



Delivering on our promises

## **Value for Money Strategy 2025 – 2030**

# CONTENTS

	<b>Page</b>
<b>1.0 Introduction &amp; What is Value for Money?</b>	<b>3</b>
<b>2.0 Background</b>	<b>4</b>
<b>3.0 Aims of the Strategy</b>	<b>5</b>
<b>4.0 Where are we now?</b>	<b>6</b>
<b>5.0 How do we become more effective?</b>	<b>9</b>
<b>6.0 How do we become more efficient?</b>	<b>11</b>
<b>7.0 How do we monitor and measure progress?</b>	<b>13</b>
<b>8.0 Responsibilities</b>	<b>14</b>

## 1.0 BACKGROUND & WHAT IS VALUE FOR MONEY?

- 1.1 ccha continue to provide good quality homes and are dedicated to providing a high quality of service to our residents. We have been rooted in the local community since we were founded in 1967. The focus of our 1,589-property portfolio of affordable homes we own and manage, are in Croydon, Sutton, and Bromley. We are proud to create sustainable communities by forging strong local partnerships, local initiatives like the Legacy Youth Zone in Central Croydon and working closely with residents. We are committed to developing more homes to meet the increasing demand in our community.
- 1.2 ccha remains committed to delivering high-quality homes and services to our residents. Our vision for 2025–2030 is to create space for better tools and services, so that every pound is working harder for efficiency and innovation creating sustainable, digitally enabled communities while achieving net zero carbon goals. We will continue to embed Value for Money (VfM) principles across all operations, ensuring resources are used effectively to maximize social impact and financial sustainability.
- 1.3 This strategy explains how we will ensure that we achieve the best value for money through our work. This means that we will find the optimum blend of cost and quality when carrying out our work. We recognise that this blend may be different in different services or areas of our business. When considering what is the best value for money, we will consider the full lifetime costs of a particular activity. We will also consider the social impact that may be gained from our activities and how achieving our ccha2030 strategic objectives increases our quality of service and positively impacts our residences and the local community.
- 1.4 This is defined in terms of the three components (3Es) as the process of optimum relationship between costs, inputs, outputs, and outcomes. Inputs are primarily measured in cash, outputs, and outcomes (social value) involve various combinations, such as social and economic benefits, service quality, environmental benefits, and financial benefits.
- 1.5 Breaking it down into following components helps you to better understand VfM:
- Economy – careful use of resources to save expense, time, or effort, i.e., the price is competitive for the quality of service provided.
  - Efficiency – delivering the same level of service for less cost, time, or effort, i.e., through streamlined processes that involve partnership with

other organisations where necessary. Outputs may be expressed in terms of:

- Quantity – e.g., reducing the number of accounts in arrears.
- Quality – e.g., quality of housing service provided as measured by satisfaction results.
- Effectiveness – delivering a better service or getting a better return for the same amount of expense, time, or effort, i.e., at the right time so that services meet the need.

## 2.0 BACKGROUND

2.1 2025/26 was the first year of our ccha2030 business plan which after resident, staff and board consultation resulted in rebuilding our foundations to achieve the following strategic objectives.

<b>Residents</b> – To deliver services shaped by residents providing a positive resident experience
<b>Staff</b> – To create a positive culture and safe working environment where staff feel valued and able to deliver effectively
<b>Safety and security</b> - To be compliant and have residents who feel safe and secure in their home environment
<b>Quality homes</b> - To deliver quality and affordable homes for new and existing residents in our communities
<b>Value for money</b> – To develop efficient and effective ways of working to deliver a quality service to residents

2.2 Our approach to value for money is aligned with our corporate **values**:



2.3 Our vision and mission over the next 4 years is about how effective we are to our customers and residents as an organisation which will increase our overall quality of service.

**Our vision is “Delivering on our promises.”**

**Our mission is “We enable staff and partners to deliver excellent services for our residents and provide more quality homes for our community.”**

2.4 All stake holders, including us face inflationary pressures as costs rise. Staff are working remotely, and our residents’ expectations have increased alongside that of the regulator of social housing.

2.5 We understand the current wider economic environment we are currently operating in, especially in London, together with the external and internal challenges and pressures we currently face as detailed in our risk register.

2.6 However, we are still operating in an area where housing is in short supply compared to the demand. We therefore recognise that the supply of affordable housing for rent, and sale needs to be increased and that many people in our community, particularly those on lower income and on state benefits are seeing their income fall in real terms. We therefore need to continue to develop to meet the needs of the community and in turn will help us become more cost effective.

2.7 The Development Strategy was approved by the Development Committee in November 2021 and will be updated in 2026 and this sets out our intentions to provide a range of affordable housing products and homes for private sale in the future aligned to our business plan.

**3.0 VfM Strategy Summary Aims:**

3.1 This strategy focuses on achieving the value for money objective. “To develop efficient and effective ways of working to deliver a quality service to residents.”

- 3.2 ccha will work on embedding value for money into the culture of our organisation and the way in which we plan, manage, and deliver our services.
- 3.3 We will ensure we are maintaining our Social Housing Cost per Unit year-on-year to reach and maintain median quartile by 2030, without compromising service quality.
- 3.4 Improve resident satisfaction to upper quartile levels by 2030, supported by transparent communication services co-designed with our residents.
- 3.5 Demonstrate to customers and key stakeholders' improvements in value for money year on year.
- 3.6 Define our support for our local communities and effectively communicate the benefits and tangible outcomes in our annual VfM statement.
- 3.7 Increase social value through procurement, partnerships, and community initiatives

#### 4.0 **WHERE ARE WE NOW?**

- 4.1 Current Position - Our approach to value for money is developing and we strive for continuous improvement. We have been producing value for money statements annually detailing our progress. We have moved to the median quartile, achieving our last VfM Strategy, however our service has not dramatically improved during that time and has been affected by our repairs and maintenance contract, staff and skill shortages and late investment in technology.
- 4.2 Recent Changes - We have now moved to a new repairs model which brings our customer contact centre and repairs officers in house and have invested in upgrading our housing management system and our IT infrastructure.
- 4.3 Systems and Processes - Although we have operated a paperless system since 2022, it needs better organisation and accessibility to maximise its benefits. Manual processes and duplication remain across the organisation, reducing efficiency.
- 4.4 Technology Upgrades - Our Housing Management system (Civica CX) now handles all resident communications, but further integration and automation are required. We have introduced a stand alone cloud server for this system, to manage the data traffic running through it.

- 4.5 Vfm Metrics - We are already at median quartile for most Vfm metrics set by the Regulator of Social Housing. Key areas for improvement include reinvestment and maintaining EBITDA MRI above 1.0 throughout our financial plan.

VFM METRICS	Actuals			Budget	Actuals	VfM RSH Median
	2021-22	2022-23	2023-24	2024-25	2023-24	
1. Reinvestment %	2.89%	1.47%	3.21%	8.15%	2.19%	6.14%
2a New Supply Delivered Social Housing	2.64%	0.00%	0.00%	96.00%	0.00%	0.85%
2b New Supply Delivered Non-Social Housing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3. Gearing %	40.28%	45.85%	38.13%	47.43%	41.32%	39.75%
4. Earnings Before Interest, Tax, and Depreciation (EBITDA (M	151.65%	123.80%	147.29%	142.28%	100.93%	109.30%
5. Headline Social Housing Cost Per Unit	£ 6,889	£ 7,098	£ 7,120	£ 8,025	£ 7,730	£ 8,214
6a. Operating Margin % (Social Housing)	14.76%	19.76%	19.57%	20.79%	18.81%	19.28%
6b. Operating Margin% (Overall)	14.19%	19.14%	19.67%	21.49%	19.58%	13.97%
7. Return on Capital Employed (ROCE)	1.78%	2.11%	2.14%	2.23%	1.60%	2.11%

### Good Performance and Upper Quartile

- 4.6 We are above the median quartile for our Social Housing Cost per unit
- 4.7 However, our direct responsive costs per home is currently above our internal target by 10% and therefore one to monitor and aim to reduce and maintain on budget, though we know this is increasing across the sector.
- 4.8 We are already in the upper quartile for 'Rent loss due to Voids' and 'current tenant arrears. This is evidence that our investment in the Housing Management Team has produced positive results.
- 4.9 We are 100% compliance with building safety and satisfied we produce a high quality of service when it comes to health and safety.
- 4.10 We have already secured loans to fund our current development programmes with excellent headroom on our loan covenants.

### Areas of Improvement needed

- 4.11 Staff wellbeing - Though Housemark benchmarks us favourably in the upper quartile for Staff Wellbeing and turnover against our peers, it is an area of focus in achieving our strategic objectives and value for money for our staff. Our staff consultation indicated work life balance, collaborative working, communication, accountability and system and processes being areas of improvement needed in this business plan.

- 4.12 Customer Satisfaction - Historically, we have had high standards of customer service and achieved 88% overall resident satisfaction in 2014/15. Since then, satisfaction has dropped. We were at 71% at the end of 2020/2021 with a further decline to 67% anticipated in 2021/22. Though this is at the median compared to our peers benchmarked through Housemark, our objective is to be at the upper quartile for customer satisfaction by 2030. We are currently at 69% at Q2 2025-26.
- 4.13 Know our residents – Support customer satisfaction and estate improvements.
- 4.14 Housemark breaks this down into Operational Productivity and Asset management. It is our **operational productivity** which is bringing our costs up and which we are more expensive than most of our peers. This cost and performance are broken down into two specific areas: Overheads and Housing Management.
- 4.15 Overheads Cost per property - Housemark's definition of overheads includes all spend on premises, ITC, finance, HR, and other central back-office costs. Central overheads make up 33% of our spend, finance, HR and IT contribute 52% and 15% is spent on premises.
- 4.16 Digital transformation is highlighted as a critical improvement area because it underpins efficiency, cost control, and service quality across the organisation.
- Although systems like Civica CX and CRM have been implemented, processes are not fully automated, and reporting capabilities (e.g., phone system data capture) remain limited
  - Operational productivity is a key driver of higher costs compared to peers, particularly in overheads and housing management. Digital transformation can address these inefficiencies
  - Manual processes consume staff time, reducing capacity for proactive service delivery and analysis.
  - Lack of automation delays decision-making and increases administrative overheads, which affects VfM metrics like operating margin and social housing cost per unit.
- 4.17 We introduced a new phone system in full consultation with staff which is better value for money and offers much more flexibility when working remotely,

however we need better reporting from this and data capture and therefore looking to move to Teams for this.

- 4.18 Housing Management cost per property –Housing management is a core landlord service largely made up of employee costs - including specialist staff such as rent collection officers, lettings teams, ASB managers and generic housing, neighbourhood officers and administrators. Housemark data reveals a 5-year trend towards employing specialist officers and patch sizes have been increasing as a result. Housemark have revealed that landlords employing generic officers with smaller patch sizes (and no specialist teams) tend to achieve better satisfaction than other landlords.
- 4.19 We have invested in our income team and have seen the positive effect on arrears and feedback from our residents by having a welfare and debt advice officer.
- 4.20 Governance - We include VfM sections in all board papers and produce annual VfM statements benchmarking against peer.

## **5.0 HOW DO WE BECOME MORE EFFECTIVE?**

- 5.1 Effectiveness means delivering services that meet residents' needs, enhance satisfaction, and strengthen community impact. Our priorities include:
- 5.2 Resident Experience: Target Upper Quartile Satisfaction
- Co-create services with residents
  - Improve number of First time Fix on Responsive repairs
  - Improve communications
  - Improve customer service
  - Improve visibility on the ground,
  - Know our customers
  - Improve transparency on service charges.
  - Achieve upper quartile satisfaction and increase Net Promoter Score by 2030.
  - Expand digital engagement through Civica Cx and CRM analytics.
- 5.3 Achieving our business plan outcomes and the strategies aligned to this will help us to become more effective as an organisation and move us to a high quality of service. We will be satisfying our residents, engaging well with our

staff and partners, have assets which are safe and secure and be providing the local community with more homes.

- 5.4 Our Business Plan annual objectives will be created with Value for Money and this VfM strategy in mind and will therefore also be the VfM annual action plan.
- 5.5 Listening to our residents will help to ensure we are investing in our services in the right way and improve the quality and efficiency of what we do. Having satisfied residents and good customer service will lead to improved wellbeing and environment for our residents reduce the likelihood of arrears and voids and help us maintain a positive reputation with all our stakeholders and relationship with our regulator.
- 5.6 We should ensure that processes already in place to produce upper quartile rental arrears are maintained and voids continue to improve as we lease more of our supported leasehold properties.
- 5.7 We know that many residents do not feel satisfied that their service charges represent good value for money. We will work with residents of all tenures to ensure that our service charges are clear, transparent and where possible residents can influence these to increase their value for money. We will reduce the number of enquiries related to service charge increases by 5% year on year and we will seek to 'design out' expensive service charges from new developments where we have control over what is designed and built.
- 5.8 Service Charge transparency will be improved by aligning Cx and SUN data after full costs analysis. This is happening in year 1 of the business plan.
- 5.9 Staff– We will create a positive culture and safe working environment where staff feel valued and able to deliver effectively.
- 5.10 A committed and satisfied team are likely to provide better service for our residents and perform effectively and efficiently thereby each member of staff bringing increased value for money. We will create a People Strategy in April 2026 and will focus on areas raised in 4.11. This may temporarily increase costs and turnover but will settle in the latter part of the plan. Staff consultation has been carried out to support this in November 2025, together with an anonymous staff survey.
- 5.11 Safety and security responsibility – Employer and Landlord safety has always been a priority for us, and this is reflected in our performance. Though we are already performing well in this area, we must never be complacent, and part of

this strategy is ensuring we maintain these areas we are already performing at the upper quartile, through our risk management process.

- 5.12 Our Asset Management Strategy will need to ensure that the income stream that we gain from our properties over the future is sufficient to cover the costs of the properties. This is measured through through our Active Asset Management system based upon Net Present Value (NPV) calculations on our properties. Through understanding the NPV of our properties we will be able to assess the financial performance of groups and models of properties in our stock.
- 5.13 This ensures we understand the long-term financial value and required investment to meet new building safety, fire safety, energy efficiency regulations, new consumer standards and changing expectations of our residents. Our Asset Management Strategy ensures that we continue to build on our record of high performing assets and asset management services without comprising on our commitment to providing genuinely affordable homes.
- 5.14 We will ensure that we complete stock condition surveys on our existing properties every three years to maintain our compliance of all relevant standards and ensure cost effectiveness by having a robust planned works programme.
- 5.15 We will seek out additional grant funding schemes to fund key maintenance projects.
- 5.16 We will ensure our investment in our homes results in first and foremost safe and secure properties that our residents are proud to live in.
- 5.17 We will ensure that our asset data is accurate and reliable in order to support us with our decision making.
- 5.18 We will have a digital transformation programme linked to our data and ICT strategies.
- 5.19 Efficiency Gains: Automating processes and embedding KPI dashboards will save time on data processing and allow faster evidence-based decisions.
- 5.20 Cost Reduction: Lower overheads and legal/consultancy fees through improved procurement and contract management.

5.21 Resident Satisfaction: Enhanced digital engagement and transparency through integrated systems will improve customer experience.

## **6.0 HOW DO WE BECOME MORE EFFICIENT?**

6.1 We will review our processes and procedures over the next two years and streamline by removing duplication and increasing accountability. This approach aims to reduce waste in processes and eliminate steps that do not add any value to the association or residents. The approach also helps to align processes with demand and productivity patterns.

6.2 Review, design and implement core processes in Civica CX in the way described above to improve efficiency in these areas phased over two years.

6.3 We are using Housemark to map our remaining processes and ensure they are configured correctly within Cx.

6.4 Embed use of CRM system and communication in CX using monitoring and performance measurements. Staff already are ensuring all notes and communication with residents are on Cx and this is embedded within our contact centre.

6.5 Create KPI dashboards with Power BI to enable time being saved on data processing and more time on decision making and support, this will replace an intense 44 column spreadsheet having to be maintained and monitored. This automation will save time and improve reporting.

6.6 We will continue to incorporate value for money in our budget setting process, ensuring our operating margin, return on capital employed, gearing and interest cover remain at the median quartile in the sector. These will all be stress tested and mitigations incorporated into the financial plan.

6.7 We will seek to improve our treasury position further optimising our cashflow and having a Treasury strategy focuses on interest cost optimisation and stress testing for rental income fluctuations to maintain covenant compliance.

6.8 Growth will allow us to achieve economies of scale and therefore achievement of our development strategy and creating 102 more homes for our local community will support this objective.

6.9 We will ensure that we continue to secure sites which meet the requirements of our development strategy and approved programme.

- 6.10 We are also open to stock transfers which represent ccha and will provide good economy and effectiveness rather than additional costs to ccha. However, this will not be measured or relied upon as part of this strategy.
- 6.11 Though we can achieve the median quartile by growth alone and the reductions in office costs we have already made, we do not wish to be reliant on developments and growth to reduce our social house cost per unit.
- 6.12 Our ICT strategy will support driving efficiency, reducing costs, and improving service quality which will be developed collaboratively with all teams. It will target labour intensive areas and improve interfaces for improved cost-effectiveness.
- 6.13 By improving operational productivity and reducing overheads, ICT supports economies of scale as the organisation grows.
- 6.14 The automations created on our finance system also facilitates analysis of spend and contract aggregation, increasing social value through procurement.
- 6.15 We will reduce legal and consultancy fees by £20k year on year through efficiency savings and improvements in our processes and procurement of our contracts.
- 6.16 Tight management control over budgeting with regular reporting to Leadership Team and the Board and exception reporting where necessary.
- 6.17 We have not identified further savings to be made in Year 4 and 5, but this will form part of the budget setting process and improvements in our procurement processes. We anticipate this being achieved through economies of scale and achievement of our business plan.
- 6.18 We will continue to benchmark ourselves year on year to track progress.
- 6.19 We need to complete further work to understand where and how we might increase the social value of our contracts through our procurement process.
- 6.20 As we work through the course of this strategy, we will complete further analysis of spend to understand exactly how much spend is taking place outside of a formal contract and where we could aggregate spend items to achieve better economies of scale. Each year we will plan which contracts are due for renewal and will consider how best they can be procured.

- 6.21 Engage with staff and understand how best to support their work through investment in new technology through the ICT strategy and its annual action plans.
- 6.22 We will optimise our staff resources once processes are more efficient. This will not necessarily mean staff reductions but will mean where resource time is allocated will be more effective. Less time on processing KPI's more time on analysis and proactive action.
- 6.23 Achieve digital transformation of all processes by 2027. All processes are automated.

## **7.0 HOW DO WE MONITOR & MEASURE PROGRESS?**

- 7.1 The table attached as Appendix 1, provides members with a summary of our targets detailed in sections 4-6 to enable us to report, monitor and measure against these regularly.
- 7.2 The overall success of this strategy will be measured by achievement of our business plan and reporting via our annual VfM statement
- 7.3 We will report quarterly VfM metrics and Special Performance Indicators on a quarterly basis and performance of the Year 3 plan will be reported to the Board six monthly.
- 7.4 Any key milestones will also be provided in the Chief Executives Update which comes to every Board meeting.
- 7.5 SPI's will relate specifically to our business plan targets.
- 7.6 We will continue to measure our performance against the Housemark benchmarks. These cover a wide range of housing and maintenance services and benchmark financial and operational performance in these areas. The financial benchmarking will help us to understand where our services are expensive and where they represent good value for money. This also shows us where the quality of our service is in comparison to other housing associations and make holistic assessments of the cost: quality balance
- 7.7 Progress against the following strategies will be reviewed via updates to board and committees throughout the year.
- Customer Strategy
  - Asset Management Strategy

- Neighbourhood Strategy
- Development Strategy
- People Strategy
- ICT Strategy
- Treasury Strategy
- Data Strategy
- Sustainability Strategy

## **8.0 RESPONSIBILITIES**

- 8.1 Our Board is responsible for setting the Value for Money strategy and delegates this to the Executive Team. Members will monitor ccha's performance against this. Our Board includes members who have a financial, asset management, housing, and resident backgrounds and who have the appropriate skills to hold the association accountable for value for money while not allowing its focus to slip from service delivery for our customers.
- 8.2 The Executive Team are responsible on a day to day level for ensuring that the strategy is delivered and achieved, reporting to the Board, as necessary. The completion of actions from the strategy may be delegated down to members of the Senior Management Team.
- 8.3 The Director of Finance and Resources will be the lead in this area
- 8.4 This strategy is reliant on multiple areas within ccha, and the outcomes of the strategies defined in section 7.7.
- 8.5 The board should approve this strategy on the basis ccha are achieving continuous improvement in their performance on running costs, service to our residents and the use of our assets.
- 8.6 Cross-Functional Accountability: ICT, Asset Management, People Strategy, and Customer Services teams.