

Our 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.

AIMS AND 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 strategic objectives:

- To remain a major provider of housing and housing solutions in Warrington and beyond
- To prioritise the needs of people and put the creation of sustainable communities at the heart of our work
- To ensure that achieving Social Value is an integral part of the way we think, the way we procure and the way we deliver
- To be an exceptional place to work that attracts, develops and nurtures our colleagues
- To deliver a financially strong and well managed business, fit for today and prepared for tomorrow

Our Viability Strategy is designed to help us **to deliver a financially strong and well managed business, fit for today and prepared for tomorrow** and is framed between four inter-related objectives:

- We will continue to embed a culture of viability and VFM across the Association across the Group and Association ensuring that it is considered and reflected in everything we do;

Document Ref:	Version:	Approved Date:	Approved by:	Expire Date:	No of Pages:
WHA 0039	3	23.03.2022	Board	21.03.2025	Page 2 of 8

- We will strike the right balance between cost, quality and social value, maximising income opportunities and cost efficiencies;
- We will continually review our Board and Governance arrangements to ensure that the Group and Association operates to the highest standard;
- We will continue to manage our resources efficiently and effectively and maximise the return on our assets to ensure we have the financial capacity to deliver our priorities.

REGULATION

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 FaTS Notices (Find a Tender Service), 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
- 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.

Document Ref:	Version:	Approved Date:	Approved by:	Expire Date:	No of Pages:
WHA 0039	3	23.03.2022	Board	21.03.2025	Page 3 of 8

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.

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 colleague 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.

Document Ref:	Version:	Approved Date:	Approved by:	Expire Date:	No of Pages:
WHA 0039	3	23.03.2022	Board	21.03.2025	Page 4 of 8

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.

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 0611 – Asset Management Strategy
- WHA 0553 – Risk Management Policy

STRATEGY OWNERSHIP: WHA BOARD
STRATEGY LEAD: DIRECTOR OF RESOURCES
REVIEW DATE: March 2025

Document Ref:	Version:	Approved Date:	Approved by:	Expire Date:	No of Pages:
WHA 0039	3	23.03.2022	Board	21.03.2025	Page 5 of 8

APPENDIX 1 ACTION PLAN 2022-23

Objective	Actions	Success Measure
<p>We will continue to embed a culture of viability and VFM across the Group and Association ensuring that it is considered and reflected in everything we do</p>	<ul style="list-style-type: none"> ○ Continue our Homemaster journey, implementing phase 2 modules ○ We will implement the recommendations from our service charge and sinking fund review, ensuring compliance with legislation and regulation ○ We will undertake reviews of key back-office areas, considering competitive tender where appropriate to drive efficiency and quality improvements (e.g. audit, PR/comms, legal, ICT support) 	<ul style="list-style-type: none"> ○ Successful implementation of agreed modules for phase 2. ○ Completion of action plan in place for service charge & sinking fund review, training identified and completed for key colleagues. ○ Completed reviews of back-office services and alternative delivery methods considered where relevant.
<p>We will strike the right balance between cost, quality and social value, maximising income opportunities and cost efficiencies</p>	<ul style="list-style-type: none"> ○ We will continue the review of our Lifetime service, implementing recommendations ○ We will continue to seek to maximise income opportunities for the Gateway, working closely with the Gateway Trust and our external advisors 	<ul style="list-style-type: none"> ○ Implementation of recommendations from review in line with Board priorities ○ Successful letting of vacant Gateway space and review of rents / leases to be undertaken. ○ Appointment of external advisors to conduct WHiA commercial review, report and recommendations delivered.

Document Ref:	Version:	Approved Date:	Approved by:	Expire Date:	No of Pages:
WHA 0039	3	23.03.2022	Board	21.03.2025	Page 6 of 8

	<ul style="list-style-type: none"> ○ We will explore the feasibility of constructing a commercial model for our WHiA service 	
We will continually review our Board and Governance arrangements to ensure that the Group and Association operates to the highest standard	<ul style="list-style-type: none"> ○ Continue to retain the highest Governance rating - G1/V1 ○ Continue implementation of our Governance action plans towards full compliance with the NHF Code 2020 ○ To continue to review the governance relationship between WHA & LTH, including reporting & assurance requirements ○ Review, refresh and embed our approach to risk appetite in line with good practice 	<ul style="list-style-type: none"> ○ Successful IDA outcome, retention of G1/V1. ○ Completion of remaining recommendations from Governance action plans. ○ Recruitment of new Board members in line with succession plan. ○ Successful delivery of standardised reporting for LTH and introduction of independent Board membership. ○ Risk appetite exercise completed and embedded in Board reporting.
We will continue to manage our resources efficiently and effectively and maximise the return on our assets to ensure that we have the financial capacity to deliver our priorities	<ul style="list-style-type: none"> ○ We will complete an external review of our Treasury Management Strategy ○ We will refresh our review of financial capacity to ensure that WHA can continue to meet its growth ambitions 	<ul style="list-style-type: none"> ○ Updated Treasury Management Strategy approved by ARC. ○ Appointment of external advisors to conduct financial capacity review, report and recommendations delivered.

Document Ref:	Version:	Approved Date:	Approved by:	Expire Date:	No of Pages:
WHA 0039	3	23.03.2022	Board	21.03.2025	Page 7 of 8

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