Value for Money Strategy 2026 - 2031

Housing Solutions

> ‘By embedding value for money in the way that we operate, we can continue to provide homes where people are proud to live, and a workplace where colleagues are proud to work.’

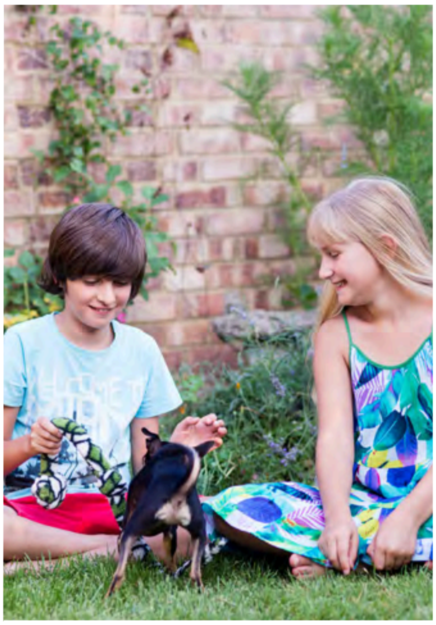
Contents

1. Introduction

Value for money is central to our purpose and our corporate strategy. Over the next five years, we will continue to operate in an evolving environment: the cost of maintaining and de-carbonising homes is rising, resident expectations are rightly increasing, a new and demanding Decent Homes Standard is emerging, and the consumer regulatory framework has strengthened. By embedding value for money in the way that we operate, we can continue to provide homes where people are proud to live, and a workplace where colleagues are proud to work.

Focusing on value for money helps ensure that decisions - maintaining a home, delivering a service to our residents, or investing in new supply - delivers benefit for residents and communities. It means using resources wisely, that services are improving in ways residents can feel, the organisation is financially resilient enough to meet the challenges ahead, and that residents believe we provide value for their service charges.

For residents, value for money means visible improvements – well-maintained homes, good communication, and evidence that money is spent responsibly. For funders, it means assurance that resources are used efficiently and that our operating margins and interest cover remain within prudent guardrails. For staff, it means clarity of priorities, ownership of financial responsibility, and empowerment to deliver improvements.



2. Understanding Value for Money

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For Housing Solutions, value for money is about maximising the impact of every pound. We pursue:

- Economy by securing inputs at the right cost and quality.
- Efficiency by increasing outputs from inputs.
- Effectiveness by ensuring the outcomes we achieve improve residents' lives.

We add a fourth lens - "resident value" because value for money should also mean residents experience the benefit through safe homes, responsive services and transparent costs.

We will evidence delivery not just through the Regulator for Social Housing's (RSH) seven value-for-money metrics, but also through the Tenant Satisfaction Measures introduced in 2023 and our own tailored metrics. These give residents, homeowners, and stakeholders a direct view of whether services are improving.

3. The context we operate in

3. The context we operate In

Local Environment

We operate in some of the most expensive housing markets in England. Office for National Statistics data shows that in Windsor and Maidenhead, the heart of our operating geography, the median house price is 12.3 times the median salary, compared to a national median of 7.7 times. This high cost of home ownership drives acute demand for affordable housing.

> **While Windsor and Maidenhead remain our core area, we also provide homes across Berkshire and in Buckinghamshire, where affordability pressures are similarly severe.**

12.3x

median house price to median salary ratio

12.3x
Windsor & Maidenhead

7.7x
England average

Rising Costs and Financial Pressure

Inflation in materials, labour, and compliance continues to outpace rent increases. New safety and decarbonisation requirements add unavoidable cost, whilst interest rates and funding constraints put pressure on how we borrow or expand. This makes activity such as operational efficiency, VAT recovery, and smarter procurement essential. Every pound spent should deliver a measurable outcome — whether safer homes, higher satisfaction, or stronger resilience.

Alongside this, demand for affordable housing exceeds supply, making new homes vital to our purpose. However, high build costs and inflation create value-for-money risks - meaning careful appraisal, partnerships, and grant leverage will be key to delivering new homes without compromising financial resilience. These pressures make high-cost activity such as repairs, planned maintenance and procurement as areas of focus and possible reform.

3. The context we operate in

Ageing Stock and Compliance

As a Large-Scale Voluntary Transfer organisation, we have to actively manage an ageing asset base. Meeting the requirements of Awaab's Law and the potential changes to the Decent Homes Standard will require sustained investment in planned maintenance, safety, and energy efficiency. However, grant funding opportunities (e.g., Warm Homes Social Housing Fund) can help to offset costs and protect financial headroom.

Where our homes require works then it is a key driver of reactive repairs, cost volatility, and can impact resident satisfaction. As such, failure to invest risks regulatory breaches and reputational damage.

> **We must manage known property risks such as external wall systems, loft space compartments and flat roof systems – applying a holistic approach to take into account a resident's specific needs and circumstances.**

Regulatory and Consumer Reform

The new consumer regulation regime places equal weight on safety, service quality, and resident voice. We need to demonstrate that value for money is visible in residents' lived experience.

This calls for stronger data, cost transparency, and accountability — evidencing compliance, tracking satisfaction, and giving residents confidence that their feedback drives decisions, and that we are investing wisely.

Resident Expectations and Service Complexity

Our residents' needs are increasingly diverse and often complex whilst a wide range of household types requires responsive, joined-up services.

Feedback from residents and our scrutiny panels shows that ensuring transparency, reliability and responsiveness is key to maintaining trust.

3. The context we operate in

Workforce capacity

We use third-party contractors to carry out void works and a large portion of planned maintenance activity. This drives increased costs (through VAT being applied to labour costs) and creates additional overhead in managing these relationships.

Alongside this, recruiting and retaining skilled colleagues remains challenging across the South East, where competition for talent and high living costs continue to limit availability. These constraints mean we cannot rely on selected growth in headcount alone to deliver improvement; instead - we must consider internal upskilling, capability, productivity, and focus within existing teams.

Data, Digital and System Limitations

Much of our data remains distributed across legacy systems. This can impact the timeliness of decision-making and increases operational risk. With around 25% of resident contact being digital – modernising, and ensuring inclusivity of our digital infrastructure has the potential to improve service delivery as well as efficiency and effectiveness.

25%

of residents currently interact with us through digital channels

Climate and Sustainability Obligations

The national commitment to achieve EPC C by 2030 and net zero by 2050 places clear demands on how we invest in and manage our homes. These goals are resource-intensive but essential to reducing energy costs for residents and protecting long-term asset value.

Efficiency and Accuracy

We recognise that inefficiency arises from the small, repeated corrections, reconciliations, and rework created when data or documentation is incomplete or inconsistent. Getting things right at source reduces duplication, improves assurance, and strengthens confidence in our decision-making. Accuracy is therefore a form of efficiency in itself.

4. Corporate Strategy and Value for Money

4. Corporate Strategy and Value for Money

Our Corporate Strategy is framed around three themes: **Safe**, **Satisfied**, and **Sustainable**. These themes describe the outcomes we want to achieve for residents and communities.

Safe

Means ensuring our homes meet our high standards of safety, quality and compliance. Value for money underpins this by requiring us to make evidence-based choices about asset management, and to balance short-term costs with long-term asset integrity. It ensures that every pound spent on our homes reduces risk or improves residents' lives.

Satisfied

Is about providing services that are reliable, responsive and trusted by residents. Value for money supports this by aligning investment with an improvement in their experience of our services. It also embeds transparency, giving residents a clear view of how their feedback influences decisions and results in improved resident satisfaction over time, and that they understand our costs.

Sustainable

Means maintaining the financial capacity, organisational strength and environmental responsibility needed to deliver our Corporate Strategy over the long term. Value for money strengthens this theme by imposing clear financial guardrails, encouraging innovation and productivity, and ensuring that new investment (whether in homes, people or systems) delivers measurable returns. It also provides the framework for balancing competing pressures: meeting today's needs while investing in the future.

Taken together, these themes set out our ambition – value-for-money is the way we achieve it, giving residents, funders, and the RSH confidence that we are using our resources wisely to secure lasting impact.

5. The Seven Value for Money Metrics

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Looking back

The five years to 2025 were shaped by inflationary pressures, compliance investment, and heightened service demand against the backdrop of a global pandemic. Despite these challenges, Housing Solutions maintained strong financial resilience and delivered improvements in safety and resident satisfaction.

Housing Solutions value-for-money performance (2020-2025)					
RSH value-for-money metric	2020/21	2021/22	2022/23	2023/24	2024/25
Reinvestment	3.4%	3.7%	2.3%	1.7%	2.1%
New Supply Delivered	1.5%	1.6%	0.6%	0.3%	0.7%
Gearing[1]	66.2%	65.2%	64.7%	64.8%	63.2%
EBITDA MRI	159.8%	155.8%	150.0%	128.5%	132.5%
SHCPU	£3,495	£4,022	£4,227	£4,965	£5,402
Operational Margin (Social Housing)	43.5%	38.6%	35.5%	35.6%	36.5%
SHCPU (Breakdown)					

[1] Gearing: HS did not take the opportunity to increase the book value of housing property assets using "deemed cost" as a one-off opportunity when FRS102 accounting standard came into effect (2015). Almost all of our peers did adopt deemed value resulting in the worsening comparative against our peers who did take this up. It is estimated that adopting deemed value would add £100m to our housing assets and reduce our gearing by circa 10% bringing us much closer to our peers.

5. The Seven Value for Money Metrics

There were a number of trends over the period:

• Operating margin remained consistently strong (above 34%), evidencing efficiency and income discipline.
• ROCE held between 3.7% and 4.6%, outperforming peer medians in 2024/25.
• Gearing reduced from 66.2% to 63.2%, while EBITDA-MRI stayed comfortably above covenant and sector averages.
• Social housing cost per unit (SHCPU) rose by 54.5% over the period, driven by increased compliance and planned works.
• Reinvestment averaged 2.6%, reflecting a cautious approach to liquidity and headroom.
• New supply averaged 0.94% per year as we prioritised the condition and safety of existing homes.

Operational costs	£1,863	£2,126	£2,269	£2,502	£2,672
Revenue Works	£1,168	£1,400	£1,431	£1,974	£1,955
Capital Works	£464	£495	£577	£488	£775
Operating Margin (Overall)	39.9%	37.0%	34.2%	35.2%	36.5%
ROCE	4.6%	4.4%	3.7%	3.9%	4.5%

Benchmarking shows strong operating margin and ROCE, while reinvestment and new supply were below sector medians. We recognise some underinvestment in cyclical and communal works, which will be addressed in the next period alongside continued compliance and planned maintenance.

These insights have Implications for the next strategic cycle:

• Rising unit costs require a focus on rigorous procurement, digital streamlining, and service efficiency reviews.
• A continued emphasis on robust asset planning, with targeted action on cyclical and communal works to maintain quality and resident satisfaction.
• Maintaining EBITDA-MRI and gearing reinforces the need for clear financial guardrails and responsive triggers.

Housing Solutions value-for-money benchmarking

Metric	2024/25 Housing Solutions	2023/24 Peer Median (Annual Report 2025)	2023/24 Peer Median (Annual Report 2025)
Reinvestment	2.1%	7.3%	7.4%
New Supply Delivered	0.7%	2.07%	1.4%
Gearing	63.2%	50%	46.8%
EBITDA MRI Cover	132.5%	130.5%	120.1%
SHCPU	£5,402	£5,486	£5,113
Operating Margin (social lettings)	36.5%	21.9%	21%
ROCE	4.5%	2.97%	2.9%

5. The Seven Value for Money Metrics

Looking Forward

Our value-for-money approach balances two priorities: increasing investment in our homes; and maintaining efficient and effective operations that benefit residents. We fully expect social housing cost per unit to rise over the coming years, driven by our commitment to compliance, safety, and planned improvements. This reflects our ambition to reinvest more in our existing stock and deliver the upgrades that matter most to residents.

At the same time, we will work to keep our operating margin stable at around 38%, ensuring financial resilience and covenant headroom. This will be achieved through disciplined cost control, smarter procurement, and digital efficiencies that reduce administrative overhead and improve accuracy.

We will monitor progress annually using the RSH's seven value-for-money metrics, alongside sector benchmarking and our own corporate ambitions. Our focus includes:

- **Targeted reinvestment to deliver compliance, fire safety, and sustainability upgrades.**
- **Digital transformation and automation to streamline processes and free capacity for service improvement.**
- **Smarter resource allocation and procurement to deliver savings, drive efficiency in operations and ensure optimal service delivery.**
- **Disposal of low-performing assets and reinvestment where it delivers clear long-term value.**

> **By combining increased reinvestment with operational discipline, we will ensure that every pound spent delivers maximum benefit for residents and stakeholders. This is how we will achieve value for money everywhere in our homes, in our services, and in the way we operate.**

6. Financial Resilience

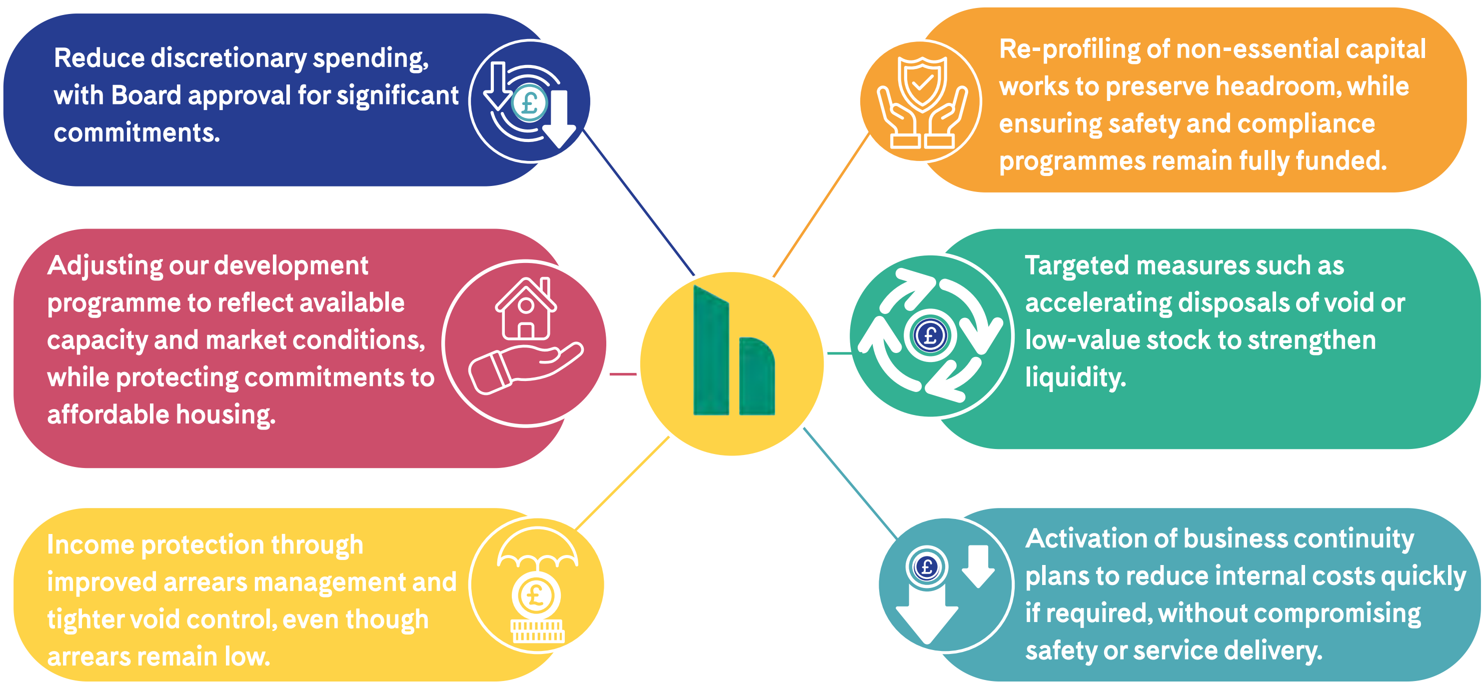
6. Financial Resilience

Financial resilience underpins this strategy. Our proactive approach to forecasting and risk assessment means we have not had to employ emergency financial measures. By anticipating challenges early and building capacity into our business plan, we have maintained stability even through periods of heightened uncertainty. This is reflected in our consistently strong external ratings: we have maintained an A+ stable credit rating with Standard and Poor and a V1 financial viability rating from the RSH.

We operate within a set of Board-approved golden rules and internal buffers, designed to ensure we have the capacity to respond to headwinds. These rules are part of an integrated risk management approach that reflects our risk appetite and is reviewed regularly at Board and at Audit and Risk Committee meetings, with a full assessment at least annually.

Our approach goes beyond compliance. We are professionally curious and constantly scanning for early warning signs and emerging risks whether in interest rates, rent policy, insurance markets, or supply chains and testing how these could impact our business plan. We want risks fully taken into account and our property and financial data robust, so decisions are based on accurate, timely information. This ensures the business plan has sufficient headroom to absorb shocks while continuing to deliver safe homes and quality services.

If we ever needed to act, these are the measures we would take:



What underpins our approach is robust governance: a mature risk management position, an integrated risk appetite framework, and ongoing dialogue with the Board about emerging risks and business plan resilience. The Board is fully informed, and our decisions are grounded in data and forward-looking analysis.

7. Value for Money Programmes

7. Value for Money Programmes

Our value for money approach is designed to respond to the regulator's clear expectation that boards demonstrate strong governance, financial resilience, and effective trade-offs between maintaining existing homes and delivering new supply. The programmes within this strategy target areas where operational pressure, regulatory change, and strategic opportunity converge—ensuring Housing Solutions delivers on our Corporate Strategy themes of **Safe**, **Satisfied**, and **Sustainable**.

Informed by our operating environment, performance against the 2021–26 strategy, and the sector's risk landscape, we have focused on:

1. Asset Investment and Stock Quality

Ageing homes and a schedule of planned works create cost pressure and risk to resident satisfaction. In line with our Board risk appetite, we take a cautious approach – seeking to have limited risk in respect of stock quality.

2. Financial Resilience and Efficiency

Rising costs, higher debt servicing, and inflation demand rigorous stress testing and cost control. We will pursue savings, productivity gains, and enhanced value through internal efficiencies and effectively allocating resources—reflecting our Corporate Strategy objective to ensure financial resilience and the benefits that brings.

3. Home Owners and Service Charges

Value for money is particularly critical for residents and homeowners as regards service charges. Transparency, fairness, and efficiency in managing these costs is essential to maintain trust and meet regulatory expectations. Our programmes will strengthen cost control and reporting, ensuring charges reflect genuine value and support affordability.

4. Innovation and Organisational Capability

Increasing resident expectations and regulatory reform require us to work differently. Leveraging data, technology, and organisational capability will enable better outcomes within finite resources, aligning with our Corporate Strategy objective for strong governance and informed decision-making.

Each programme is linked to defined goals and improvements in resident experience, evidenced through Tenant Satisfaction Measures (TSMs) and supported by transparent reporting. These programmes aim to deliver £4.75 million in financial savings between 2026-2031, as set out under Appendix 2. We assumed £2.37 million in our current business plan (and reflected in the above RSH metrics forecast between 2026-2031) and a further £2.37 million of additional savings set out in this strategy (but not assumed in the business plan at this stage).

7. Value for Money Programmes

7a. Investing in Homes and Managing our Assets (Strategic Alignment : Safe and Sustainable)

Strategic rationale

Investing in our homes is a direct way we can protect resident wellbeing, strengthen asset value, and sustain long-term resilience. This programme ensures that our investment decisions are guided by evidence and whole-life cost, combining planned maintenance, energy performance, and void management into a single, data-led approach. It supports both compliance and resident priorities by reducing reactive demand, accelerating lettings, and aligning investment to long-term sustainability goals. By treating every property decision as both a financial and social investment, we ensure that our assets remain safe, efficient, and future-ready.

Overview

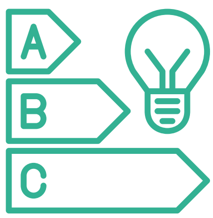
Over the strategy period we will invest £87 million in our existing homes – focusing on priority planned works to improve home conditions, reduce reactive repairs demand and improve resident satisfaction. Parallel to this, we will raise energy performance to EPC band C across 100% of homes by 2030. Energy performance improvements will lower household energy bills and improve comfort while protecting the long-term value of our assets.

> **Our baseline is, at August 2025, 942 homes are currently below EPC C. Investment will be phased and data-led, with decisions guided by resident need and a detailed viability assessment undertaken on our behalf by ARC consultancy.**

We will also actively pursue grant funding through access to schemes such as the Warms Homes Social Housing Fund to de-risk delivery and maintain financial headroom (with ~£6.75 million accessed by 2030).

We will manage void costs by actively managing and reviewing expenditure and strengthening our insight into the condition of homes while they are occupied (aiming to manage this against a backdrop of inflationary costs increases in the sector). Targeted tenancy audits and stock condition surveys will provide early visibility of disrepair, safeguarding both residents and assets, and reducing the need for high-cost, time-consuming, works at relet.

Properties with indicators of increased risk such as low contact, long tenure or reported damp will be proactively reviewed. These measures will reduce reactive spend at void (supporting the average cost per void targets), protect asset value, support compliance, and ensure financial alignment with the Business Plan. Building on this work, we will combine our resident and stock data to highlight trends and specific resident cohorts/properties where we can tailor our service. This will aid us in identifying cost and efficiency opportunities but also demonstrate effectiveness to residents – helping build trust.



£87 million
we will invest in our homes

100%
Homes with EPC band C by 2030

7. Value for Money Programmes

We also aim to:

- Dispose of garages we own that are reaching the point where they either need significant investment or demolition (due to health and safety issues). With costs of remedying them expected to outweigh the benefit it is an opportunity to reduce costs whilst creating space for additional parking, new homes, or for other purposes improving resident satisfaction.
- Dispose of high-cost void homes – reinvesting proceeds used to develop or acquire new, energy efficient homes, or reinvested in existing stock.
- By financial year 2028/29, have completed a review, in conjunction with our older residents, of current sheltered housing schemes to assess that all schemes can provide modern, cost-effective, and adaptable homes to support the independent living of an older generation.

A new Decent Homes Standard is expected to come into force over period of this strategy. The proposal is to remove age from the definition of disrepair so that building components don't necessarily have to be old and broken to be in disrepair, only broken (poor condition). These changes have the potential to put additional pressure on the assumptions in our current business plan. As such, we will undertake a review to assess the impact that the new Decent Homes Standard could have on our asset management programme.

7. Value for Money Programmes

Goal	2026-27	2027-28	2028-29	2029-30	2030-31
Properties at EPC C or above (cumulative volume)	84%	86%	88%	94%	100%
Priority planned works completed (as at 2025 business plan in real values) (value)	33%	66%	86%	94%	100%
Business plan assumed Warm Homes Social Housing Fund (Wave 3 accessed value)	£990,108	£962,605	-	-	-
Business plan assumed future Government grants accessed (value)	-	-	£2,400,000	£2,400,000	-
Average cost per void (value)	£4,200	£4,360	£4,540	£4,700	£4,850
Business plan assumed costs saved through disposal of garages (value)	(120,458)[2]	1,594	£243,392	-	£29,671
Business plan assumed savings through disposal of energy inefficient homes	-	-	£225,000	£375,000	£375,000
Impact of new Decent Homes Standard reflected in business plan (qualitative)	Review of business plan complete				

[2] Costs incurred in demolishing garages

7. Value for Money Programmes

We also aim to:

Resident outcomes and TSM impact
Home is well maintained (TP04): completing planned works and compliance investment will raise residents' confidence in home safety. **Overall Satisfaction (TP01):** enhanced stock condition and energy efficiency strengthen trust, comfort and affordability.

RSH VFM Impact
VFM Metrics: capital spend on existing stock will be a driver of **Reinvestment** with improved stock condition aimed at reducing reactive repairs that, long-term, should help manage **SHCPU**. Disposal of assets and targeted investment should improve **ROCE**. **VFM Standard**: Effectiveness improved through better homes for residents, leveraging grant funding demonstrates **economy** and clear stock investment planning helps provide **transparency**.

7. Value for Money Programmes

7b. Build New Homes (Strategic Alignment: Sustainable)

Strategic rationale

Delivering new affordable homes remains a core expression of our purpose and a disciplined part of our growth strategy. In a higher-cost environment, we are focusing on targeted, financially robust schemes that add clear long-term value. This approach maintains our contribution to local housing supply while preserving liquidity and control of delivery risk. Each scheme is assessed for its lifetime impact—balancing social return, carbon performance, and financial strength. In doing so, we align new development with our broader sustainability commitments and demonstrate that measured, data-led growth is compatible with strong value-for-money outcomes.

Overview

We will continue to add new affordable homes where doing so is affordable, within the tolerance of Board appetite, and meets local need. Our aim is to deliver ~ 40 homes per year. In recent years, Section 106 schemes have provided the best route to provide new homes in a timely and cost effective manner and we will continue to focus on this area and, where appropriate, acquisitions and regeneration.

We will pursue grant funding where available (to protect gearing and cover) and partner where that improves value and reduces risk. New homes will be energy-efficient and designed to meet local needs, ensuring that supply growth enhances both resident outcomes and balance sheet resilience.

Goal	2026-27	2027-28	2028-29	2029-30	2030-31
Annual target for new homes through section 106 schemes (volume)	75%	75%	75%	75%	75%
New homes meeting M4 (3) accessibility standard (volume)	4	4	4	4	4
New homes EPC rating (volume)	100% EPC B or above	100% EPC B or above	100% EPC B or above	100% EPC B or above	100% EPC A or above

Resident outcomes and TSM impact

Overall Satisfaction (TP01): new, efficient, well-designed homes will drive new resident satisfaction.

RSH VFM Impact

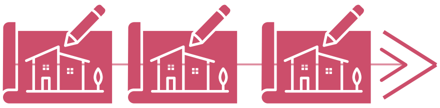
VFM Metrics: new homes directly influence **new supply delivered** with access to grant funding helping mange **gearing**. New, efficient, assets should improve **ROCE** over the long term.

VFM Standard: Strategic objectives are supported through the supply of new affordable homes demonstrating **economy** through the use of s.106 schemes.

7. Value for Money Programmes

7c. Digital and Data Transformation (Strategic Alignment: Satisfied and Sustainable)

Strategic rationale



High-quality data and modern systems are essential to efficiency, compliance, and resident experience. This programme ensures that our technology and information infrastructure can support our evidence-based approach. By automating core processes and improving system integration, we will reduce manual handling, strengthen controls, and create a single version of truth for operational and regulatory assurance. This transformation supports the delivery of all other programmes and reflects our commitment to use technology as a foundation for continuous improvement and transparency.

Overview

By 2030, we are aiming for digital contact to account for ~75% of interactions, whilst maintaining our high-quality traditional channels for those residents who prefer or need this route of contact. The shift to digital contact brings practical benefits: faster resolution times, better scheduling, and reduced administrative costs. High-quality data will also support the rest of the strategy, providing credible baselines and evidence-based decision-making. Automation will be targeted where it offers the clearest return and, following review of processes, we will aim for 70% of manual core processes to be removed by 2031, prioritising those with high volume and risk-of-error manual work.

7. Value for Money Programmes

7c. Digital and Data Transformation (Strategic Alignment: Satisfied and Sustainable)

Goal	2026-27	2027-28	2028-29	2029-30	2030-31
Resident contact via digital channels (cumulative volume)	45%	50%	55%	65%	75%
Unified and trusted data (volume and qualitative)	100% of core business data consolidated into secure cloud platform	75% of core datasets aligned with ISO 8000 data quality standards	90% of core datasets aligned with ISO 8000 data quality standards	100% of core datasets aligned with ISO 8000 data quality standards	ISO 27701 certification
Residents surveyed for relevant data collection (volume)	75%	85%	99%	99%	99%
Cloud-based systems (cumulative volume)	60%	70%	80%	90%	92%
Core processes (Finance, Reporting, HR, Housing, Contact, Asset) - manual automated (volume)	70:30	60:40	50:50	40:60	30:70
Colleagues using AI productivity tools (cumulative volume)	80%	90%	95%	100%	-
Operational areas using real-time data dashboards (cumulative volume)	70%	85%	100%	-	-
Cashable and non-cashable savings achieved through digital modernisation (cumulative value)	£100,000	£250,000	£325,000	£400,000	£500,000

7. Value for Money Programmes

7c. Digital and Data Transformation (Strategic Alignment: Satisfied and Sustainable)

Resident outcomes and TSM impact
Landlord listens to tenant views and acts upon them (TP06): improved data and feedback loops allow pro-active, tailored, action to be taken. **Landlord keeps tenants informed about things that matter to them (TP07):** real-time dashboards ensure transparency on key data.

RSH VFM Impact
VFM Metrics: automation and shifting contacts to digital channels will help in reducing SHCPU and improve **Operating Margin.** **VFM Standard:** : Efficiency is achieved through reduced manual work, **effectiveness** is achieved through using data to inform decisions and **transparency** is achieved through enhanced reporting.

7. Value for Money Programmes

7d. Procurement Reform (Strategic Alignment: Sustainable)

Strategic rationale

Procurement is a key tool for securing value and social impact. By enhancing supplier accountability, promoting competition, and building social value clauses into major agreements, we will achieve demonstrable economies and community benefits. The approach reinforces our financial discipline while reflecting our wider role as an anchor institution in our community that delivers benefits through its supply chain activity.

Overview

Procurement is a major lever for value and savings. Our current baseline in financial year 2024/25 is £10.8 million annual sub-contractor spend. We will complete a structured review of our key sub-contractor contracts, ensuring social value is explicit in major agreements with commitments on community benefits.

We expect cumulative savings of £1.25 million by 2031 from re-tenders and/or re-negotiation. We will report verified in-year savings via our value-for-money tracker so the Board and our resident value-for-money panel can see progress.

Goal	2026-27	2027-28	2028-29	2029-30	2030-31
Key procurement contracts (by value and/or strategic importance) (greater than £0.6m and excluding development) with social value commitments cumulative	75%	75%	95%	100%	100%
Business plan assumed procurement savings (cumulative value)	£250,000	£500,000	£750,000	£1,000,000	£1,250,000

Resident outcomes and TSM impact

Overall Satisfaction (TP01): new, efficient, well-designed homes will drive new resident satisfaction.

RSH VFM Impact

VFM Metrics: new homes directly influence **new supply delivered** with access to grant funding helping mange **gearing**. New, efficient, assets should improve **ROCE** over the long term.

7. Value for Money Programmes

7e. Service Area Reviews (Strategic Alignment: Satisfied and Sustainable)

Strategic rationale

Continuous improvement requires regular reflection on whether resources are being used in the most effective way. This programme introduces a structured, cyclical, review process across key services - ensuring that investment, staffing, and processes remain aligned to strategic priorities and resident outcomes. The approach embeds a culture of evidence-based decision-making and shared accountability—strengthening operational discipline and ensuring that the organisation continues to evolve in step with resident needs and regulatory expectations.

Overview

We have historically monitored and benchmarked our overheads to maintain efficiency, most recently through the HouseMark cross-benchmarking analysis presented to the Board in 2025. Building on that foundation, we will now introduce a formal, systematic review cycle for administrative overheads, which currently stand at approximately £11 million per year.

Reviews will examine economy, efficiency and effectiveness. That means reviews will not be simple cost-cutting exercises but, instead, focused on ensuring that we have effectively resourced and equipped teams to deliver the outcomes of our broader Corporate Strategy. In doing so, we will be able to ensure that colleagues feel supported and empowered to perform their roles – ensuring their well-being, driving job-satisfaction and reducing turnover.

- **Planned maintenance:** our DLO delivers high levels of resident satisfaction and service reliability. We will assess the potential to expand its use in planned maintenance activity to deepen those advantages. Greater direct delivery could also allow stronger control of quality, scheduling, and recurring VAT efficiencies.
- **Repairs:** the average cost of a repairs in financial year 2024/25 was £489 per property, and each property requiring an average of 5.4 repairs during that year (an increase from the previous five-year average of 4.5 repairs). We will assess capacity within relevant teams and opportunities to remove manual processes and improve ways of working that could yield cost, efficiency and effectiveness benefits.
- **Housing:** our analysis shows that our teams have a lower headcount than our peers and the sector (with Housemark 2024/25 benchmarking showing we have 3 housing staff per 1,000 units versus 3.6 for our South-East England peers and 4.7 at a national level). We will review resourcing to ensure we can meet growing service complexity.
- **Contact Centre:** we will assess working schedules to ensure we have the necessary resource to meet the needs of our service model which focuses on first contact resolution but has the potential to drive longer wait times versus sector medians.

7. Value for Money Programmes

7e. Service Area Reviews (Strategic Alignment: Satisfied and Sustainable)

We will also review policy standards to balance costs alongside current resident requirements and sector norms. An example would be reviewing our minimum property condition standards to assess how much we spend per property versus time to re-let and rent loss.

Activity will combine external benchmarking and review, process mapping (where appropriate) and KPI performance to assess where we may need to increase resource in teams and equally challenge areas where we see inefficiency, legacy cost and sub-optimal process. We will publish resulting action plans and case studies so residents and the Board can track what has changed and what benefits accrued. We anticipate that we can create productivity improvements that will generate ~£776,250 of working hours saved by 2031 – removing pressure for the need to find extra resource to meet operational needs.

As we conduct reviews over the period, we will ensure that the anticipated 2% yearly reductions in administrative overheads do not reduce service accessibility for residents who need human contact. We will also review staff benefits to ensure value for money in total reward packages and alignment with sector norms and drive increased staff engagement.

Goal	2026-27	2027-28	2028-29	2029-30	2030-31
Core service area reviews completed (cumulative volume)	60%	70%	80%	90%	100%
Working hours saved through efficiencies (volume)	1,725 (£86,250)	3,450 (£172,500)	3,450 (£172,500)	3,450 (£172,500)	3,450 (£172,500)
Reduction in administrative overheads (against £11m per year)	2% (£220,000)	2% (£220,000)	2% (£220,000)	2% (£220,000)	2% (£220,000)
Average call wait time (value)	250 seconds	220 seconds	160 seconds	140 seconds	120 seconds
Staff turnover (value)	≤13%	≤12%	≤12%	≤11%	≤10%
Colleagues satisfied with Housing Solutions as their employer (value)	≥81%	≥83%	≥85%	≥86%	≥87%

7. Value for Money Programmes

7e. Service Area Reviews (Strategic Alignment: Satisfied and Sustainable)

Resident outcomes and TSM impact

Overall Satisfaction (TP01): improved efficiency and effectiveness should flow through to how residents experience our services and homes.

RSH VFM Impact

VFM Metrics: overhead reductions and improved productivity help manage **SHCPU** with lower costs supporting improvements in **operating margin** and potentially **EBITDA-MRI.**

VFM Standard: Efficiency is achieved through removing unnecessary work, **economy** is achieved through lower input costs and **effectiveness** is achieved through improved service outcomes.

7. Value for Money Programmes

7f. Resident Value and Satisfaction (Strategic Alignment:Satisfied)

Strategic rationale

Our intent is continue to build the resident perspective into our decision-making, ensuring that improvements in cost or process translate into improvements in lived experience. We also want to ensure transparency and fairness in home ownership and service charge costs to maintain resident trust.

Overview

Residents must be able to see and shape how value is delivered. In 2026 we will establish a resident value-for-money panel to review performance dashboards and scrutinise the relationship between spend and outcomes - engaging directly with the Board through regular reporting. Residents will contribute to case studies and provide feedback on priorities, and their insights will be visible in our Annual Report. Alongside core metrics, we will track and report on social value generated using the Housing Associations' Charitable Trust Social Value Calculator (having delivered £15.04 of community benefits for every £1 invested in financial year 2024/25).

We will also look to strengthen value for money and transparency through publishing safety, compliance and investment information and in relation to our home ownership and communal services. In respect of service charges we will deploy modern, cloud-based, software that will allow us to provide greater granularity on costs and transparency to residents. In 2025/26, 51.5% of home ownership residents rated their service as providing value for money, against a long-term target of 75%. We will focus on ways to drive this metric upwards through measures such as reviewing managing agents for value for money and providing greater transparency on related costs.

7. Value for Money Programmes

7f. Resident Value and Satisfaction (Strategic Alignment: Satisfied)

Goal	2026-27	2027-28	2028-29	2029-30	2030-31
Social value generated (£1 : value to community)	At least £1 - £13	At least £1 - £13	At least £1 - £13	At least £1 - £13	At least £1 - £13
Homeownership residents rating service as value for money (value)	60%	63%	66%	70%	75%
Value -for-money assessment of managing agents - schemes reviewed (cumulative volume)	20%	40%	60%	80%	100%
Section 20 compliance and monitoring (compliant reviews completed) (cumulative volume)	30%	60%	100%	-	-
Resident facing dashboards (qualitative)	Investment rationale for all major stock decisions	-	Fully published programme of works Performance reporting for residents for 75% of service areas	-	Rolling five-year programme published to all residents

Resident outcomes and TSM impact

Landlord listens to tenant views and acts upon them (TP06): Value-for-money panel ensure resident scrutiny and feedback loops on resident views.
Overall satisfaction (TP01): clearer, more accurate service-charge information and demonstrable value for money in the management of their homes provides residents with transparency and helps build trust.

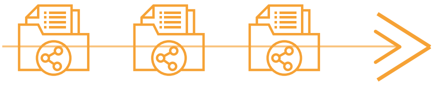
RSH VFM Impact

VFM Standard: Transparency is achieved through improved clarity on costs.

7. Value for Money Programmes

7g. Efficiency Through Accuracy (Strategic Alignment : Sustainable)

Strategic rationale



Minor inconsistencies in systems, reporting, or governance can multiply into material inefficiencies, reputational risk, and weakened assurance. Getting things right first time - in data, documentation, and process- is therefore central. We have already consolidated our core data into a single repository and we now want to treat accuracy not as an administrative standard, but as a cultural and operational principle that shapes how we plan, record, and make decisions. This mindset will strengthen every other programme in the strategy, ensuring that decisions are grounded in reliable information and executed right the first time.

Overview

Accurate information and sound governance are the foundation of an efficient organisation. Across Housing Solutions, we spend time reconciling data, reviewing documentation, or clarifying reports — effort that adds low value but consumes capacity. Efficiency through accuracy focuses on getting things right at source: continuing to improve the quality of data, system interfaces, and documents so that every decision and action is reliable the first time it is undertaken.

Operationally, this means ensuring a culture of data validation and document control, and integration between core systems to eliminate rework. Strategically, it supports the Sustainable pillar and the Governance and Viability enabler in our corporate strategy by improving assurance, reducing operational risk, and releasing capacity for service improvement. Accurate information also gives residents confidence that efficiency is embedded in how we work, not just what we deliver.

Goal	2026-27	2027-28	2028-29	2029-30	2030-31
Interfaces validated and error-checked across core systems (cumulative volume)	50%	75%	90%	100%	100%
Internal governance documents passing first- submission quality checks (cumulative volume)	95%	97%	100%	100%	100%
Staff trained in data assurance and validation (cumulative volume)	66%	100%	100%	100%	100%

7. Value for Money Programmes

7g. Efficiency Through Accuracy (Strategic Alignment: Sustainable)

Resident outcomes and TSM impact

Overall Satisfaction (TP01): overall improvements in efficiency will improve our operational performance which resident should feel through service delivery.

RSH VFM Impact

VFM Standard: Efficiency is achieved through removing unnecessary work, economy and effectiveness is achieved through timely and accurate actions.

It is also acknowledged that delivering this strategy depends on people as much as on programmes. We will embed a value-for-money mindset across the organisation by:

- Training selected staff in efficiency and customer value, linking value for money to everyday decisions.
- Highlight and monitor the importance of effective financial control to all staff.
- Expanding apprenticeships and professional qualifications to build capability for the future.
- Continuing to encourage colleagues to contribute ideas for savings and service improvements.

By empowering staff, we ensure value for money is not a separate initiative but a core way of working.

8. Governance, Assurance and Resident Accountability

8. Governance, Assurance and Resident Accountability

Our strong governance framework is a cornerstone of delivery. The Board already reviews value for money performance regularly, including progress against the RSH's seven metrics, our own value-for-money measures, and a value-for money benefits tracker. Deep dives will continue to be scheduled for any areas showing early warning signs or significant slippage. The Executive team remains accountable for delivery and for embedding value for money across services, supported by a cross-business value-for-money working group that will meet quarterly to track benefits, resolve issues, and maintain pace.

Residents will have a clear role in scrutiny through the new value-for-money panel and published dashboards, ensuring the resident voice informs both prioritisation and evaluation.

To provide assurance, all benefits will be categorised as cashable or non-cashable, and one-off or continuous, and outcomes will continue to be reported to the Audit and Risk Committee and summarised in our Annual Report. We will benchmark performance annually against peers and national quartiles, covering both value-for-money metrics and Tenant Satisfaction Measures, so residents and stakeholders can see clearly how we compare with the sector. Robust property and financial data will underpin all reporting.

9. Engagement

9. Engagement

This strategy has been developed with input from residents, colleagues, and the Board. This has shaped our priorities and our delivery programmes.

Residents: feedback from our 2024 TSM survey, complaints analysis and scrutiny panel feedback directly informed our approach and focus. From 2026, our new resident value-for-money panel will provide ongoing scrutiny of spend versus outcomes.

Colleagues: managers contributed ideas through workshops and staff forums. Their insights will continue to inform efficiency measures and cultural change.

Board and committees: Non-executive directors have challenged us to be realistic in scope, phased in delivery, and disciplined in tracking measurable benefits.

10. Risks and Mitigations

10. Risks and Mitigations

Delivery risks are recognised and will be actively managed. Inflation and supply-chain volatility can raise costs or delay works; workforce shortages can constrain plans or slow development; digital transformation can be delayed by legacy complexity; and regulatory changes (particularly around consumer standards and decarbonisation) may increase investment needs. Finally, there is always a risk that cost reductions hurt service quality. Full detail of risks and associated mitigations is set out under Appendix 1.

11. Measuring and Reporting Progress

11. Measuring and Reporting Progress

Progress will be measured and reported in a transparent, repeatable way. Twice a year, the Board will receive an update showing performance against the seven metrics, our value-for-money savings tracker and resident outcome measures. Each year, we will include a value for money summary in our Annual Report with sector and peer comparisons - this external validation ensures our improvement plans are credible and that we remain accountable to stakeholders. Ultimately, this cadence will ensure value for money remains a live process and will allow timely course-correction when required.

12. Resident Impact

12. Resident Impact

By 2031 residents will see tangible improvements: safer, better-maintained homes; lower energy bills as EPC C is achieved across the stock, and clearer information on how money is spent and what it delivers. Digital access will expand for those who want it, while non-digital routes will remain robust. The resident value-for-money panel will provide a stronger voice and greater transparency, ensuring efficiency measures are aligned to the outcomes residents value.

13. Conclusion

13. Conclusion

Over the next five years, we have set out a clear plan for value for money: defined targets, measurable outcomes, and programmes of work that address the biggest drivers of cost and performance. This strategy is rooted in robust governance, strong data, and continuous engagement with residents, colleagues, and the Board. It balances ambition with realism and ensures that value for money is not just about financial metrics, but about delivering safe, satisfying, and sustainable homes. We will report openly, benchmark externally, and adjust when required—always keeping our focus on outcomes that matter most to residents.

Appendix 1

Risks and Mitigations

Risk	Potential Impact	Mitigation
Inflation and supply chain volatility	Rising costs, delayed investment in homes, reduced headroom	Long-term procurement frameworks, contingency allowances, phased priority works clearance, quarterly stress-testing with financial guardrails
Workforce shortages (DLO, compliance, tech roles)	Delays in repairs, weaker compliance, slower digital delivery	Recruitment campaigns targeting trades, apprenticeships, workforce planning, investment in leadership and professional qualifications
Data quality and reporting accuracy	Incorrect reporting, weakened assurance, increased rework	Data validation routines, strong data governance, “right-first-time” controls, system integration assurance, internal audit of key datasets
Digital transformation complexity	Legacy system failure, project delays, poor data integrity	Retire systems in phases, staged delivery of single data environment, external assurance on IT projects, resident digital inclusion programme
Regulatory changes (Awaab’s Law, Decent Homes, Competence and Conduct Standard)	Increased cost pressures, compliance risk, reputational harm	Dedicated compliance investment programme, Board oversight of regulatory projects, specific training rollout
Delivery capacity and programme dependencies	Programme slippage, lower benefit realisation, staff fatigue, reduced quality	Phased delivery plan, Executive sponsorship, value for money working group oversight, prioritisation and benefits tracking
Benefits realisation and tracking	Cost savings gap versus plan, inaccurate financial planning	Value-for-money tracker, Executive review, reporting to Board and Audit and Risk Committee
Balancing cost savings with resident satisfaction	Risk of declining service quality, resident dissatisfaction	Resident value-for-money panel scrutiny, publish case studies on service reviews
Development viability (high costs, planning delays)	Lower new supply, weaker growth ambition	Grant leverage, partnership-led schemes, strong project appraisal framework
Financial resilience (interest rates, arrears, voids)	Breach of covenants; reduced investment capacity	Financial guardrails, triggered response framework, arrears management, disposals strategy

Appendix 2

Savings Summary

Initiative	Business Plan (£)	Non-Business Plan (£)
Garages disposal	154,199	
Homes disposal	975,000	
Digital improvements		500,000
Procurement savings	1,250,000	
Working hours saved		776,250
Administrative costs reduction		1,100,000
	2,379,199	2,376,250

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