

Viability Strategy



Our Viability

Warrington Housing Association

BACKGROUND & PURPOSE

Warrington Housing Association (WHA) recognises that the viability of an organisation is measured by its long-term survival and its ability to sustain surpluses over a period of time. Fundamental to the achievement of viability is the consideration and demonstration of Value for Money (VFM) in all of our activities. WHA is committed to maximising VFM whilst ensuring that the highest level of service is delivered to our customers.

This strategy sets out our approach to viability, in the context of VFM, our arrangements to ensure delivery and how we will continually assess the success of our initiatives.

CONTEXT

In April 2018 the Regulator of Social Housing (RSH) updated its Value for Money Standard. The required outcomes of the standard are that Registered Providers must:

- Clearly articulate their strategic objectives
- Have an approach agreed by their board for 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.

From a legislative perspective, WHA must also comply with the EU Procurement Directives, the Public Services (Social Value) Act 2012 and the Public Contracts Regulations 2015.

DEFINITION OF VALUE FOR MONEY

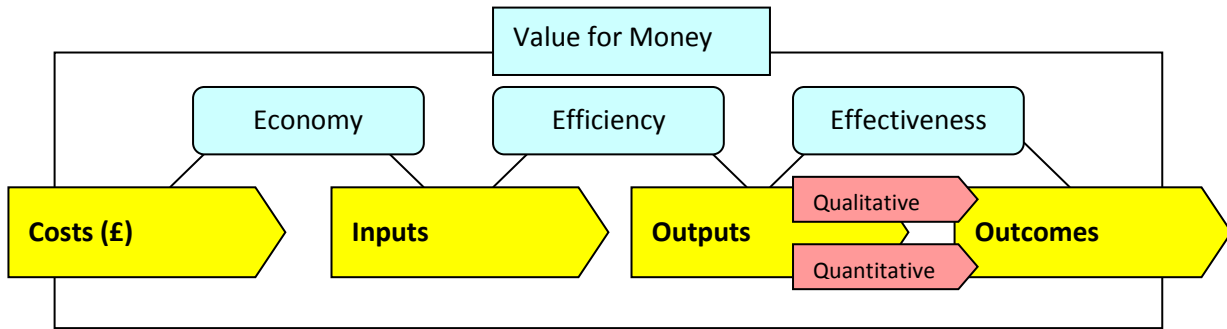
VFM has been defined as the relationship between Economy, Efficiency and Effectiveness, commonly known as the 3E's:

- Economy – careful use of resources to save expense, time or effort.
- Efficiency – delivering the same level of service for less cost, time or effort

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- Effectiveness – delivering a better service or getting a better return for the same amount of expense, time or effort

VFM is considered to be high when a balance is struck between all 3E's – low costs, high productivity and successful outcomes. The relationship is often shown as a diagram:



A common misconception is that VFM is just about cutting costs. For WHA our success in delivering VFM will be measured by the quality of services delivered, the cost of providing them, whether they are fit for purpose and ultimately customer satisfaction.

OBJECTIVES

Our vision is to help make Warrington a great place to live, in which the potential of individuals and communities can be realised. This vision is underpinned by five thematic pillars:

- Our Assets – to remain a significant local provider of housing and housing solutions in Warrington.
- Our Neighbourhood Service – to prioritise the needs of people and put the creation of sustainable communities at the heart of our work.
- Our Social Value – to deliver and demonstrate Social Value across our whole range of activities.
- Our Viability – to achieve sector leading performance across all key indicators
- Our People – to create a culture which empowers our people to realise their potential.

Our Viability Strategy will support our vision by ensuring that we:

- Embed a culture of Viability and VFM across the Association ensuring that it is considered and reflected in everything we do

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- Strike the right balance between cost, quality and social value in line with our thematic pillars and the requirements of our key stakeholders
- Understand and evidence the cost of delivering specific activities and using this to inform decision making on the best use of our resources.

APPROACH

We see our approach to Viability as a natural extension of the strategies, policies and processes that are already in place. We will achieve our Viability Strategy by:

- Setting targets through our annual business planning and budget setting process
- Capturing and reporting VFM gains and progress against targets through our assurance reporting framework
- Ensuring that Viability and VFM remains an integral part of existing vehicles for tenant scrutiny and staff champion groups
- Benchmarking our costs with appropriate peer groups to enable identification of areas for improvement
- Demonstrating to stakeholders an understanding of the costs of delivering our services through the publishing of Regulatory Metrics and participation in the Sector Scorecard.
- Assessing options for Viability improvement through the delivery of our key strategies.
- Ensuring that all of our reports to Board & Committees consider Viability and VFM implications
- Promoting an enthusiasm for change and innovation
- Understanding and managing the risks to the Association's business plan that are relevant to this strategy.

REVIEW

Responsibility for Viability lies with everybody and is not restricted to those with performance or financial responsibilities. However, as a key corporate priority, this strategy has been approved by the Association's Board who are ultimately responsible for ensuring delivery.

The Board has agreed appropriate delegations for its Committees and the Executive Team. The Board and relevant Committees will scrutinise, and challenge delivery of the strategy as required.

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The strategy will be reviewed every three years and may be subject to more frequent revision in the case of regulatory change and/or financial conditions

RELATED DOCUMENTS

This strategy covers all aspects of the Association's activities and should be read in conjunction with a range of other policies and procedures. This includes, but is not limited to:

- WHA 0320 – Financial Standing Orders
- WHA 0551 – Procurement Strategy
- WHA 0570 – Asset Management Strategy
- WHA 0553 – Risk Management Policy

STRATEGY OWNERSHIP: WHA BOARD
STRATEGY LEAD: DIRECTOR OF RESOURCES
REVIEW DATE: March 2022

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