

Value For Money Strategy

2025–30



Co-operative and Community
Benefit Society No. 30348R

Regulator of Social Housing
No. L4507

southwayhousing.co.uk

1. What Does Value for Money (VFM) Mean to Southway?

We are launching this Strategy at an exciting time for the organisation and the affordable housing sector. We have ambitions to grow and support the supply of much needed affordable housing in South Manchester and beyond.

What is VFM? We asked our customers, and they were very clear: It is delivering high quality, good value services with meaningful outcomes for the people that use them.

The Strategy supports our Five-Year Plan (2025-2030) that was published in March 2025. It sets out how we will

- embed a culture where service efficiency and effectiveness are at the heart of our decision making
- provide excellent value for money for customers, colleagues and stakeholders
- measure our success.

The Strategy is intended to be a dynamic, living document. If we see a new opportunity to achieve VFM that isn't listed in this document, we will make sure that we take it.

2. VFM and the Five-Year Plan

The Strategy, supports the vision in our Five-Year Plan, to “provide excellent customer service and quality homes, where communities thrive” and the commitment to “do the basics brilliantly, provide excellent customer service, listen and respond to our tenants and improve our homes and communities”

The Five-Year Plan has six strategic themes: **Customers, Colleagues, Homes, Growth, Neighbourhoods & Communities, and Sustainability**. The VFM Strategy will ensure resources are used economically, efficiently, and effectively to deliver on these themes. See **Section 7** for more detail.

The Plan also includes a toolkit of cross cutting activities relating to how the business operates and functions. VFM is one of the ‘tools’ along with systems and processes, data, digital, communication and collaboration and Governance and Viability.

Many of the actions listed in this strategy are taken directly from the Five-Year Plan, which shows that VFM is at the heart of how we want to work. Every year we will publish an annual update to our tenants on how we are performing delivering the five-year plan. This will include a summary of how we have achieved VFM.

3. VFM Statement of Principles

We will

- Make sure that purchases and investments balance cost and quality.
- Use the expertise and knowledge of customers and staff to deliver VFM
- Understand the costs and outcomes of our services, so we continually improve what we deliver to our customers.
- Streamline processes and reduce waste to increase efficiency.
- Use technological innovation if it helps to deliver better quality, lower cost services to our tenants.

4. Regulatory Standards and Governance

The Regulator of Social Housing (RSH) has a Value For Money Standard which Social Housing providers must comply with. The Standard requires Southway to:

- clearly articulate the strategic objectives set by the Board.
- demonstrate delivery of value for money to stakeholders.
- ensure that optimal benefit is derived from resources, including returns from non-social housing activities.
- set targets for measuring performance in achieving value for money in delivering our strategic objectives.
- monitor delivery against these targets, including the assessment of VFM metrics and other indicators comparing performance to peers.
- outline measurable plans where improvements are required.

To comply with this Regulatory Standard we do, and will

- Confirm compliance with the standard to Board annually

- Include a VFM Statement in our annual accounts which sets out for stakeholders the information required in the VFM Standard.
- Compare our performance with the Regulators VFM Metrics and take corrective action where we identify we are not achieving VFM
- Undertake other VFM benchmarking to drive service improvement.
- Produce an annual VFM Report to Board on the projects where efficiencies have been made.

5. Embedding the VFM Culture

To deliver Value for Money we need all everyone who works for Southway to contribute ideas and deliver relevant projects.

The Board set the Value for Money Strategy, the Executive team are accountable for delivery, but the energy and buy-in of Southway colleagues is what will bring this Strategy to life and ensure we achieve our outcomes. To embed a VFM Culture at Southway we will

- **Promote an Organisational Culture of challenge and change** encouraging, challenge open scrutiny, peer review, benchmarking, and continuous improvement.
- **Encourage innovation and performance ownership**-recognising when teams and individuals have improved services and achieved Value for Money success and communicating this to staff, customers and stakeholders.
- **Be Personally Accountable for VFM:** All staff will use: *"Is this a good use of customer money?"* — as a guiding principle for making decisions when committing resources.
- **Make VFM Meaningful:** Provide a range of opportunities for staff to drive VFM in their teams and across the business including providing VFM training and establishing staff VFM Groups for relevant projects.
- **Tackle the Big Issues.** We know there are challenges at Southway such as Service Charges and ensuring we are achieving VFM in the supply of new homes. We will tackle these head on and celebrate success.

6. Customer Voice in VFM

We know that we can't really say what is or isn't VFM without speaking to the people who receive our services every day, the tenants, residents and customers that live in our homes and communities. If we can achieve VFM they will receive better services.

That starts with setting the strategy itself and tenants have been involved in its development. During the summer of 2025 we consulted with 50 residents in person at our Fun and Feedback events and over 75 people online. They told us that they wanted.

Improvements in the quality and customer experience of our repairs service.

- More activities in the community for young people to help reduce the time and resources required to tackle Anti-Social Behaviour.
- More information on the range of services we carry out and how they benefit customers.
- This feedback has been instrumental in shaping the Strategy.

To make sure that we continue to hear Customer Voice in delivering VFM we will.

- Demonstrate how Customer Voice delivers co-designed services and report this to our Board and People & Places Committee
- Let customers know how feedback from satisfaction surveys and complaints drives changes and innovation
- Involve tenants in relevant procurements and give them choice on products and services for their homes so they can directly influence VFM.
- Put VFM on the agenda of our tenant influencing groups so they can monitor delivery of this strategy, specifically the areas they are responsible for.

7. VFM Objectives against the Strategic Themes

This section of the strategy sets out the objectives, tasks and success measures based on the six themes of our Corporate Strategy

Customers

We will engage with our customers to make sure that we are providing services that meet their needs

We will

- Carry out external reviews of all our Customer Services to ensure that they deliver VFM
- Answer calls promptly and resolve enquiries quickly
- Introduce a new portal and app to allow more of our tenants to access services at a time and in a way that suits them

Success will look like

- At least 80% of our customers will be satisfied with Southway as a landlord (Tenant Satisfaction Measures)
- 95% of customers will be satisfied with the services we provide (As part of our regular customer satisfactions surveys)
- Housing Management costs will be upper quartile when benchmarked with other Greater Manchester Housing Providers.

Neighbourhoods and Communities

As a community-based landlord, we take pride in our place-based partnership work and services. We're committed to investing at least £1 million each year to support people to live well and independently, helping them thrive in our communities. This includes work we do through our community partnerships, and it is vital that we maximise the value of this investment.

We will

- Develop a new Neighbourhood Strategy and a clear approach to dealing with environmental issues, anti-social behaviour, and hate crime
- Maximise external grant funding and demonstrate how this benefits the Community
- Develop our existing Social Value Statement and define how we measure Social Value and the benefits it delivers to customers.
- Maximise Social Value Generated through Procurement activities

Success will look like

- £12 million of financial gains achieved for customers over five years
- A target set, and achieved, for grant funding.

- 10% of Social Value Spend per £ of Contractual Spend

Homes

We're committed to providing high-quality homes where customers feel safe and that meet or exceed building safety requirements.

We'll provide an excellent repairs service with high levels of satisfaction and maintain an annual improvement programme to keep homes in good condition, offering choice to customers where possible. We have a Repairs Service Influence Group and a Customer Homes in Focus Group that we will co-design VFM with for this critical area of the business.

We will

- Carry out an external review of the Value for Money of our in-house Repairs Team
- Review how we measure productivity and carry out post-inspection of our repairs work
- Complete 100% Home Improvement and Energy surveys by March 2026.
- Ensure all data on our homes and communal areas is up to date and used to inform priorities.

Success Will look like

- 95% customer satisfaction with our repairs service at point of repair
- 95% of repairs will be completed on time
- At least 80% of customers satisfied that our homes are well maintained
- **Upper** quartile performance when benchmarked through Vantage.

Sustainability

We'll set targets to reduce our carbon footprint as a business and, over the next five years, we'll invest in efficient technologies, finding low carbon solutions for heating and ventilating homes that are more environmentally friendly.

We will help customers stay warm in their homes, lower their energy costs and make sure that they benefit from the latest technology and building standards.

We Will

- Collect and use data to identify projects that have the greatest sustainability benefit
- Secure grant funding to carry out retrofit work in customers' homes
- Identify efficient technologies and carry out improvements at customers' homes and across our operational sites

Success Will Look Like

- 100% compliance with the Future Homes Standard at all new build homes
- All Southway homes to be EPC C by 2028
- 25% carbon emission savings at social and affordable homes through retrofit activities.

Colleagues

As referenced earlier in the Strategy, colleagues are vital to achieving our VFM goals. There are two elements to this

- Attracting and retaining the best talent and investing learning and development.
- Giving our people the opportunity to drive, deliver and improve service delivery.

We Will

- Develop a new People Strategy to transform our approach to the management and development of our teams
- Review our approach to colleague reward and recognition to ensure that our offer is attractive, and colleagues feel valued
- Set an annual budget in consultation with colleagues, supported by data and expertise from our Finance Team, empowering staff to benchmark their services and demonstrate VFM
- Set tangible cost reduction or cost containment targets and define the projects that will help us achieve them
- Set workforce plans that help achieve targets and strategic priorities and align with organisational growth.

- Carry out Options Appraisals with any business case in conjunction with new services/service improvement.

Success Will Look Like

- Reduce staff sickness absence to 3.5%
- Achieve 100% compliance with mandatory staff training.
- Achieve the efficiencies set out in the annual corporate budget.

Growth

Our goal is to increase the number of our homes to 10,000 by building more and acquiring properties from other social landlords so we can help more people into quality housing.

We'll always grow responsibly, guided by a business plan that aligns with our Development Strategy. Investment decisions will be based on value for money.

We will collaborate with contractors who share our values and prioritise social value, including apprenticeship opportunities

We Will

- Produce a new Development Strategy that demonstrates how we will deliver quality homes at the right cost.
- Maximise grant applications and investment income
- Review what we spend on marketing new homes to strike the balance between cost and quality
- Use technology that makes new homes affordable, sustainable and easy to maintain and service
- Introduce a new Procurement Portal to better realise efficiencies through Procurement

Success Will Look Like

- 100% of new home targets for starts and completions will be met annually
- 100% of sales targets achieved
- 95% of customers satisfied with their new homes.

8. Toolkit

We will make sure that all the systems and processes that we use to help deliver VFM outcomes for our customers are efficient and effective themselves. We will take each element of the toolkit from our five-year plan, consider it from a VFM perspective and set improvement actions and targets. Examples are included in the table below

Toolkit tool	Improvement Action	Outcome
Data	Implement a new Data Strategy	We have better use of data Insight to drive Business decisions, saving time and money that can be re-invested.
Digital	Introduce new Housing management System	More productive and efficient system that will save staff time.
Communication	New Communications Strategy	The new strategy will define how we speak and listen to our customers' enabling us to tailor services and focus on what is important, reducing inefficiency.
Governance	Introduce Board Member Remuneration	Will enable us to attract the best Board Members to drive Strategic improvements
Governance	Board Performance Framework	Ensure members are delivering VFM to Southway
Governance	Strategy	Ensure all Strategies, and relevant policies have a VFM commitment

9. Benchmarking

Benchmarking is a vital component in assessing whether we achieve VFM and our level of productivity when delivering objectives. It allows us to compare and learn from our peers and provides transparency for our customers and stakeholders on how we are performing.

Regulatory Metrics

The table below shows our performance against the Regulator's VFM Metrics for 2023/24 (most recent available data) and the previous four years

	2024	2023	2022	2021
Reinvestment	Q1	Q1	Q1	Q1
New Supply social	Q2	Q1	Q1	Q2
New Supply non-social	Q3	Q1	Q1	n/a
Gearing	Q2	Q2	Q2	Q2

Interest Cover	Q2	Q1	n/a	Q1
Headline Social Housing Costs	Q3	Q2	Q1	Q1
Operating margin social	Q4	Q3	Q4	Q2
Operating margin full	Q4	Q3	Q4	Q2
Return on capital employed (ROCE)	Q2	Q1	Q2	Q1

We are targeting a return to Quartile 1 or Quartile 2 for all indicators through this strategy with a focus on Operating Margin (operating surplus as a % of turnover, i.e. **the percentage of income remaining once you've deducted the operational costs involved in the day-to-day running of a business**) as the ultimate measure of success in achieving VFM

Social Housing

Social Housing costs are critical to achieving VFM. Our Current Benchmark position is shown in the table below

	2022	2023	2024	2025
	£k	£k	£k	£k
Management	7,569	7,716	7,928	8,903
Service charge	773	1,289	1,751	1,945
Repairs and Maintenance	6,571	6,865	8,371	9,771
Major Repairs (Rev & Cap)	3,584	6,374	12,645	10,578
Other Expenditure	1,141	1,212	645	490
Development Services	140	224	166	323
Community	1,319	1,733	1,489	1,502
Social Housing Costs	£21,097	£25,414	£32,995	£33,512
Number of properties	6,100	6,164	6,251	6,333
Cost per property	£3,459	£4,123	£5,278	£5,292

Again, we are committed to reducing these costs during the life of this VFM Strategy, particularly for Management and Repairs and Maintenance. We are a growing organisation so we may not be able to reduce costs for some areas (such as Service Charges) which are linked to the number of properties we own and manage.

Service area Benchmarking

The areas of the business that are critical to VFM each have their own benchmarking methods, as set out in the table below.

Service Area	Benchmarking Approach
Housing Management	Greater Manchester Housing Providers
Repairs and Maintenance	Vantage benchmarking group
Corporate Overheads (inc office)	as a % of turnover, Housemark indicator
Community Investment	assessment of social value vs other RPs
Stock Investment	identified per new stock condition survey
Development	JV North procurement group
Interest	market rates per restated Barclays loan

Our objective is to be upper quartile wherever possible. We will consider our current methods of benchmarking and whether there are options to benchmark other services.

10. Conclusion and Next Steps

This Strategy will be vital in helping Southway to achieve our corporate objectives.

It has been produced in consultation with staff and customers, and we are committed to involving them in its delivery.

Over the coming months we will

- Hold a workshop with managers in the importance of VFM when setting their annual budgets.
- Communicate to all staff about the Strategy and how they can get involved and contribute.
- Start working with the involved customers that will provide direction and scrutiny on achieving the VFM objectives.

We will provide our first annual progress report on the VFM strategy in the Summer of 2026.