1.0 Introduction

The purpose of this strategy is to ensure that Adullam Homes Housing Association has a formalised approach to delivering and achieving Value for Money (VFM) in meeting its strategic aims.

The Value for Money standard places a requirement on Adullam Homes to ensure that value for money is at the core of our strategies, detailing our approach that is transparent and accountable to our Tenants Residents and Service Users (TRS)and other stakeholders.

Effective management of value for money performance is also a key regulatory expectation for Adullam Homes. Better outcomes, service delivery and efficiency depend on it. Achieving these demands good quality information on and interpretation of performance which help shape strategic decision-making.

Value for Money (VFM) is not just about saving money. It is about delivering Adullam Homes Housing Association services in the most efficient way possible whilst meeting the needs of our TRS, our stakeholders and Commissioners and those we work with in the wider community. This means striking the right balance between cost and quality and understanding how investment can improve services and lead to recurring savings. This balance can change over time as customer priorities, statutory requirements or resources vary, so it must be kept under regular review.

Our Values

Valuing the individual
Listen and give time to the feelings and views of others.

Integrity and fairness
Do the right thing even when no one’s looking.

Striving for excellence
Are open to change and new ideas. Always improve on yesterday’s performance. Are the best they can be, by identifying and delivering continuous improvements. Motivate others by playing an active role and encouraging them.

The VFM Strategy will be incorporated into both our strategic and operational activities. The Business Plan actions from team workplans reflect this and relate directly to those actions stated, but also link to other defined strategies/key policies, business priorities and team/service targets.

As a not-for-profit organisation driven by social purpose Adullam Homes Housing Association want to demonstrate social value to ensure the best outcomes for their tenants residents and service users. Measuring social value is important because it can:

- Be used to forecast the expected impacts of developing new services or programmes, which in turn can help secure support for funding and makes later evaluation far more efficient and robust.
- Support Adullam's requirement to demonstrate value for money to the Regulator of Social Housing.
- Help meet the Government's expectations in terms of demonstrating social value, for those delivering commissioned services.

Changes to Regulation – The regulatory environment is changing and Adullam Homes need to establish and consider new ways of working to align with the future inspection process and ensure compliance from expected outcomes.

From 2024 Adullam Homes will have to submit a:

- Self-Assessment against the Ombudsman's Code of Compliance
- Tenant Satisfaction Measure Standards return

As Adullam services are now registered with Ofsted there will also be a requirement for Inspection Audits to be completed in all Ofsted services and that all Ofsted staff will need to be prepared for inspection expectations.

Systems – with the requirement to collate annually statistics for the TSM's/Ofsted KPI's reporting (and contractual performance) and the new Consumer Standards to ensure compliance we will need to review:

- Current systems and if they link to regulatory compliance correctly?
- Are they fit for purpose?
- Is investment for systems change and compliance required?

Risk Management

Adullam Homes views risk as the possibility that an action, event or set of circumstances will adversely or beneficially affect the ability to achieve its objectives. Risk Appetite is a core consideration in the risk management approach and links directly to value for money. Adullam Homes Board members and Executive will express clearly and review regularly the extent of their willingness to take risk to meet their strategic objectives.

Risk Management is the process which helps Adullam Homes understand, evaluate, and act on all risks with a view to increasing the probability of success and reducing the likelihood of failure. The Assurance Framework is the key source of evidence that links strategic objectives to risks, controls and assurances, and the main tool that the Board use in discharging its overall responsibility for internal control.

Adullam Homes as a Registered Provider needs to ensure that an appropriate, robust and prudent business planning, risk and control framework is in place. Registered providers' boards are responsible for the oversight of their organisation's management of risk. The Regulator of

Social Housing sets out its expectations of providers' risk management in the Governance and Financial Viability Standard, and associated Code of Practice.
Within the overarching role that boards need to play, risk management and mitigation strategies should underpin both the development of the business plan and all key decisions. A broad view of the risk universe is critical to ensuring that all the relevant risks are considered, assessed, and controlled.

With changes to Regulation there is a need for investment in compliance therefore it is important that boards have a robust understanding of the range of strategic and financial risks that their business might face, partly to ensure continued compliance with the regulatory standards, but more fundamentally to ensure that they can manage the risks that could prevent the organisation from achieving its objectives over the long term and over the economic cycle.

This strategy sets out how VFM can be achieved across all aspects of our operations and ensure that our TRS receive an effective, efficient, and consistent service.

2.0 Our Four Strategic Pledges

The social, economic and political environment is challenging and unpredictable due to world events and high-cost inflation. This influences the strategic risks that may prevent us from achieving our strategic objectives and consideration of appropriate mitigations need to be built into our team plans and schemes of work.

Our budget for 2024/25 reflects an investment in staff costs, these additional costs will support both salary uplifts to ensure market rates in a highly competitive labour environment and new roles to support delivery of our objectives.

We aspire for growth of our services, and these will be built upon established relationships with Local Authority partners and regional partnerships. This needs to be balanced with ensuring Adullam remains financially strong, and the mitigations identified in the strategic Risk Register delivered with appropriate stress testing and scenario planning. A key opportunity will be supported accommodation for Young People and the demonstration of compliance with the Supported Accommodation undertaking standards and outcomes as defined by our registration with Ofsted and subsequent inspections.

Reporting progress on VFM will be an annual exercise and will be split into the four distinct pledge areas.

1. Homes

We will provide good quality safe affordable homes that are well managed and meet the tenant satisfaction measures set by the Regulator.

- Keep properties in good repair and meet the Decent Homes Standard

- Repairs completed within target timescales and satisfaction with repairs.
- Maintaining building safety, well maintained homes safe to live in - gas safety, fire safety, asbestos safety, lift safety and electrical safety.
- Effective handling of complaints, compliance with HO complaint handling code and demonstration of learning from outcomes.
- Engage TRS's to ensure an opportunity to voice perspectives on relevant issues, embed a culture of co-production, inclusion and engagement. Develop an effective scrutiny panel to support policy and operational effectiveness.

2. Investing in our Workforce

We will Invest in our workforce addressing gaps and ensure a compassionate and inclusive culture for our staff

- We will build on the existing staff wellbeing offer via the Happy, Healthy and Here Strategy
- We will provide a working environment that attracts and retains good staff.
- Support and develop our workforce to embrace and live our values
- Ensure staff have the confidence to make decisions within their role and influence the People Strategy via an effective Employee Voice group that feeds into the People Committee.

3. Managing our Resources

We will make the most of our resources and demonstrate how we balance cost, quality, and performance.

- We will ensure our business remains financially strong and complies with the Golden Rules set by Board.
- Develop services where we have established partner relationships and can demonstrate added value to our regional delivery.
- Central services support delivery of relevant strategic pledges via effective work plans
- Work closely with ASE to leverage in grant funding to support local social value delivery
- Obtain effective and reliable data in respect to our stock quality underpinning any investment decisions.

4. Being the Best, we can

We will ensure that the quality of services TRS's can expect from our services are transparent and demonstrate positive outcomes and impact.

- Demonstrate value for money and social value to all stakeholders including transparency to TRS's on how service charges are comprised and how decisions on capital investment are made.
- Demonstrate quality assurance and compliance of contracts with Local Authority partners and Regulators.
- Build improved recruitment and on boarding pathways for staff
- Capture and share good practice across services including appropriate external accreditation.
- Use effective procedures and processes, reviewing these in timescale or following feedback from stakeholders
- Build on results of tenant satisfaction measures and scrutiny panel/young person's voice feedback

3.0 VFM Metrics

Regulatory Metrics

The Regulator of Social Housing has introduced a set of metrics against which all Registered Providers, regardless of their size and nature of business delivery, are required to report. The results from these metrics are shown below.

Metric No.	Metric Title	SPBM benchmarking report Acuity Research and Practice	Adullam Homes: results from Statutory Financial Statements	
		22/23 Median	22/23	22/23
1	Reinvestment %	3.7%	1.8%	1.8%
2A	New supply delivered % - Social Housing	0.0%	0.4%	0.4%
2B	New supply delivered % - Non-Social Housing	0.0%	0.0%	0.0%
3	Gearing %	13.24%	(8.3 %)	(8.3 %)
4	Earnings pre-interest, tax, depreciation, amortisation; major repairs included; interest cover	168%	(491)%	(491)%
5	Headline Social Housing Cost per Unit (excluding support and care costs)	£5,395	£11,858	£11,858
6A	Operating Margin (social housing lettings) %	13.21%	0.4%	0.4%
6B	Operating Margin (overall)%	13.34%	1.2%	1.2%
7	Return on Capital Employed	1.86%	0.6%	0.6%

Future VFM savings and initiatives

As part of the business plan process, VFM objectives are set by the Board in agreement with the Senior Leadership Team.

VFM objectives for 2024/25 are as follows:

- Maximising our social value - use of social value indicators and Social Value Action Plan alongside contract specific delivery plans. This has no monetary value; however, it is essential to when tendering for new business and demonstration of outcomes.
- Maximize access to Grant funding via Adullam Social Enterprise for projects and increase in volunteer hours.
- Quality Assurance Policy Framework and Quality Management system implemented and overseen by Quality Assurance Manager.
- Considering the Stock Condition Survey and the core objectives in the Asset Management Strategy. In delivering an efficient asset service value will be driven into our construction and support costs with robust procurement protocols implemented in-line with audited recommendations. Obtain a targeted 20% reduction on NATFED Schedule of Rates.
- To plan and successfully achieve spend of £490,511.00 incl Vat on stock portfolio upgrading of components to properties where required.
- Full tender process for IT Managed Service Delivery with support from Procurement for Housing.
- Demonstrate service quality and outcomes in terms of supported accommodation for young people providing a platform for enhancement of our reputation and potential for revenue growth of new services.
- Internal Workplan Process for all central and operational services with a Golden Thread running from the annual Business Plan priorities to individual appraisal targets in the Striving for Excellence process and supporting Training Pathways. This has no monetary value, however, will support reducing vacancies and increase staff development.
- Happy, Healthy and Here strategy with actions focused on staff's ongoing mental health and wellbeing.
- Commission Networx the recruitment module within Cascade to enhance recruitment and onboarding.
- Roll out Leadership/Management development programme (HR). Identify Level 4 leadership and management programmes in line with new regulatory expectations. Plan 2nd phase roll out of Level 3
- The strategic acquisition of properties for Adullam to reduce managed leased properties.
- Review of all Pyramid modules and functionality to improve work tools with the establishment of a new Pyramid version alongside the roll out of training. Support the development of text messaging for support and rents module. This has no monetary value, however, increases efficiency and communication.
- Reduction in agency usage via workforce development and multi-channel recruitment.

- Organisational development initiatives including learning and development, succession planning, staff wellbeing and enhanced communication. This has no monetary value; however, this will have a positive effect on recruitment and retention.
- Design, develop and implement a reward and recognition scheme
- Develop & implement in leadership development programs to cultivate future leaders within the organization
- Explore current benefits offer and approaches to flexible benefits systems produce written proposal as to potential future approaches to benefits offered by the Association
- Obtain IIP Standard for Employee Wellbeing
- Obtain IIP Gold Standard
- Deliver a coordinated Co-production, engagement and involvement strategy across the Association and maximize the use of volunteer hours particularly with lived experience. This has no monetary value; however, this will contribute to the demonstration of regulatory compliance in terms of consumer standards.
- Use of social media and applications to sector awards to raise our profile. This has no monetary value, however, reflects on potential improvement in recruitment, reputation, and award of new or extended contracts.
- Reduce dependency on high-cost land lines at all office sites.

The Board will receive updates on the annual VFM objectives at FARM committee and Board meeting to monitor performance.

To reflect the Regulators approach to reinforce the strategic significance of Value for Money (VFM) within the sector, the Association has embedded the principles of VFM throughout its operational and strategic policies. Adullam's Value for Money (VFM) performance will be measured against its own strategic VFM targets, its peer groups, and the set of regulatory metrics.

To ensure the Association's assets are fully utilised, represent Value for Money and provide quality housing for our tenants, residents, and service users, we review our stock on a quarterly basis and report to Board annually. In conjunction with the Finance Team, a weekly breakdown of all void properties and properties which have been taken off gross is provided. This informs the Asset Management, Housing and Health & Safety Teams on which units still satisfy the operational and business needs of the Association and do not represent a risk. All reviews are in consideration of the Association's Asset Management Strategy and Business Plan.

Within the budget and business objectives the Association considers value for money in terms of Economy, Efficiency, Effectiveness, and the Creation of Social Value. The principles underpinning the way we will manage our assets and resources include:

- Meeting the needs of customers at the right time
- Customer satisfaction
- Co-production and collaboration
- Regulatory compliance and customer involvement

- Enhancement of our reputation and track record
- Support by delivery from suppliers whose prices are competitive for the quality of service delivered and yield additional social value.

Adullam Homes have a Value for Money Strategy which ensures that we have a formalised strategic approach to delivering and achieving Value for Money (VFM) in meeting our strategic aims.

The distinctive social purpose of Adullam requires us to protect and promote the interests of our TRS's and the communities we serve, while safeguarding public investment. We need to ensure the views and needs of the people we serve are at the heart of strategic decision making, there is robust oversight of measures to keep TRS's, other customers, and staff safe and the Board exert a firm grip of risk including testing the impact of potential risk scenarios on our plans. The VFM Strategy is incorporated into both the strategic and operational activities of the Association. The Business Plan actions reflect this linking to other defined strategies/key policies, business priorities and team/service targets.

The Association aims to derive the most value out of every pound spent, balancing costs against the diverse requirements of the service user base. Adullam provides supported accommodation to young single homeless people, young people leaving care, those from offending backgrounds, vulnerable mothers and children, people recovering from drug and alcohol addiction, people living with enduring mental health issues and vulnerable families.

Adullam aims to help people to access safe, comfortable accommodation and support them to go on to lead independent lives. As a supported housing provider, Adullam competes on quality and cost for the awarding of support contracts from various local authority Commissioners. Through various returns to Commissioners, the Association reports on the utilisation of bed spaces and support hours provided. For the Association to thrive in this challenging environment it must constantly be aware of its cost base, the pricing of staff costs, property costs and be aware of those of its competitors. It has had to react quickly to changing geography, contract wins, and losses and the subsequent costs associated with winning and losing work and properties. The Association has had to contend with changing demand for its property stock to respond to various contact/commissioner requirements.

Strategic objectives are set and agreed by the Board, as are Adullam's performance targets and reflect the longer-term business plan. The targets are reviewed and revised annually, based on analysis of the organisation's performance, external factors as well as comparison with peers.

4.0 How we monitor VFM

Building a stronger organisation requires us to know how we are performing, what our customer considers important and compliance with the Regulator. To do this effectively we have to ensure all Managers at all levels support a positive VFM culture within their teams and deliver briefings to their staff. This will mean that Managers will use team meetings/briefings to talk about VFM and encourage suggestions for service improvement from staff, customers, and stakeholders about how we can better deliver our services.

The monitoring and review process will address performance by regularly reviewing current practice in place, action plans, performance indicators and benchmarking information. We will also look at best practice in other areas and be proactive in tracking costs whilst improving the services we provide.

Reporting on progress made against the strategy, however, is not just limited to one forum or meeting and will be embedded throughout all scheduled operational and strategic meetings. VFM will be discussed regularly and reported/monitored by:

- **Board -** as part of the business planning process, who will drive the overall VFM Strategy and actions/targets identified. Receive reports on VFM financial metrics and standards met quarterly.
- **Finance and Audit Risk Management (FARM) –** has responsibility to deal with the detailed scrutiny of financial performance, external and internal audit, internal control, risk management and other matters. The Committee will advise the Board on the effectiveness of the Association's management and control systems for ensuring value for money, propriety and regulatory compliance, economy, efficiency, competence and accountability. The Committee will focus on:
    - Internal Audit
    - External Audit
    - Internal Control
    - Risk Management
    - Financial Management
- **Operations Committee -** will monitor all VFM operational aspects of Adullam's housing and support work. The Operations Committee has been established to ensure that the Association delivers on its operational work so to fulfil its regulatory obligations as well as its mission. The Operation Committee will focus on the following areas:
    - Home Standards
    - Resident Involvement and Empowerment Standards
    - Tenancy Standards
    - Neighbourhood and Community Standards
    - Value for Money Standard
    - Risk Management
    - Performance Indicators and Reporting
- **People committee –** The Committee considers the structures and systems required to effectively lead the Organisation in relation to remuneration ,HR strategy and related matters and for making recommendations on these issues to the Board.
- **Nominations and Renumeration Committee -** The primary role of the Nominations and Remuneration Committee is to oversee the appointment of new Board and Committee Members and the organisation's pay and reward strategy, in respect of Non-Executive and Executive appointments and remuneration. The Committee considers the structures and systems required to effectively lead the Organisation in relation remuneration, nominations, and related matters.
- **Executive Management Team/Senior Leadership Team -** Directors and Senior Managers will champion VFM. Reports where relevant will detail VFM and form the basis for

strategic decision making in line with Board direction. Service performance and financial information will be reviewed by this group.

- **Regulatory Compliance Group –** submission of NROSH, TSM's, Ombudsman Self-Assessment, Accounts and Audits findings report to regulator annually evidence internal control and Adullam Homes statutory obligation to provide key operational information and performance.
- **Team Plan Management Group -** The group has been established to ensure that the Association delivers on its mission of providing quality housing, housing services and meet all regulatory requirements. The group is also responsible to ensure Adullams strategic business plans are delivered and monitored via the main actions and priorities stated within Team Workplans.
- **GDPR Strategy Group –** has responsibility to monitor all GDPR compliance and risks associated with changes to legislation in data protection. The group will ensure actions identified are addressed/monitored and that key areas of risk are reported on. They will meet quarterly to monitor Data Protection/GDPR compliance and risk.
- **Quality Assurance -** VFM reports and targets will be scrutinised in line with Board and Committee reporting.
- **Regional/Senior/Managers -** will use performance data to inform operational decisions and improve services both regionally and for central office functions.
- **Staff -** understand what VFM is about and look to improve and add value to the service they deliver. It is integral to the process that they have a voice and provide feedback.
- **TRS involvement -** it is essential that those we provide the service for are involved to help to scrutinise what we do and help Adullam Homes to deliver a continuous service improvement.
- **The Regulator of Social Housing** - will review financial viability and governance.

5.0 VFM - The Sector Risk Profile and the responsibilities of the Board

This sets out the regulator's view of the most significant sources of risk to providers' ongoing delivery of the outcomes required by their standards. It is aimed primarily at Boards of private registered providers and, where relevant, the councillors forming the governing bodies of local authority registered providers.

- It remains the responsibility of board members to ensure providers meet their regulatory standards.
- External pressure continues to weaken the sector's financial capacity and implementing mitigations will leave less margin for error in decision making.
- Boards will need to exercise skill and judgement to manage risks in order to deliver objectives, identifying pressures and ensuring mitigation plans remain robust against the potential for further shocks.

Strategic Direction

- It is crucial that Boards continue to set a clear strategic direction and priorities for their organisations. The macroeconomic headwinds faced by the sector and resulting weakening financial capacity will make it harder for providers to deliver competing objectives, and Boards will inevitably face difficult trade-offs.

- Providers will also need to focus on delivering quality services to tenants, many of whom will be facing significant cost of living pressures. Value for money will inevitably be a focus in a period of financial constraint for both providers and tenants, and Boards must ensure the activity they undertake effectively achieves strategic objectives.
- Boards must be able to clearly articulate their organisation's purpose and priorities, and transparently communicate performance against these in order to manage the risks inherent to these trade-offs.

6.0 Monitoring and review

This Strategy will be reviewed annually, unless legislation, service delivery or regulatory developments require otherwise, ensuring the Strategy continues to meet its objectives.