



Value for Money Strategy 2026-30

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Value for Money (VfM) Strategy 2026-30

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VALUE FOR MONEY STRATEGY – 2026-30

1 Our Purpose

Our Purpose is the reason that the organisation exists. It sits at the core of everything we do and everything we want to be, and it drives our decisions and our actions. Our Purpose is to provide quality homes and services that meet the needs of our customers. We are dedicated to achieving this through a collaborative approach, working in partnership with local authorities, health services, community groups, and our customers.

As a Housing Association with charitable aims, everything we do goes into improving the communities where we work, delivering high quality services to customers and investing sustainably in our homes and neighbourhoods. Value for Money (VfM) is integral to the achievement of our aims and sits at the heart of our decision making at every level of the organisation. A focus on VfM underpins the financial resilience of FCHO, allowing sustainable investment in homes and services to meet customer needs now and in the future.

This VfM Strategy sets out how the organisation will optimise the use of resources to achieve our social purpose and deliver the strategic priorities within our Corporate Plan 2026-2030.

2 Our Corporate Plan 2026-2030 Objectives

We are committed to providing quality homes and services that make a difference to our customers. Our corporate plan outlines how we will strengthen communities, improve services for customers, and deliver against our core values.

Our Corporate Plan sets out how we will:

- Keep people at the heart of everything we do, from our staff to our customers. People will feel valued, empowered and services will be tailored to the needs of our customers and communities.
- Actively listen to customers, involving them in decisions and co-creating solutions.
- Invest in our Data capacity to deliver our Data Strategy, with a focus on data governance, quality and improving data skills to better manage customer and asset information.
- Deliver new affordable homes that are energy-efficient and meet local needs
- Invest in upgrading existing homes to ensure they meet the needs of our customers.
- Improve digital access and customer service, ensuring customers current and future needs are met.
- Develop strong partnerships with key local organisations, ensuring our activities are driven by social purpose to support both our customers and the wider community's needs.

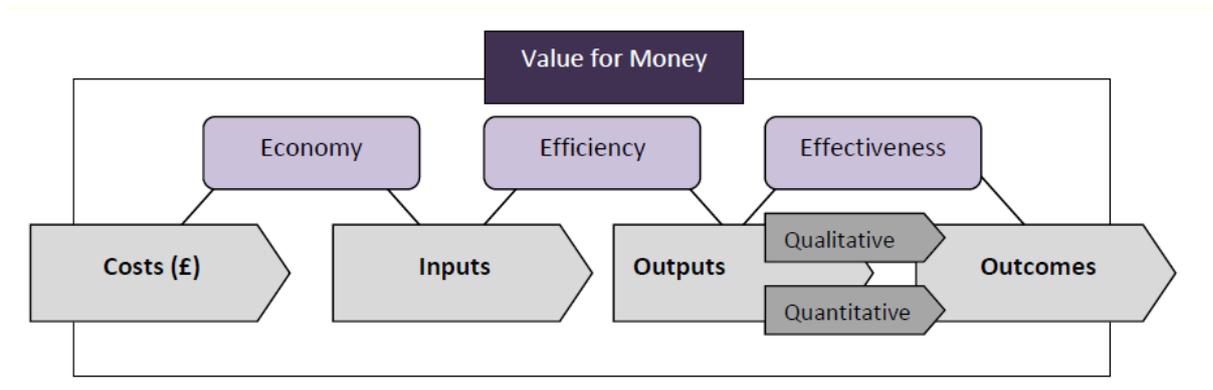
3 Strategic Objectives of the Value for Money (VfM) Strategy

First Choice Homes Oldham (FCHO) operates in a challenging environment of rising costs, increased regulatory expectations, along with greater customer and wider stakeholder expectations. This VfM strategy aligns with the Regulator of Social Housing's (RSH's) VfM standard and supports compliance with the Governance and Financial Viability Standard.

At FCHO, VfM includes consideration of how we will achieve economy, efficiency, and effectiveness in all areas of activity, supported by responsible adoption of digital technologies and AI enabled tools that enhance service delivery and organisational resilience.

Economy, efficiency and effectiveness are defined as follows:

- **Economy:** Getting the right inputs at a commercial cost (or getting a good deal)
- **Efficiency:** Getting the most from the inputs (or getting more for the same effort)
- **Effectiveness:** Getting the expected results from the outputs (or doing the right things).



A key objective of the 2026-2030 VfM strategy is to support a culture of VfM throughout the organisation. This means recognising that VfM goes beyond cost savings, it includes improving effectiveness and efficiency, aiming to achieve more with the same resources. Recognising the importance of technology playing a central role in the way we operate, FCHO continues to invest in digital transformation, including the adoption of AI-enabled tools to enhance operational efficiency and improve service delivery. This approach will help maximise resource use in meeting the 2026-2030 Corporate Plan goals.

By delivering the VfM 2026-2030 Strategy, FCHO will:

1. Maximise the impact of every pound spend in pursuit of our social purpose
2. Deliver safe, decent, sustainable homes
3. Provide customer focused services
4. Maintain financial resilience to support long-term investment
5. Improve the use of insight and data, via delivery of the Data Strategy, to power evidence-based decisions and continuous improvement to the benefit of our customers
6. Demonstrate transparency and accountability to customers and wider stakeholders

Our Corporate Plan 2026-2030 brings together our key organisational strategies, our Customer and Communities Strategy, our Homes Strategy and our People Strategy.

Each strategy contains opportunities to deliver VfM whilst focusing on improving our services to customers.

A high-level summary of strategic initiatives to improve VfM are contained at Appendix A, along with other key activities planned throughout the period 2026/27. Further plans will be developed at the beginning of each financial year and reported regularly to Board.

4 Governance & Accountability of the Strategy

Robust governance is important to achieving VfM and FCHO ensures that it updates and abides by Standing Orders, Financial Regulations, Code of Conduct, counter-fraud policies and a Risk Management Framework. All measures contribute to securing VfM by reducing the risk of financial losses, inefficiencies, and sub-optimal outcomes.

The Board is ultimately responsible for setting the VfM Strategy and ensuring we are achieving VfM in all operations across the organisation. The Board must be satisfied that the actions taken to improve our VfM metric performance are adequate and will generate the optimal benefit from our resources and assets.

How VfM is monitored:

- The Board regularly reviews quarterly performance via Management Accounts, the Performance Scorecard (including Tenant Satisfaction Measures) along with annual Budgets, Business Plan and Financial Statements.
- FCHO Committees scrutinise financial performance, investment decisions and effectiveness along with customer service outcomes, all of which contribute to a culture of VfM and its improvement.
- The Executive Team embeds VfM into strategies and ensures that plans, annual budgets and service delivery is focused on achieving VfM in our activities.
- Colleagues are responsible for delivering VfM within their areas and for identifying efficiencies and proposals for improvements within the services FCHO offers.
- Customers are engaged in reviewing and challenging our performance, which assists in the shaping of services and future priorities to improve VfM in the activities and services that FCHO undertakes.

Key Oversight Groups:

FCHO Board

The Board approves FCHO's key strategies, agrees targets and monitors performance of the VfM strategy. The Board receives regular reporting alongside an annual internal statement of control and compliance to the RSH's Financial and Viability Standard.

Investment and Development Committee

Within its Governance structure FCHO has an Investment and Development Committee where the operational and financial delivery of our investment and our development programme is reported and monitored. This ensures that all investment activity and development schemes are scrutinised to ensure the organisations activities are efficient and effective. Additionally, the investment programme is considered in the context of

FCHO's 30-year Business Plan and Stock Condition Data. This Committee monitors the performance of our Homes Strategy.

Customer and Communities Committee

The Customer and Communities Committee informs all VfM activities from the customer perspective, monitoring quarterly performance reports, all customer engagement activities and ensures customer engagement in establishing and achieving VfM. This Committee monitors performance with our Customer and Communities Strategy.

Audit and Risk Committee

The Audit and Risk Committee monitors performance against the annual financial audit and financial metrics along with the annual VfM report. This Committee reviews and monitors corporate risks and assurance, ensuring that delivery against internal and external audit recommendations is monitored and reported.

People and Governance Committee

The People and Governance Committee reviews and monitors progress against and the effectiveness of the People Strategy and how our culture is developing to continue to contribute to the delivery of VfM activities and Strategy.

Executive Team

The Executive Director of Corporate services is responsible for the effective oversight and reporting of the VfM Strategy. The Executive Team will collectively deliver VfM initiatives to ensure that FCHO delivers both cashable and non-cashable gains to ensure VfM is embedded in all areas of the organisation and the services we offer. Should targets not be met, then this will be presented to Board following Executive Team scrutiny. A half yearly reviews will be expected within the Management Accounts to provide Board with regular oversight of VfM actions and future plans. This will be in addition to the annual Customer report and Financial Statements.

5 How We Will Deliver

Financial Budgeting & Reporting

The budget is set on annual basis using a zero-based approach, supplemented with known data from previous activities, agreed by the individual budget holders at departmental level. The budget is then used to form the basis of the 30-year business plan, along with associated stress testing, all of which are approved by the board on an annual basis.

Financial performance against the budget is discussed monthly at the Monthly Business Review meeting and reported to Board on a quarterly basis. Included in this reporting is compliance with the covenant requirements of the funders which indicates how FCHO is performing against its Business Plan targets.

In addition to this, individual budget holders meet with their Finance Business partners monthly to track performance, as well as reprofile spending trajectories where necessary

and to reforecast spend. This builds a mindset where budget holders are proactively thinking about what is happening within their budgets and to align it to the external operating environment.

Key Performance Indicators (KPIs)

The Board of FCHO currently have 33 KPIs approved for 2025/26, against which performance is reported quarterly at each Board meeting. From the 33, a smaller number of 6 KPI's have been chosen to indicate VfM performance, and these indicators are set out in the table below in addition of targets set for 2025/26. These targets are reviewed by Board annually and then set for the year ahead. The Executive Team and Directors meet monthly, via the Monthly Business Review (MBR) to review and challenge current performance along with approving and monitoring improvement action plans.

Strategy	VfM Theme	Agreed Measure	25/26 Target
Homes	Improving our homes - effectiveness & efficiency of investment programme	% satisfied home is well maintained	77%
Homes	Efficiency and effectiveness of repairs service	% satisfied with overall repairs	80%
Customer	Improving customer satisfaction and effectiveness of services from FCHO	% satisfied with overall service	81%
Customer	Effectiveness of customer voice	% satisfied FCHO makes a positive contribution to the neighbourhood	71%
People	Effectiveness of the work to developing and embed our culture	% Staff turnover	<14.0%
Business Plan / Budget	Effectiveness of the cashable savings, impact on profitability of operating assets before interest and exceptional items	% Operating Margin	>20%

Performance against targets are rated Red / Amber / Green (RAG), lower performing areas are highlighted and discussed at both Board and at the MBR. Where there are areas that are underperforming, plans are put in place to address this and take the necessary mitigating actions.

**Targets set above will naturally be dynamic and will alter throughout the plan, they will be updated annually in conjunction with the Board at the start of each financial year.*

Alongside the reporting and monitoring of FCHO metrics to ensure that VfM is delivered, we will also:

- Make comparisons on cost and quality with other Registered Providers (RPs) using peer and sector information published by the RSH and the Vantage

Benchmarking Groups FCHO is a member of (see **Appendix B** for snapshot of recent results).

- Set an VfM strategy action plan which sets out proposed actions to improve VfM (see **Appendix A**).
- Set an annual budget which reflects the corporate objectives and is in accordance with the VfM targets – then monitoring performance against this through regular management accounts.
- Provide updates to risks within the VfM targets e.g. cost inflation / regulatory impacts.
- Report performance against targets in the published financial statements.
- Report the outcome of the latest VfM strategy action plan/ achievements at each half year.
- Consider VfM in all key strategic decisions and require this to be commented on within future FCHO Business Cases.

By delivering this VfM Strategy, by 2030 we will:

- Provide better services for customers – faster, more reliable repairs and maintenance services. Improved, top quartile customer satisfaction and fewer complaints.
- Lower costs and stronger efficiency – reduced waste, using data and insight to remove duplication and failure demand (e.g. repeat calls/ visits). Smarter, more strategic procurement, improved contract performance (right quality at the right price). This will lead to sustained above peer group median cost per unit performance.
- More investment in Homes and services – improved, data lead asset replacement programmes within the 30-year plan, implementation of proactive asset management, which could include disposals or pace of development.
- Stronger financial resilience – improved cost control and overheads, margin improvement will fund additional investment.
- Continued governance adherence – Board reporting to provide evidence of meeting RSH expectations around economy, efficiency and effectiveness.
- Better asset management outcomes – clear view on which homes are sustainable in the long term. Data will provide insight into where and when investment decisions are made and undertaken. Proactive asset management will provide future liabilities.
- Stronger culture and performance focus – teams will understand what ‘good’ looked like. Outcomes are the most important, and continuous improvement becomes the normal practice in the organisation.

- VFM will add to the strategic trade off debate – over the course of the strategy, Boards will have to make strategic trade-offs, VFM will add to this debate (e.g. growth vs reinvestment).

6 Benchmarking

The Board reviews and challenges VFM performance against the RSH VFM metrics at the time of setting annual budgets, the annual 30 Year Business Plan review, alongside receiving in year updates at half year and full year to assess current performance against RSH VFM benchmarks, including peer group analysis.

FCHO monitors its own trends in VFM performance as well as using financial benchmarking data in assessing whether the financial performance can be considered to be above or below the median for similar sized and similar geographic location Registered Providers. A comparison to National Providers is also provided.

In addition, FCHO is a member of a national benchmarking and knowledge sharing group, Vantage, which allows national comparisons and best practices to be shared and adopted where appropriate.

The Regulator for Social Housing's (RSH's) VfM metrics, are provided in the table below and compares the 2025/26 Budget against the latest Q3 forecast position as per 2024/25 Management Accounts. A comparison is also made with the RSH's Global Accounts for 2023/24, including all housing providers and housing providers within the North-West with total units greater than 10,000 but less than 15,000.

FCHO's comparator organisations from RSH 2023/24 Global Accounts are:

Livv Housing Group	Magenta Living
One Manchester Limited	One Vision Housing Limited
Plus Dane Housing Limited	Progress Housing Group Limited
Regenda Limited	Rochdale Boroughwide Housing Limited
Wythenshawe Community Housing Group	

VFM Metric		FCHO Data					FCHO 2023/24 Performance (Median for Peers)	FCHO 2023/24 Performance (Average for Sector)
		2021-22 Actual	2022/23 Actual	2023/24 Actual	2024/25 Current Year - Q3	2025/26 Budget		
1	Reinvestment %	15.3%	16.9%	20.9%	12.4%	12.0%	Higher 11.3%	Higher 7.9%
2A	New supply delivered % (Social Housing Units)	0.8%	1.1%	1.0%	1.8%	0.82%	Higher 1.2%	Lower 1.9%
2B	New supply delivered % (Non-Social Housing Units)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
3	Gearing % *	11.4%	13.6%	25.3%	24.0%	25.1%	Lower 40.7%	Lower 47.3%
4	EBITDA MRI %	140.5%	104.0%	242.7%	225.2%	228.7%	Higher 131.5%	Higher 88.3%
5	Headline social housing cost per unit (£)	£4,014	£4,242	£4,346	£4,492	£4,655	Lower £4,935	Lower £5,760
6	Operating margin overall %	14.0%	14.0%	18.0%	17.6%	20.4%	Higher 14.7%	Higher 16.9%
7	Return on capital employed %	4.2%	4.0%	4.3%	4.7%	5.00%	Higher 3.1%	Higher 2.50%

2025/26 Budget summary of VFM Metric Performance:

- The **Reinvestment %** metric continues to be upper quartile for 2025/26. There continues to be a strong performance within this metric as a result of expenditure on new and existing housing stock, slightly higher levels of development expenditure of £25m are anticipated in 2025/26 compared to the 2024/25. Work continues across a range of investment programmes, with the 2025/26 budget for Investment capital works increasing to £12.3m compared to the current year forecast of £10.6m.
- The level of **New Supply Delivered %** metric has reduced to lower quartile for 2025/26, anticipating lower levels to complete compared to 2024/25 with 101 units expected to complete in 2025/26, compared to 176 current year forecast.
- **Gearing %** is anticipated to increase during 2025/26 (25.1%), as further borrowing is anticipated to ensure FCHO can continue to deliver the Corporate Plan and supporting strategies, maintaining and developing homes as well as providing vital services. Gearing is still targeted to remain in a healthy position throughout, which compares well to sector and its peers, demonstrating a strong financial base.
- Both **EBITDA-MRI %** and **Overall % Operating Margin** continues to be upper quartile in 2025/26, demonstrating the continued efforts to manage expenditure,

implementing a £0.33m cost savings initiative with the aim of improving FCHO's financial performance and overall operational efficiency. These savings have been embedded into the 2025/26 budget but also the Business Plan.

- **Headline social housing cost per unit** performance is budgeted to £4,655; this has marginally increased compared to the current year forecast for 2024/25. FCHO is well placed in comparison to its peer group and the sector continuing to be upper quartile in 2025/26.

7 Monitoring and Review

This strategy will be kept under constant review due to the economic challenges the sector is under and that a pragmatic VFM action plan is prepared annually within the budget and helps to ensure the Corporate Plan objectives are achieved.

Progress against our Vfm strategy will be monitored through the following forums:

Level	Method
Board	Annual report budget report with VFM metrics and actions planned throughout the upcoming year
Board	Quarterly Management Accounts, with half-year and full year providing RSH Vfm metrics with commentary against performance
Board	Annual Business Plan with 5 years forward projections on RSH Vfm metrics performance
Audit and Risk Committee, and Board	Annual Financial Statements and RSH Vfm analysis within
Audit and Risk Committee	Challenge and scrutiny of Internal Audit activities which assess FCHO effectiveness across FCHO activities
Investment and Development Committee	Challenge and scrutiny of Investment and Development Programmes
	Monitoring of Homes Strategy
FCHO Executive Team / Monthly Business Review	Monthly management accounts
FCHO Executive Team / Monthly Business Review	Monthly Vfm performance metrics
Customer and Communities Committee	Quarterly customer performance metrics and action plan considered Customer Committee
	Monitor of Customer and Communities Strategy
People and Governance Committee	Monitor of People Strategy Challenge and scrutiny of people Vfm performance metrics

Appendix A - High Level Strategic VfM Action Plans

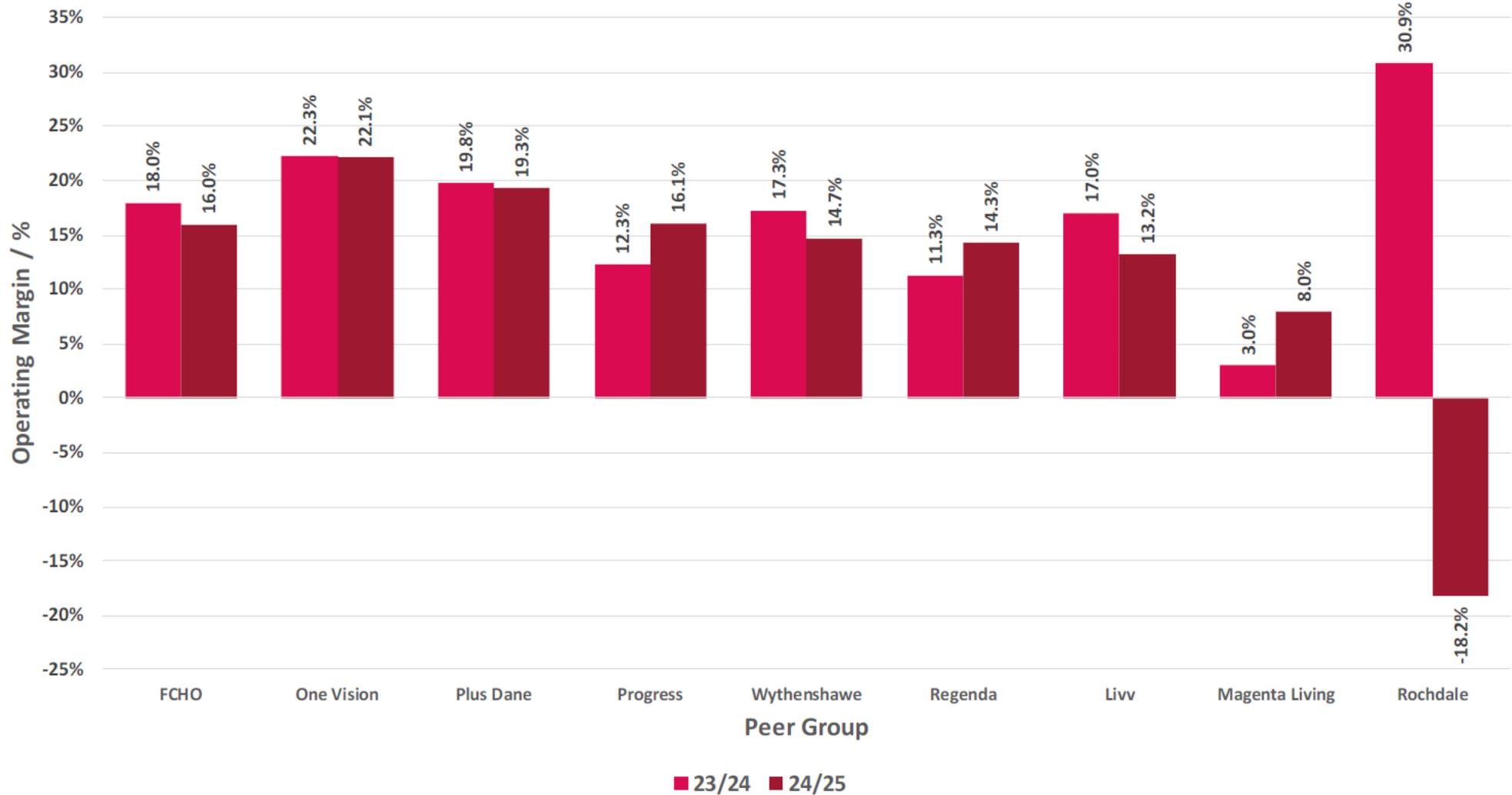
Below is a high-level strategic action plan focusing on VfM plans through to the end of 26/27 financial year, additional operational plans are in place and complement the activity below.

Responsibility	Action	Timescale	Complexity	Included in Business Plan Y/N
Executive Director of Homes	Further use and embedding of the SHAPE tool to inform investment and disposal decisions.	31.03.2027	Medium	N
Executive Team/ Communications Team	A detailed plan will be completed to inform and engage colleagues with VfM activities and thinking.	31.03.2026	Low	N
Executive Director of Corporate Services	Recruitment of a new post, Head of Procurement, to improve our decision making and drive VfM in our procurement activities	30.06.2026	Low	Y
Executive Team	Deliver agreed VfM savings against the 2026/27 budgets. This target will be agreed with Board in March 2026. Communicate VfM approach and outcomes to customers via customer annual report.	31.03.2027	Medium	N
Executive Director of Corporate Services	Delivery of first year of the Data Strategy, strengthening our analytical capability and enabling more informed decision-making, targeted service improvements and responsible use of emerging technologies such as AI.	31.03.2027	Medium	N
Executive Director of Customer Experience	Easy and Simple customer navigation – embed customer focused culture, including record keeping.	31.03.2027	Medium	N
Executive Director of Corporate Services	Further phase of service charge project to improve the delivery of the service we offer and to ensure appropriate cost recovery.	31.12.2026	High	Y
Executive Director of Customer Experience	Finalise transformation of contact centre into Customer Experience Hub.	31.03.2027	High	N
Executive Director of Homes	Implementation of Total Mobile, covering neighbourhoods and voids.	30.09.2026	Medium	N
Chief Executive Officer	Re-negotiate use of First Place by Get Oldham Working for a further 2 years, c£35k per annum.	31.03.2026	Low	Y
Executive Director of Homes	Complete Strategic review of the St Mary's district Heating system, with recommendation to Board.	31.03.2027	High	N
Executive Director of Corporate Services	Implement a new Social Value Approach, which will improve FCHO's effectiveness to deliver our Corporate Purpose	31.12.2026	Medium	N

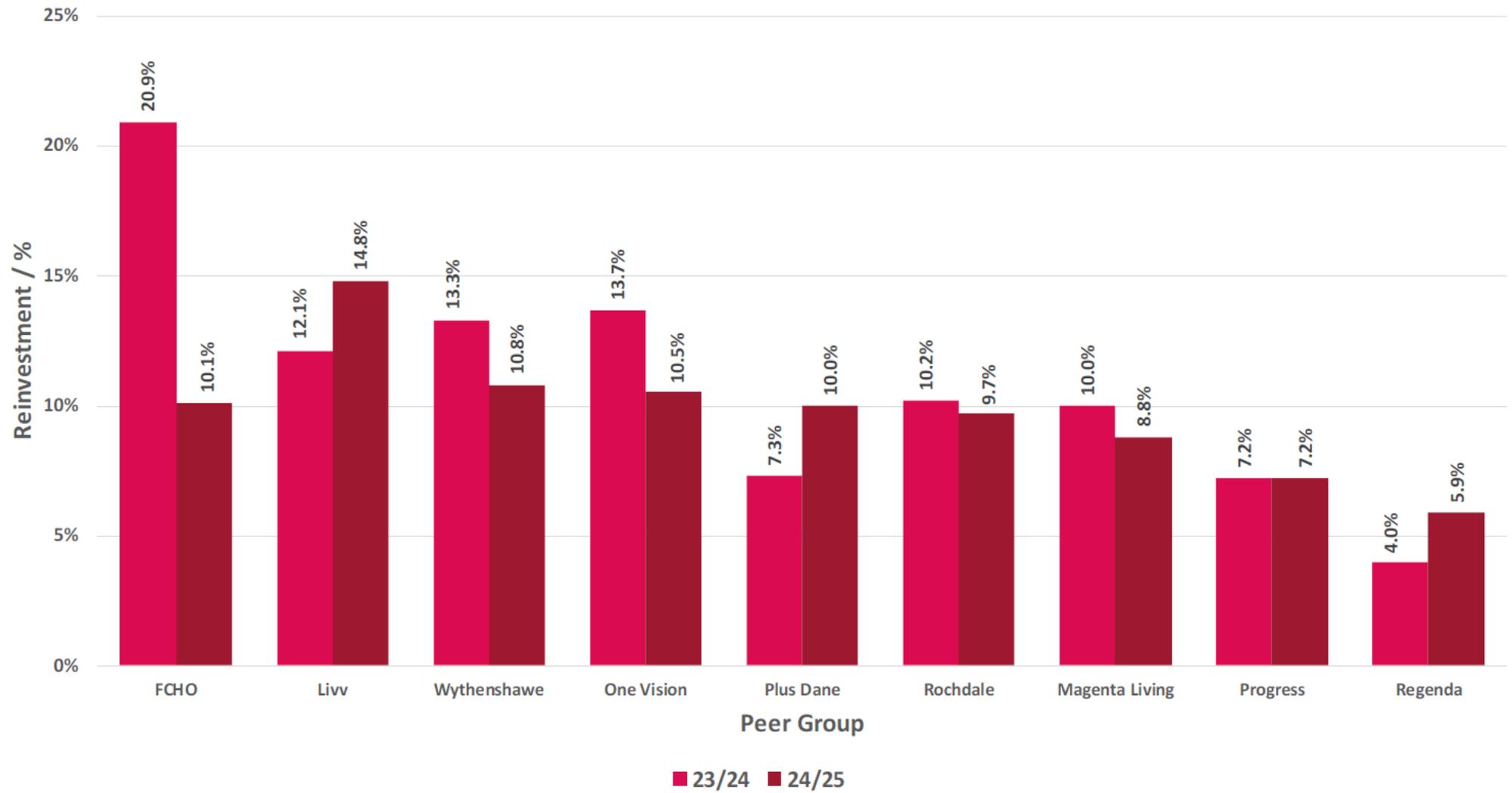
Appendix B - Benchmarking Group - Examples of Peer Group Analysis



Overall Operating Margin %



Reinvestment %



VFM Metrics Summary



RP	Reinvestment %	New Supply Delivered (Social) %	New Supply Delivered (Non-Social) %	Gearing %	EBITDA	HSHCPU	SHL Margin %	Overall Margin %	ROCE %
FCHO	10.1%	1.3%	0.0%	23.6%	226.8%	£4,710	16.0%	16.0%	4.4%
Wythenshawe	10.8%	1.1%	0.1%	27.4%	284.1%	£5,240	13.5%	14.7%	3.2%
Livv	14.8%	2.4%	0.0%	50.1%	96.9%	£4,534	15.3%	13.2%	3.8%
Rochdale	9.7%	0.0%	0.0%	15.0%	-1157.0%	£6,422	-15.5%	-18.2%	-2.7%
One Vision	10.5%	1.2%	0.0%	70.2%	139.4%	£4,320	21.2%	22.1%	4.8%
Plus Dane	10.0%	2.5%	0.0%	54.1%	20.0%	£6,068	25.0%	19.3%	2.8%
Magenta Living	8.8%	0.3%	0.0%	33.3%	209.9%	£5,738	6.0%	8.0%	2.7%
Regenda	5.9%	0.5%	0.0%	40.0%	153.1%	£4,580	24.6%	14.3%	3.1%
Progress	7.2%	1.4%	0.0%	43.0%	201.0%	£7,729	19.4%	16.1%	3.1%
Peer Average	9.7%	1.2%	0.0%	41.6%	-6.6%	£5,579	13.7%	11.2%	2.6%
Regional Average	10.3%	1.3%	0.0%	40.4%	78.6%	£5,387	16.2%	14.7%	3.0%
Sector Average	8.4%	1.5%	0.1%	45.4%	98.9%	£6,352	20.8%	18.4%	3.1%