



Value for Money Strategy 2025-2030



Introduction

Orwell's Vision, Mission and Values are articulated in the Strategic Plan, and this Value for Money (VfM) Strategy is a key enabler to achieving our Vision. Through our VfM Strategy we will deliver our strategic objectives in the most economically sustainable, efficient and effective way.

Specifically, economic sustainability is about obtaining appropriate resources at best value, taking into account price, quantity and quality. Efficiency is about productivity: achieving maximum output for any given set of inputs and effectiveness is about the impact achieved and the result for our customers and colleagues.

To deliver VfM we will recognise the skills and resources available and deploy them to achieve optimal value: this will bear down on costs and generate improved surplus to invest in delivering more homes, providing higher quality housing, care and support services and to generate greater financial resilience.

Not only is the VfM Strategy critical to our business success, it also reflects requirements set out in the Regulator of Social Housing's (RSH) VfM Standard and Code of Practice.

The VfM Strategy covers all activities and is the responsibility of every colleague. It applies throughout all processes and procedures and in particular, VfM is embedded in core operational strategies with a focus on people, procurement, asset management and investment in new homes. It applies in all areas of the business, including all subsidiaries.



Operating Environment



The preceding five years have seen significant changes in our operating environment and across the wider economy. As we recovered from the pandemic period the economy experienced significant increases in costs across the board. Energy costs, labour costs, raw materials and commodities have all experienced significant cost increases through the full supply chain, placing increased pressure on our operations and our financial position. Simultaneously, the sector has faced, and continues to experience, financial pressures including increased costs in Employer National Insurance Contributions and National Minimum Wage rates above levels of funding for these service areas.

At the same time our customers have experienced significant increases in the cost of living through increases in energy, food and other key household purchases. As a result, the expectations from our customers in our ability to provide good quality services at affordable cost have increased.

There is significant emphasis on us to do what we can to mitigate increases and reduce costs where possible, particularly where these are passed on directly to customers through service charges and where they drive our operating costs more generally.



Operating Environment

The next five years of this strategy are likely to present continued significant challenge. Inflation levels generally, and in building costs, are expected to ease slightly but remain subject to significant volatility from political and economic uncertainty. There is continuing competition for key resources and at the same time expectations continue to increase placing pressure on the ability to achieve these.

The Board has recognised that, whilst financial resilience is critical, our outcomes are not judged purely in financial terms. Some of our strategic choices mean that costs will exceed our peers and the Board is willing to support this investment into these key areas of our business. We will continue to seek competitive advantage where possible to enable us to provide the housing, care and other services that are so keenly needed



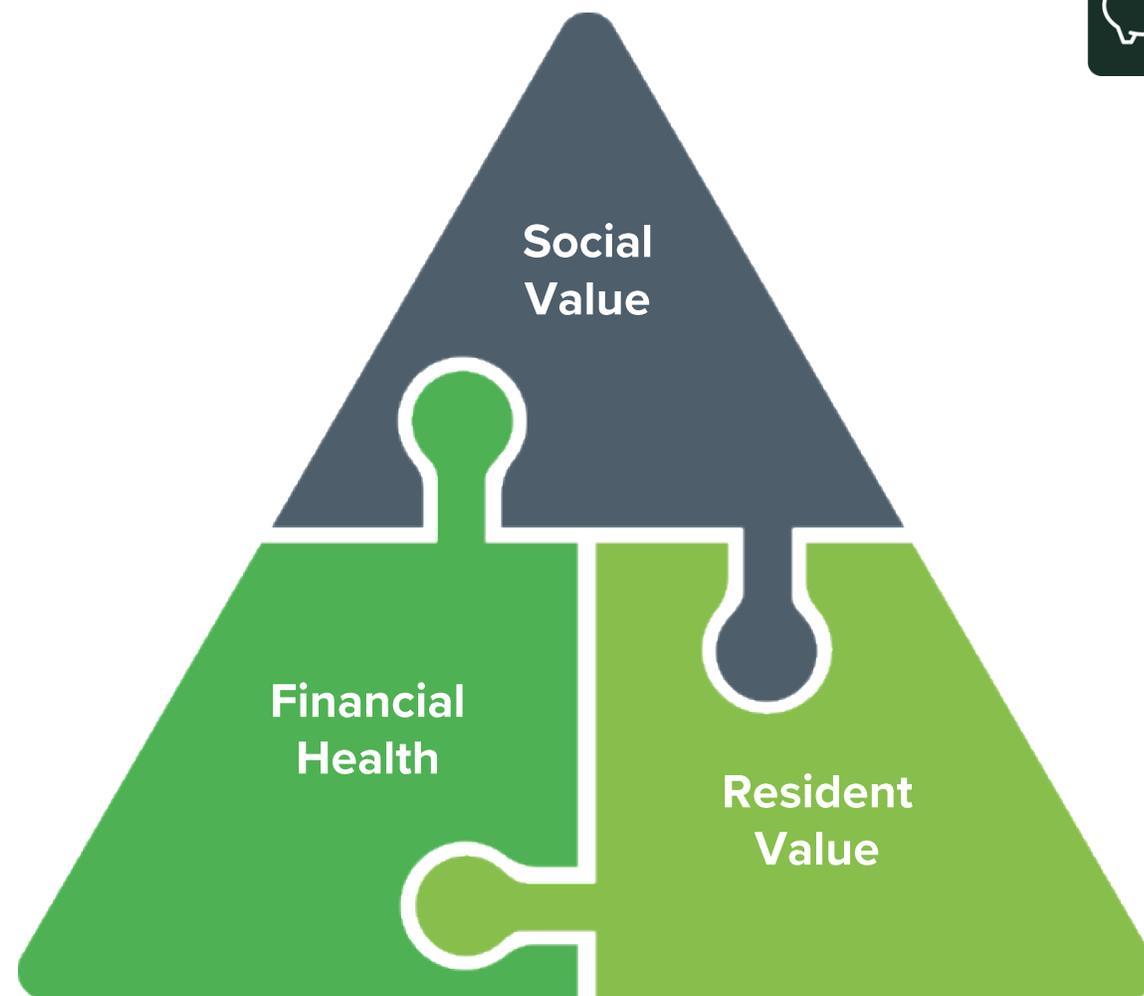


Our Approach to VfM

Our approach to our VfM Strategy balances financial health with our responsibilities to our customers and our social mission. It also recognises risk and would not seek to increase physical or financial risk in pursuit of VfM gains. For this reason, and in recognition of a balanced risk/reward position, Treasury management is not included within this strategy and is monitored and reviewed separately by the Board.

As a social purpose business, our aim is to deliver measurable benefits to all and demonstrate that our skills and resources are being used effectively and efficiently; however, the pursuit of efficiency is not simply an exercise in cost cutting: financial health is not an end in itself but complements and reinforces our social purpose of making a difference, which runs through our Rules, Strategic Plan and is fundamental to everything we do.

An holistic and balanced approach to VfM is taken that supports our fundamental social purpose and strategic intent. The interconnected nature of this approach recognises both social and financial value and balances the existing and future needs of our residents with the wider social value delivered, such as meeting future housing need and managing environmental impact.



Our Approach to VfM



The overriding principle of our VfM Strategy is to drive efficient use of skills and resources to deliver our Strategic Plan. Our VfM principles ensure the approach is comprehensive, rigorous and truly embedded at all levels of the organisation. The objectives are that:

- The Board agree and own the VfM Strategy, articulate general acceptance of its benefits and encourage strong commitment from colleagues, suppliers, etc.
- We engage with our customers in agreeing the VfM Strategy and in considering VfM performance.
- We integrate VfM principles in developing an optimal organisational structure and in recruiting, retaining and rewarding colleagues, to provide the right level of service at the right cost.
- We ensure VfM is a key element of strategic planning, decision making and management processes, for example, optimising return when considering new opportunities and new developments.
- We appraise operational effectiveness to promote a culture of continuous improvement within the business planning and budget processes.



Our Approach to VfM



- We create additional value through strategic procurement and robust contract management.
- We monitor the outcomes of our actions and customer satisfaction and demonstrate actively to both internal and external stakeholders the achievement of VfM in all activities undertaken throughout the business.
- We benchmark our activities and performance against a specially selected group of peers.
- We continuously challenge current practices, apply lessons learned and adapt and innovate to improve performance and position Orwell to meet future challenges.
- We maximise our capacity by working in partnership.



Raising awareness of the importance of VfM



We will...

Recognise that our value for money performance will be most successful when we involve the widest range of colleagues and customers and we will raise awareness through broader channels, engaging people both directly and online. By improving understanding and actively gathering input, we aim to generate a wider range of ideas, foster collaboration, and build momentum that drives continuous improvement and meaningful impact.



We will achieve this by:

Holding sessions with leaders and colleagues to raise awareness, clarify their role in driving value for money and strengthen overall understanding

Creating a Workvivo presence (alongside other channels), to raise awareness of VfM, showcase activities, invite ideas and empower colleagues to challenge and contribute to improvement

Engaging with customers through the Orwell Residents Group (and other channels) to improve understanding of our VfM strategy and collaborate to co-create targets, goals and outcomes

Including VfM initiatives and outcomes in key reports and communications to sustain messaging and awareness

Understand our Value Performance



We will...

Set clear, meaningful measures and targets to help people understand how we plan to deliver on our priorities. By benchmarking against peers, we will identify where we perform well and where we can improve. We will publish accessible performance information to support colleagues and customers in understanding our progress and impact.



We will achieve this by:

Continually monitoring and reporting our performance against the RSH VfM metrics, seeking to achieve at least a median performance level

Establishing our own performance measures to drive VfM improvement in specific service areas; reviewing these annually to ensure they remain focused on service priorities

Benchmarking our performance against peer organisations and using this data to challenge our own performance and inform improvement

Including Value for Money in regular performance measure reporting, enabling Board, colleagues and customers to understand and monitor our progress

Drive Improvement in Services and Outcomes



We will...

Establish a structure that equips colleagues with the information and influence needed to drive improvements in their areas. By challenging our service delivery models, procurement practices, and outcomes, we will ensure we deliver the best possible services. A clear framework will support and sustain genuine, long-term improvements across the organisation.

We will achieve this by:

Challenging our budget setting approach to ensure that we are establishing budgets that recognise our strategic priorities and enable colleagues to drive efficiencies across our operating areas

Ensuring our procurement approach clearly promotes value for money and enables us to seek the most effective route

Carrying out two deep dive reviews each year of service delivery to understand and challenge the value outcomes delivered, considering alternative models of delivery

Consolidating a single group to oversee VfM, social value and ESG initiatives within Orwell and establish specific task groups to drive individual initiatives within our overall Strategic Plan framework

Utilise Gains to Make a Greater Difference



We will...

Work with colleagues and customers to identify priority projects for funding, seek cashable savings through procurement and process improvements and allocate gains to deliver meaningful outcomes for communities and groups.



We will achieve this by:

Seeking input from customers and colleagues across the year to identify meaningful projects that will make a clear difference to our customers and communities

Seeking priority projects that are expected to generate the greatest benefit and would benefit most from project support

Tracking cashable savings made through procurement, service improvement and other initiatives that are available for investment into key community projects

Allocating funds to support chosen projects and work with colleagues and community groups to deliver and promote service outcomes

Metrics of Success



1

Above median outcomes in RSH VfM metrics

2

Achieving targets in our own annual performance measures

3

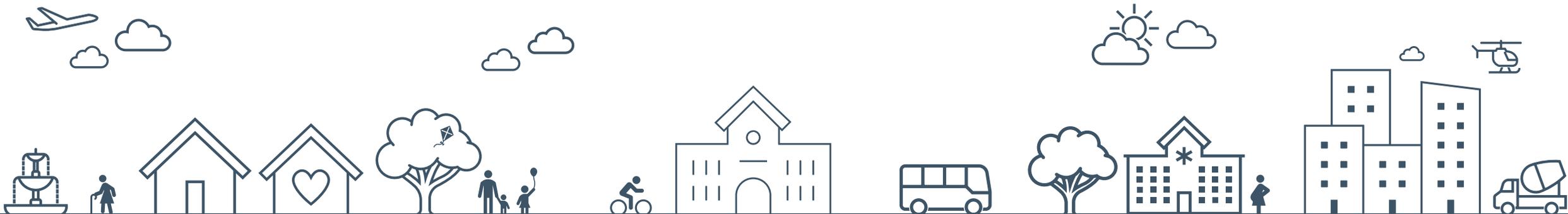
Generate annual savings of £25,000 from VfM led initiatives to support projects selected by customers and colleagues

4

Annual improvements in Operating Margin towards a target of 17.5% by 2030

5

Reducing our Operating Cost per home to the peer median, initially £5,500



Our Measures for 2026



Measure	Target
Repairs: first time fix	90%
Average cost per repair reported	£200
Customer Satisfaction with repairs (TSMs)	75%
Void Loss as proportion of Rent Due	3%
Overall Customer Satisfaction (TSM01)	75%
Agency cost as % total care service pay cost	15%
Net cost per new home completed	£150,000
Apprenticeship Levy use	100%
Overheads expenditure as % of income	15%
Cost per home (social housing lettings)	£5,500



Value for Money

If you would like this document in another language or format,
please email comms@orwell-housing.co.uk or call **0345 60 100 30**


Together we make a difference