



Our Value for Money Strategy

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Welcome

Welcome to South Liverpool Homes (SLH) Value for Money Strategy. This strategy sets out our planned approach to running the business effectively to meet the needs of the Corporate Plan 2022 to 2027, and the four key objectives of people, place, planet and pound.

The corporate plan seeks to tackle the challenges – both immediate and longer-term – of the rising cost of living, good quality affordable homes, decarbonisation and improving life chances in Speke and Garston.

Our vision is:

Great homes | Strong communities | Bright futures

In the delivery of our vision and key objectives we will observe and demonstrate “our values”.



The Value for Money Strategy outlines our approach to meeting the key objectives of the corporate plan and in particular the key themes of the pound objective.

Within the broad scope of value for money, this strategy will also focus on performance, governance, risk management and assurance.

The accompanying action plan shows our targets for the next 12 months and the outcomes we will deliver. As we approach the mid-point of the five-year corporate plan and continue to deliver on the core objectives of people, place, planet and pound, the value for money strategy will be an important tool in ensuring we succeed.

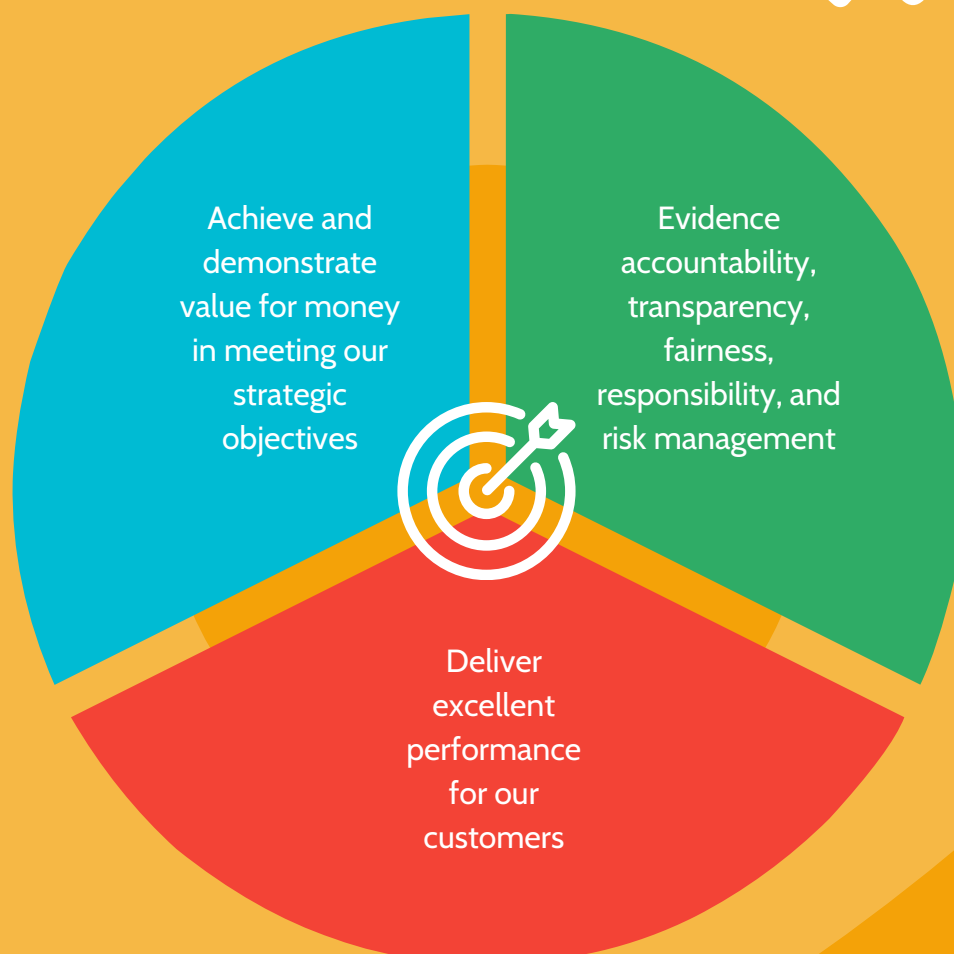
Creating a strong governance culture and a sound financial platform to deliver our vision, maximising investment opportunities and working together with others to deliver more.



We are a responsible and financially-strong business; we create value in what we do and reinvest our surplus back into our homes, neighbourhoods and services.

It is from this background that we can increase the number of homes we are building each year whilst continuing with our commitment to invest in existing homes.

To make sure we deliver best value for customers, we will:



Value for money, performance, governance, risk management and assurance



To deliver the aims and objectives of the strategy, it is important that we are clear on its scope in addition to the themes in the Pound objective, and in support of the wider corporate plan.

We believe four areas are vital to the delivery of the Corporate Plan and go hand in hand with ensuring compliance with our regulatory requirements. The Regulator for Social Housing (RSH) has set out through its consumer and economic standards what is expected of housing associations from a financial, performance and governance perspective. Through this strategy, we believe that compliance with these standards is a by-product of our approach, delivery and outcomes.

Value for money and performance

Value for money is about delivering our corporate objectives in the most cost-effective way possible to deliver outcomes that improve the life chances for our customers. Value for money is not about doing things at the lowest cost. We will aim for the right balance between low cost, high productivity and successful outcomes.

The Value for Money Standard (April 2018) states that registered providers must:

- clearly articulate their strategic objectives.
- have an approach agreed by their board to achieving value for money in meeting these objectives and demonstrate their delivery of value for money to stakeholders.
- through their strategic objectives, articulate their strategy for delivering homes that meet a range of needs.
- ensure that optimal benefit is derived from resources and assets and optimise economy, efficiency and effectiveness in the delivery of their strategic objectives.

Governance

Excellence in governance is about the framework in which our Board and its committee structures lead, direct, control, scrutinise and evaluate the work that we do. We must ensure effective governance arrangements that deliver our aims, objectives and intended outcomes for tenants and potential tenants in an effective, transparent and accountable manner.

The required outcomes in the RSH's Governance and Viability Standard (April 2015) state that registered providers' governance arrangements must:

- adhere to all relevant law.
- comply with their governing documents and all regulatory requirements.
- are accountable to tenants, the regulator and relevant stakeholders.
- safeguard taxpayers' interests and the reputation of the sector.
- have an effective risk management and internal controls assurance framework.
- protect social housing assets.

This strategy is designed to support SLH to continue to have a robust and responsive approach to governance.

Risk management and assurance

The Risk Management Framework forms part of our approach to business assurance; it exists to identify, manage and reduce risk across the group. It provides:

- A systematic process of understanding, evaluating and reducing risks in order to maximise our chances of achieving our objectives.
- Board with the necessary assurance that risk is being managed effectively.
- Compliance with the Regulator of Social Housing's (RSH) Governance and Financial Viability Standard.
- Real-time, accurate and relevant risk information.
- A risk-aware culture.
- Controls that are independently validated to comply with the 'four lines of defence' model.

Where are we now?

We are almost halfway through the corporate plan period and have made significant progress in the delivery of our objectives:

- We have introduced new SLH Golden Rules to help measure financial resilience.
- Ongoing quarterly review of value for money comparing actual performance against the regulator's VFM metrics to budget, previous years, and peers.
- A refinancing project has secured fixed interest rates giving funding certainty over the life of the business plan.
- On the 28 February 2024, the regulator published a regulatory judgement, upgrading SLH governance rating to the highest standard, G1. SLH also retained the V1 viability rating which affirms SLH are a financially robust organisation.
- We have completed a comprehensive review of our approach to risk management and assurance.
- There is a strong track record of achieving value for money across the business and compliance with the Value for Money Standard (last assessed Sep-23).
- A review of procurement policy and procedures has been completed.
- Environmental, Social and Governance (ESG) reporting is established. There are three ESG metrics built into our new loan, which if we meet agreed targets will reduce interest payments.

Where do we want to be?

By 2027 we will achieve and demonstrate value for money in meeting our strategic objectives.

The VFM Strategy provides a framework for a comprehensive and strategic approach to running the business and delivering the objectives of the Corporate Plan. This includes strong and compliant approaches to value for money, governance and risk management.

Outcomes for the next three years:

- Improve SLH's overall operating margin over the life of the corporate plan through a best-value approach in order to reinvest surplus funds into meeting our strategic objectives.
- Continue to seek and achieve best practice in our approach to governance.
- Continue to embed risk management across the whole organisation.
- Further enhance business intelligence to provide greater insight into operational performance and customer behaviour.
- Improve complaint handling and make sure that lessons are learned from customer feedback that has a positive and measurable impact on services for tenants.
- Enhance working relationships with local partners to identify strategic sharing opportunities.



How do we get there?

Roles & responsibilities

Delivering the objectives of the Value for Money Strategy is the responsibility of all SLH colleagues, however, there are key roles and responsibilities which will ensure the desired outcome is achieved within the timeframe set out. Progress against the strategy will be regularly monitored by the Executive Leadership Team and bi-annually by Board.

Board

- Setting and ensuring compliance with the mission, vision and values.
- Approving financial information and reviewing performance.
- Overseeing the risk management framework and identifying the top strategic risks.
- Ensuring compliance with the regulatory framework.

Audit & Risk Committee

- Ensuring compliance with the regulatory framework and providing evidence to Board to satisfy this compliance.
- Reviewing the annual financial statements before submission to the Board.
- Ensuring compliance with legal and regulatory requirements.
- Keeping the effectiveness of internal control systems under regular review.
- Overseeing the risk management framework and using the expertise of the committee to suggest amendments.
- Consider and recommend, and subsequently assess, SLH's programme of service reviews.

Executive Leadership Team

- Delivering the Corporate Plan.
- Proposing challenges to cost and performance targets to Board.
- Monitoring progress against the strategy.
- Supporting colleagues to deliver within the aims of the strategy and supporting a strong culture of value, effectiveness and accountability.
- Providing complete and accurate information to Board to enable it to perform its role and meet its responsibilities.
- Ensuring that value for money is embedded within our culture.

All colleagues

- Supporting delivery of both the Corporate Plan and Value for Money Strategy.
- Identifying ways to improve the way we work and our business.
- Taking part in reviews of how we currently deliver services.
- Being vigilant to the cost of purchasing items and seeking value in line with our procurement framework.
- Making VFM the role of all colleagues.



Value for Money Summary

This strategy will ensure that:

- We set objectives that meet our customers' needs.
- We understand our costs and set clear targets that reflect our objectives.
- SLH's culture supports the aims of the strategy and the corporate plan objectives.
- We communicate our value for money achievements with customers and stakeholders.





Great homes | Strong communities | Bright futures