Irwell Valley Homes
Value for Money Strategy
2026-29

This Value for Money Strategy sets out how Irwell Valley Homes will use our resources to deliver the greatest possible benefit for our customers and communities.

It explains the regulatory standards we must comply with, the metrics we use to measure our performance, and how our efficiencies will support the delivery of our Corporate Strategy.

We want to reinvest more into homes, services and communities by continually improving how we work, the decisions we make and the choices we prioritise.

The strategy will help us:

- Deliver Quality Homes and Trusted Services
- Provide good customer and colleague experience
- Nurture strong sustainable communities

The measures set out in this strategy will be monitored by the Board, Executive, and colleagues across the business to ensure we remain focused on delivering value in everything we do.

1.0 Introduction

1.1 Irwell Valley Homes (IVH) is committed to providing Value for Money for our customers and other stakeholders who benefit from our services. This Value for Money (VfM) Strategy covers the period from 2026-2029 and aligns with our Corporate Strategy.

1.2 Value for money is not only about reducing costs; it's about using every resource to deliver quality homes, trusted services and meaningful investment where it has the greatest impact.

1.3 The Corporate Strategy provides the strategic direction for how we deploy resources. The efficiencies achieved through the VfM strategy will enable us to invest more in:

- New or improved services and systems - to respond to customer needs and enhance their experience.
- Existing homes - where this delivers economic or social benefit, helping customers live successfully in their homes and community.
- New homes – contributing to the supply of affordable homes and supporting the long-term sustainability of our business.

1.4 Achieving Value for Money is essential to our long-term viability as a housing association. It ensures that we have the financial strength and flexibility to invest. Over the next three years, the sector will continue to face pressures such as rising operating costs, building safety and decency compliance, inflationary pressures on maintenance and materials, and increasing customer expectations. VfM helps us balance these pressures with our Corporate Strategy by:

- Ensuring every investment has a clear return, whether financial, social or environmental.
- Reducing avoidable costs, such as repeat repairs, void rent loss, and bad debt.
- Strengthening our ability to borrow, by improving our core financial metrics.
- Supporting the long-term sustainability of our homes, including meeting new safety and energy efficiency requirements.
- Maximising capacity to build new homes, particularly affordable and social housing.

1.5 By embedding VfM into decision-making, we protect our financial position and ensure that IVH continues to deliver for customers long into the future.

2.0 Value for Money Standard

2.1 Irwell Valley Homes complies with the Regulator of Social Housing's Value for Money Standard. We demonstrate:

- Transparency – clear reporting of how we procure and spend our resources.
- Accountability – a willingness to challenge ourselves and seek assurance.
- Efficiency – making the best use of the resources to deliver our mission.
- Effectiveness – achieving the outcomes we set out to deliver.

2.2 The Standard requires all housing associations to:

- Take a robust approach to decision making, using a rigorous appraisal of potential options.
- Ensure regular Board oversight of potential VfM gains across the whole business.
- Set and monitor appropriate performance targets.

2.3 To ensure consistent performance measurement across the sector, the Regulator has defined a set of core VfM metrics. These metrics allow IVH to compare performance with peers and explain variations.

2.4 This strategy aligns with the revised 2024 Consumer Standards introduced by the Regulator of Social Housing. Improving VfM improves the quality and reliability of the services customers experience.
This strategy supports delivery of the:

- Home Standard – through investment in safe, good-quality and sustainable homes.
- Neighbourhood and Community Standard – through reducing voids, preventing tenancy failure, and maintaining local environments.
- Tenancy Standard – by supporting successful onboarding, minimising early attrition, and reducing bad debt.
- Tenants' Involvement and Empowerment Standard – through improving customer experience, responsiveness and transparency.

3.0 Governance and Oversight of VfM

Delivering Value for Money is a shared responsibility across the whole organisation. Oversight is embedded within IVH's governance framework to ensure strong assurance and accountability.

Board, supported by Audit and Risk Committee

- Holds ultimate responsibility for compliance with the RSH VfM Standard.
- Approves the VfM Strategy and monitors performance against both core and IVH-specific metrics.
- Receives annual VfM reporting, including performance analysis, benchmarking, and explanations of variation.
- Reviews the adequacy of controls, assurance and reporting that support VfM delivery.
- Oversees internal audit and risk management relating to efficiency, effectiveness, and governance.

Executive Team, supported by the wider Leadership Team

- Leads the delivery of VfM across directorates.
- Ensures that business cases, investment decisions and improvement programmes demonstrate VfM.

- Monitors operational performance and identifies opportunities for savings or efficiency gains.
- Embeds VfM approaches in service delivery.
- Ensures budgets deliver the outcomes needed and that resources are deployed effectively.

Colleagues

- Play a key role in identifying improvements and eliminating waste.
- Contribute directly to VfM through service quality, right-first-time delivery, and strong customer experience.

4.0 Culture and Colleague Involvement

VfM is not solely a financial discipline, delivering value depends on a culture where colleagues feel empowered, informed and supported to make the best choices for customers.

IVH will build a VfM culture by:

- Ensuring colleagues understand how VfM connects to our purpose and impacts customers lived experience.
- Equipping teams with the right data and tools to identify root causes, improve processes and reduce waste.
- Supporting right-first-time delivery, reducing avoidable costs and improving customer trust.
- Encouraging innovation, enabling colleagues to propose changes that simplify work or improve efficiency.
- Recognising and celebrating improvements that deliver value for customers and the business.

A strong VfM culture supports not only financial sustainability but also colleague engagement, retention, and service quality.

5.0 Measuring Value for Money

5.1 Core Metrics

We monitor and report on the VfM Standard 2018 Core Metrics:

VfM Measure	Type of VfM	Link to our corporate plan	2026/27 Target	2027/28 Target	2028/29 Target
Reinvestment % in new and existing homes	*Efficiency – new homes.*	Includes investment in both existing stock as well as new supply as a percentage of the value of housing properties. Improvements in these indicators demonstrate we are using surpluses generated from day-to-activities, to reinvest in both existing and new homes. This helps to improve the sustainability of our assets as well as providing safe and affordable homes to more customers across the Greater Manchester area.	8.1%	8.0%	7.1%
New Supply percentage Social housing	*Effectiveness – New Homes*	The number of new social/non-social housing units that have been acquired or developed in the year as a proportion of total social/non-social housing units owned at period end. Providing safe and affordable homes to more customers across the Greater Manchester area.	1.21%	1.73%	0.37%
			The average target is 1.1% across the three-year strategy.		
Gearing	*Efficiency - General*	The proportion of our borrowing in relation to the size of our asset base – demonstrates our capacity to fund our plans for growth. Maintaining an appropriate level of borrowing in relation to our asset base ensures we are not	47.7%	49.6%	49.0%

		over stretching our resources.			
EBITDA MRI social housing (annual measure)	*Efficiency - General*	The extent to which earnings before interest, tax & deprecation (i.e., cash surplus), cover interest costs. It is a key indicator for liquidity, financial strength, and investment capacity.	53%	55%	90%
Social Housing cost per unit	*Economy – Existing Homes*	Social housing cost includes management, service charge costs, routine & planned maintenance, major & capitalised major repairs, development services and other social housing costs. Provides a measure of how much we spend on our customers, homes, and overheads on a per property basis.	£5,691	£5,751	£5,439
Operating margin – social only Operating margin - overall	*Efficiency – Existing Homes*	Operating surplus as a percentage of turnover, before exceptional expenses and interest costs. This metric indicates the profitability of our operating activities. As we become more efficient, this measure improves, and in turn will generate improvements in other metrics.	16% 20%	21% 25%	24% 28%
Return on capital employed	*Efficiency – General*	Compares operating surplus to total assets less current liabilities. This measure indicates how efficiently we are using our assets to generate surplus.	2.5%	3.1%	3.3%

5.2 IVH VfM Metrics

Alongside the core metrics the Board has agreed a set of IVH-specific VfM measures that support broader Corporate Strategy outcomes, provide enhanced assurance and influence operational behaviour to drive continual improvement.

VfM Measure	Type of VfM	Link to our corporate plan	2026-2029 Target
Average Re-let Time (days)	*Efficiency – existing and new homes.*	Measures the turnaround time for general needs properties (excluding major works). Shorter relet times increase income and ensure homes are ready for new customers quickly.	<25 days
Responsive repairs completed right first time (%)	*Efficiency – existing homes.*	A key indicator of service quality and cost effectiveness. Getting repairs right first time improves customer experience and avoids repeat visits.	>85%
% Complaints fully upheld due to service failure	*Effectiveness – trusted services.*	Indicates how consistently we deliver high quality services and where we are potentially repeating activities.	<70%
Bad debt write off %	*Effectiveness – existing homes.*	Lower write offs reflect more successful tenancies, better income collection and greater reinvestment capacity.	<1% of Turnover
Delivery of savings plan	*Efficiency – general.*	Identifying and achieving savings supports the Long-Term Financial Plan and our ambition to return to EBITDAMRI >100% by 2030. Savings will include procurement and operational efficiencies.	£2m revenue savings achieved by 2029.
Void rent loss as a % rent due – social housing	*Efficiency*	Lower void loss indicates effective property turnaround and the ability to meet housing need.	<0.9%
Colleague Early Attrition Rate	*Efficiency – Good Colleague and Customer Experience*	Early turnover (within twelve months) drives cost pressure, reduces productivity, and may impact service quality. Monitoring this helps ensure effective recruitment and onboarding.	<5%

The following VfM measures have direct connections to TSM results:

- Repairs completed right first time - TSMs on repairs satisfaction
- Average relet times - TSMs on home quality and neighbourhood
- Complaint upheld rates - TSMs on complaint handling
- Colleague Attrition – TSMs on overall customer satisfaction and colleague conduct

Embedding VfM helps us deliver stronger performance under the Consumer Standards and improves the experience of those who live in our homes.

6.0 Measuring and Reporting our VfM performance.

6.1 The delivery of this VfM Strategy is monitored through the wider Performance Framework, which measures performance against the Corporate Plan priorities using both annual and longer-term targets. The VfM Strategy adopts the same structure to ensure full alignment.

6.2 In-year VfM targets will be set and approved through the annual budget-setting process.

6.3 Performance against VfM measures will be monitored at Board, Leadership and Functional Service Delivery levels within the organisation. Where possible, IVH will benchmark performance against peer organisations to support learning and continuous improvement.

6.4 VfM metrics will be reported through:

- Quarterly Financial Performance Reports presented to Board,
- Quarterly VFM reporting presented to Audit and Risk Committee
- Quarterly Risk Reviews which will monitor early warning risk indicators as set out in the performance framework.

An annual VfM assessment will be prepared for Board and included within our statutory accounts, in line with regulatory requirements.

6.6 Additionally VfM considerations are a required component of all reports presented to the Leadership Team and Board, ensuring that the VfM impact of decisions is consistently understood and evidenced.

7.0 Links to other strategies and policies

7.1 This strategy is linked to:

- Asset Strategy
- Three-year Procurement Plan
- Procurement Strategy
- Sustainability Framework
- Financial Regulations
- Environmental Strategy
- Development Strategy
- The Corporate Plan
- Key Performance Framework