction, and local engagement to assess outcomes.

3. People and Culture

- Support staff development and retention through effective investment in CPD and wellbeing (linked to IIP standards).
- Encourage internal efficiency through staff engagement and inclusion initiatives that reduce absenteeism and turnover.

4. Financial Sustainability

- Retain strong G1/V2 and aim for V1 through prudent risk and treasury management.
- Embed VfM in procurement, treasury, growth assessment and service delivery.
- Benchmark key indicators annually and take corrective action as needed.

4) Our VfM approach

The Board has overall responsibility for the Association's Value for Money Strategy and each year sets annual targets in line with the approval of the Business Plan and KPIs.

The Association regards continuous improvement as a key element of its Value for Money approach.

Our services will be delivered within a framework that recognises external challenges e.g. welfare reform and the current political and economical uncertainties and internal challenges such as reasonable and flexibility which meet the needs of diverse and often vulnerable tenants, whilst recognising the costs attached to our services and specialised approach.

We benchmark our costs and performance annually and will look into any areas where we appear high cost.

Specific elements of our approach to value for money are:



Managing our assets

Reviewing our costs

Improving our services

Managing our assets

- an annually updated Asset Management Strategy which sets out our plans for sustaining and enhancing the value of our asset base;
- a rolling stock condition survey, which feeds into our investment plans;

Reviewing our costs & services

- a thorough budgeting and business planning process;
- a Treasury Strategy and Annual Treasury Plan which maps out treasury activities for the coming year, balancing value for money and mitigating risks to the Association;
- the requirement to tender certain procurements and obtain quotes for others to ensure market prices are paid, whilst maintaining our objective to work with local contractors where possible;
- an annual review of our customer profile in terms of their diversity and housing and geographical location aspirations, to ensure we deliver housing opportunities where our tenants want to live;
- consideration of the value for money implications of new initiatives at Senior Management Team (SMT) and Board level;
- Using our annual independent TSM survey to assess our customers' levels of satisfaction with our homes and services;

Reviewing & improving our performance

- Weekly, monthly and quarterly KPIs are reported and reviewed by SMT, adopting a continuous improvement approach;
- A regular review of contractor's performance by officers and tenants and an annual appraisal;
- participation in formal and informal benchmarking activities to identify areas where our performance does not meet that of our peers; Membership of the Community Housing Partnership.

5) How we monitor VFM

Key elements of our process for monitoring Value for Money are:

- annual scrutiny by the Board of the Business Plan and Budget;
- a quarterly review by the Board of the Association's financial performance through the management accounts;
- a quarterly review by the Board of the Association's VFM KPIs which include the Regulator's key VFM metrics;
- a quarterly review by Board of key operational and other performance;
- a monthly review of key areas of financial and operational performance against by the Senior Management Team;
- Tenant Quality Panel (TQP) provides a formal tenant voice, influence and input into housing service delivery, policies and performance monitoring;
- Complaints Learning Forum reviews closed complaints to identify systemic issues, promote learning, and drive continuous improvement;
- Tenant Experience Committee provides effective scrutiny and challenge around service delivery and helps to drive tenant shaped service improvements and efficiencies;
- Assessment of potential acquisitions by senior management team with robust financial feasibility review of new growth opportunities to Board;

- Annual strategic review sessions for SMT, Board and staff to ensure the Association's mission and vision remain relevant and that outturn objectives are delivered in the most appropriate way;

Whilst we are keen to review and compare our costs to our peers - we recognise that we operate in areas with high levels of deprivation and our service offers to our tenants is our key focus. We offer face to face appointments and home visits, have an organised tenant's quality panel. In addition we contribute time and resources to community events. Tenants complete four postal surveys a year (which is made available in easy read and other languages).

We ensure we can meet the needs of our diverse tenant population, including those with one or more protected characteristic of the Equality Act 2010, as well as providing reasonable adjustments and extensive translation and interpreting services.

Our VFM Key Performance Indicators

(targets are based on our latest business plan)

	Detail	Peer Group*	Actual	Actual	Target	Target	Target
		2023/24	2023/24	2024/25	2025/26	2026/27	2027/28
1	Operating Margin	16%	15%	20%	18%	19%	20%
2	Operating Margin (social Housing)	16%	15%	20%	18%	19%	20%
3	Interest Cover (EBITDA MRI) %	146%	133%	136%	134%	136%	139%
4	New Supply Delivered %	0.9%	0%	0%	0%	0%	0%
5	New Supply Delivered % (non-social)	0%	0%	0%	0%	0%	0%
6	New Supply (incl prop acquisitions)	n/a	0.6%	0%	1%	0%	0%
7	Gearing	34%	43%	42%	41%	41%	41%
8	Reinvestment % (new & existing)	5%	2.0%	2.6%	2.4%	2.6%	4.9%
9	Return on Capital Employed	2.6%	2.6%	4.11%	3.3%	3.6%	3.9%
10	Cost Per Unit £	5,182	4,598	4,970	5,078	5,324	5,502
11	Customer Satisfaction	79.6%	85%	84%	>84%	>84%	>84%
12	Ratio of DTD repairs to planned maintenance.	n/a	85%	86%	77%	73%	71%
13	Occupancy	n/a	99.5%	100%	>99%	>99%	>99%
14	Rent collected	100.9%	98.2%	99.9%	>101%	>101%	>101%

** Peer Group: Using Housemark we compare ourselves with all Registered Providers with less than 5,000 properties, based in the North (NW, NE, York & Humberside) and Midlands (East Midlands & West Midlands).*

6) Our Future Plans

Achieving our value for money objectives enables us to invest, improve customer satisfaction and to grow. Our Corporate Plan's key actions linked to VFM are:-

Homes & Growth

- Invest & Improve Tenant Satisfaction (**Effectiveness**):
 - o Implement retrofit programme using stock condition data; prioritise lowest-rated homes
 - o Deliver good quality homes & H&S delivery including fire safety, damp/mould
- Grow (**Efficiency**)
 - o Identify and negotiate stock transfer, new build and open market acquisition opportunities
 - o Use data and market intelligence to assess demand and growth potential in non-traditional BME areas
 - o Build strategic links with MCC and other housing partners to support growth
- **Customers and Communities**
- Invest & Improve Customer Satisfaction (**Economy, Efficiency & Effectiveness**)
 - o Improve digital & in-person access for tenants
 - o Strengthen community cohesion by delivering & taking part in events and projects with schools, health providers and local community organisations
 - o Promote inclusion- monitor feedback and data from non-traditional areas; develop staff awareness and community engagement
 - o Strengthen tenant insight mechanisms; increase staff visibility at schemes
 - o Recruit locally - promote staff roles to residents and tenants in our neighbourhoods
 - o Maintain high tenant satisfaction - monitor TSMs & respond to feedback

People and Culture (**Economy, Efficiency & Effectiveness**)

- o Launch new People Strategy with updated onboarding, EDI and wellbeing actions
- o Strengthen staff development, roll out CPD, mentoring and succession planning opportunities
- o Sustain inclusive communication culture and ensure regular opportunities for feedback

Financial Sustainability (**Economy, Efficiency & Effectiveness**)

- o Maintain G1/V2 and improve to V1 rating
- o Secure funding for investment
- o Maximise value for money - carry out procurement reviews and embed VGM across services
- o Assess future growth viability ensuring mission-alignment