

Value for money

Our approach, plan
and targets 2025/26

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Our approach to Value for Money

Ensuring value for money is key to our strategic thinking and corporate strategy, Plan A 2.0. It underpins our focused five business priorities:



**Delivering
a great
customer
experience**



**Building
more
affordable
homes**



**Being a
green and
ethical
business**



**Investing
in existing
homes and
neighbourhoods**



**Being
a great
place to
work**

We focus on achieving value for money to ensure we are commercially adept and financially resilient. Our five overarching Value for Money (VfM) principles are embedded in everything we do as we know that value for money creates the potential for generating greater surpluses that directly support reinvestment in our homes and services to customers. Our Value for Money principles are:



**Doing
things
economically**



**Doing
things
right**



**Maximising
the return on
our assets**



**Getting the
best from our
colleagues**



**Achieving
the right
outcomes**

Value for money requires balancing cost and quality to drive optimum business and customer service decisions:

- We are a long term, asset driven business, so decisions we make will reflect this. We will ensure that all decisions consider overall cost effectiveness.
- Our service offering will meet legal, contractual, and regulatory requirements, and we will only provide services above this level where they can demonstrably contribute to the achievement of our objectives or where a customer pays for these services.
- Overheads, including business support services, are actively managed and flex in size to reflect the scale, complexity and requirements of our business activities.
- Our colleague offer is competitive, tailored to each sector or employment market. We will use a mixed economy of permanent, fixed term and contracted employees to achieve flexibility, high quality results and maximum business efficiency.

2024/25 summary

During 2024/25 we continued to drive value for money across the business, aligned to our VfM principles. This report provides an overview of our performance against the commitments we set out in 2023/24, showing a strong culture of VfM delivery from teams across Alliance.

Over the last twelve months, 18 of our 24 commitments have been met, with work started and in a position of ongoing delivery for the remaining six. We have also taken forward several actions over and above those we planned to deliver, demonstrating how VfM is now becoming embedded within our business-as-usual thinking as well as within our strategic planning cycle.

We know that the operating environment is challenging. Customer demand for our services is changing and there are more requirements against a tighter regulatory/legal framework - and this is set against a backdrop of macroeconomic volatility.

Our focus in 2024/25 has been to drive efficiency by:

- Reviewing our operating structures and investing in our people
- Designing new processes that work for customers and the business
- Attracting grants to support the delivery of our services
- Reviewing our funding mechanisms to ensure they support the delivery of our ambitions
- Exploring opportunities for automation in how we work
- Analysing our assets and taking sensible decisions to manage them more effectively
- Ensuring our purchasing and supply chain arrangements are competitive.

Value for Money metrics

We also know that financial drivers are underpinned by key VfM metrics. The table below highlights our performance in 2024/25 against budget, all of which outturned within financial Golden Rules. Targets for 2025/26 are set out later in this report.

Measure	2024/25 Budget	2024/25 Actual	RAG
Gearing	57.3%	55.3%	
EBITDA-MRI Interest Cover	139.00%	129.8%	
Headline SHCPU (£)	£6,434	£5,930	
Operating Margin	22.5%	22.1%	
Operating Margin: Overall (VfM)	21.7%	21.4%	
Operating Margin: social housing lettings	17.5%	22.4%	
Group surplus (before tax) (£'000)	£7,962	£8,196	
Return on Capital Employed	4.1%	4.0%	
New Supply: Social Housing	2.4%	2.2%	
Reinvestment	16.5%	16.1%	

Financial performance against core VfM metric targets is broadly positive, with an outturn largely within or improving against budget, with three exceptions:

- **EBITDA-MRI:** below target due to higher than forecast major works costs in-year
- **Operating Margin (lettings):** in line with others in the sector; in 2024/25, we exceeded our target for operating margin on social housing lettings
- **Reinvestment:** slightly below target due to new development programme changes in-year.



Doing things economically

This principle considers effective and efficient ways to provide services and being innovative and using digital technology and research to design better ways to work.

Our 2024/25 commitments	What have we achieved?	RAG
Roll-out the Connect portal widely to customers to promote digital adoption for those who prefer to transact in a more agile way, anytime.	<ul style="list-style-type: none">• Connect self-service portal has been rolled out to all customers – we have 2,321 subscribers.• The system is live, in use and supporting more customers who choose to use digital platforms to access some services in that way.• We have an ongoing Connect portal development plan to evolve functionality.	
Exit the AHP repairs partnership to allow us to focus entirely on driving better service outcomes for Alliance customers.	<ul style="list-style-type: none">• We formally ended our repairs partnership with Brighter Places in March 2025.• In doing so, we are now able to focus our service delivery on serving Alliance customers only, bringing efficiencies in our operating geography and management of repairs demand.• At the same time, we evaluated our resourcing mix and took decisions to reduce our headcount to ensure we have the right people in the right roles.	

Our 2024/25 commitments	What have we achieved?	RAG
<p>Embed dynamic scheduling and automation to provide greater operational efficiencies in our repairs and maintenance service – deploying the right resources to the right job, right first time.</p>	<ul style="list-style-type: none"> • We have trialled the introduction of dynamic scheduling to some services to improve the efficiency of the repairs service. • We have not migrated to a full replacement of the dynamic scheduling system, but we have launched a project to replace our repairs and maintenance contractor management system (Total) with a new system, Total Connect. This will have dynamic scheduling capabilities and allow us to deliver services with greater efficiency and effectiveness. • We have made improvements in how we utilise current systems which has resulted in performance gains in operational areas, including first time fix. 	
<p>Utilise technology to support with asset intelligence as well as business process efficiencies.</p>	<ul style="list-style-type: none"> • We have evolved our data and insight tools to provide line of sight on the things that matter most to customers and colleagues. • Power BI reporting is now embedded as a reporting fundamental, allowing the opportunity to pull data from multiple sources. • This data maturity is adding value to our governance, customer and stakeholder reporting, as well as supporting improvements in developing new processes such as customer non-access and new homes onboarding. 	

Our 2024/25 commitments	What have we achieved?	RAG
<p>Utilise technology to support with asset intelligence as well as business process efficiencies. <i>(continued)</i></p>	<ul style="list-style-type: none"> • We have developed a customer profiling concept ('Top Track') that creates a single view of customer experience using behavioural analytics, which will hereafter support how we operationally triage service delivery. • This year we have launched an asset management system replacement project, selecting Cx Assets. This will create systems and data alignment, improving our data quality and associated processes. • We have invested in the trial of technology-enabled monitoring in our homes using devices that measure and monitor the environmental conditions in homes, which can then be used to inform preventative measures that tackle damp and mould. 	

Our plans and priorities for 2025/26

2025/26 commitments	How this will drive VfM
Continue to drive customer digital adoption through the Connect self - serve platform.	Increasing our rate of digital adoption will allow for more efficiencies in our customer contact environment.
Replace the legacy repairs and maintenance system (Total) with Total Connect.	A new system will support a lean approach to process redesign, improvements in job scheduling, costing and commercial reporting insights.
Replace the legacy asset management system (Keystone) with Cx Assets.	Cx Assets will provide better data assurance and data quality which will allow us to refine our financial assumptions and business planning decisions.
Roll-out a pilot of the 'Top Track' customer profiling tool.	Using nuanced customer profiling will support better operational case management, transitioning towards a more proactive business model.
Explore opportunities to increase digitally enabled services, including AI potential.	Assessing the potential of digital service solutions, including the power of AI, offers potential to generate operational efficiencies.



Doing things right

This principle ensures that we have clear strategies, policies and processes to deliver the vision of the business with robust quality assurance.

Our 2024/25 commitments	What have we achieved?	RAG
Automate processes where possible to avoid human intervention, improving compliance with procedures.	<ul style="list-style-type: none">• We have taken several steps to improve our internal process and have recruited specialist Business Analysts to support this work.• We have evolved the functionality of Cx Housing to improve case management.• A detailed review of workflow to improve management of HHSRS cases has been completed and is now ready to implement.• A new online learning and development platform has been launched, Learn 365, which will continue to drive greater assurances in our mandatory training, learning opportunities and colleague self-service content.• PowerBI is well established as a tool to enable greater data insights to help identify areas of process strength (and weakness).• Microsoft Co-Pilot is used discreetly and lightly, and we are continuing to explore how AI might support our business activities, going forward.• We have completed a review of our telephony system to ensure we provide great contact centre services, and a business case for a replacement solution is well underway.	

Our 2024/25 commitments	What have we achieved?	RAG
Enhance quality assurance systems to ensure adherence to policies and procedures.	<ul style="list-style-type: none"> • A Quality Assurance model has been designed and is being implemented • The QA offer is administered by the Business Services team and supports the internal audit programme. On a rolling basis, our 'policy promises' and procedural commitments are tested, to determine the strength of our adherence and overall internal controls. 	
Continue to drive commercial value through the repairs service, through procurement and contract management of services and materials supply chain.	<ul style="list-style-type: none"> • Reviewing our supply chain contracts and maximising the value for money of our purchasing arrangements has generated financial savings and efficiencies. • We have awarded several contracts through direct award, competitive tendering and via frameworks in line with our financial regulations. • Some of the procurement activity and cost efficiencies savings are summarised in the table below: 	

Contract Description	Contract Start Date	Contract End Date	Base Price	Tendered Price	Contract Term Saving	Saving	Annual Saving
Bourneville Road - replacement floors	17/5/2024	21/6/2024	£30,000	£16,718	£13,282	44.27%	£13,282
Servicing and Maintenance of Passenger Lifts	1/6/2024	30/5/2027	£291,000	£168,945	£122,055	41.94%	£40,685
Multifunctional Printers	1/9/2024	31/8/2027	£45,000	£13,000	£32,000	71.11%	£10,667
IT Security software	22/9/2024	21/9/2025	£20,405	£19,502	£903	4.43%	£903
Electricity - half-hourly supplies	1/10/2024	30/9/2025	£230,182	£207,671	£22,511	9.78%	£22,511
Electricity - non half-hourly supplies	1/10/2024	30/9/2025	£318,530	£269,644	£48,886	15.35%	£48,886
Electricity - UMS supplies	1/10/2024	30/9/2025	£6,684	£5,386	£1,298	19.42%	£1,298
Gas supplies	1/10/2024	30/9/2025	£332,483	£257,926	£74,557	22.42%	£74,557
Disaster Recovery Services	28/28/2024	27/10/2027	£187,000	£181,000	£6,000	3.21%	£2,000
Rent Data Analytical Services	23/1/2025	22/1/2029	£192,722	£170,603	£22,119	11.48%	£11,060
Lintel and Facade repairs - Portbury	17/2/2025	30/4/2025	£100,000	£52,920	£47,080	47.08%	£47,080
Learning Management System	1/4/2025	31/3/2028	£72,000	£45,792	£26,208	36.40%	£8,736
All figures exclude VAT			£1,826,006	£1,409,107	£416,899	22.83%	£281,664

Our plans and priorities for 2025/26

2025/26 commitments	How this will drive VfM
Embed the Quality Assurance framework to support our internal controls.	Embedding routine QA will provide assurance that we are doing the right things, in the right way and improve procedure adherence.
Continue to optimise our processes through automation, making the best use of technology where there is a demonstrable business case (e.g. new telephony system).	Designing new processes that build-in digital automation allows us to remove waste, improve consistency and efficiency.
Kickstart the initial phase of reviewing Plan A 2.0 prior to its 2027 expiry.	A review of our corporate strategy will ensure we have a vision and roadmap that connects with colleagues and customers, anchoring our 'north star' for the business for the next 5 years.
Continue to drive savings and efficiency gains through effective procurement practices when we purchase goods and services.	Robust procurement practices that are commercial and competitive will directly contribute to VfM outcomes.



Maximising the return on assets

This principle sets out the way we will manage our existing assets and how we will create new assets to achieve maximum value from our assets for us and for our customers.

Our 2024/25 commitments	What have we achieved?	RAG
Turning empty homes around quicker and implementing an MOT inspection approach.	<ul style="list-style-type: none">• We made significant gains in empty homes performance in 2024/25 with year-end void loss of 2.33%. This is a reduction from the 2.53% in 2023/24, although behind our budget target of 2.01%.• We have segmented our empty homes reporting to reflect those homes within 'general churn' and those which are under asset review / are not being relet due to business decisions.• Our MOT pilot project is underway, with the appointment of a Project Manager. The reshaping of the project is now set against a compelling 'why' for customers and the business. The deployment of the pilot operationally will continue into 2025/26.	Green
Roll out the Alliance Home Quality Standard and the culture to support it.	<ul style="list-style-type: none">• Our Alliance Home Quality Standard has been rolled out as the new standard for our investment in empty homes. We will be transitioning beyond empty homes and will use the MOT pilot to baseline the current condition of our homes and the requirements to bring them in line with the new standard.	Orange

Our 2024/25 commitments	What have we achieved?	RAG
<p>Strategically evaluate our assets and their performance for problematic archetypes.</p>	<ul style="list-style-type: none"> • We have evolved our strategic asset management approaches and have identified a portfolio of homes that are unlikely to support our long-term financial health because of their investment demands and age. • This work has resulted in a strategic disposal programme of 260 homes over the next 5 years underpinned by a newly approved Disposal Policy, as well as stimulating considerations around the future management of high-risk buildings. • The Board has directed the ambition for strategic asset evaluation, and this was a key theme for discussion at its strategy away day in December. 	
<p>Develop a sustainability strategy for assets and wider business infrastructure.</p>	<ul style="list-style-type: none"> • Our inaugural Sustainability Strategy 2025 – 2028 was co-created with our Board and with customers and approved officially in February 2025. The work was led by our newly appointed Sustainability Manager. • The strategy provides a roadmap for the next three years on our journey to achieving EPC C and net zero by 2050, and within it, the things we need to do corporately to align our business practices and wider infrastructure. 	

Our 2024/25 commitments	What have we achieved?	RAG
Continue to develop new affordable homes, targeting 185 completions.	<ul style="list-style-type: none"> • New Homes Delivery continued across our operating geography with 158 completions being achieved. This was behind the forecast target of 185 completions due to contractor delays out of our direct control (reflecting a green RAG) – which will roll over for completion in 2025/26. • 89 homes (56%) were built for Social Rent, 12 homes (8%) were built for Affordable Rent, and 57 homes (36%) were built for Shared Ownership 	
Continue to sell Shared Ownership homes, 67 sales at a margin of at least 16%.	<ul style="list-style-type: none"> • 70 shared ownership sales completed against a target of 67. • This achieved a surplus of £9.2m against a budget of £8.2m, although the overall margin achieved was 15.10% against a budgeted target of 16%. 	

Our plans and priorities for 2025/26


2025/26 commitments	How this will drive VfM
Complete the property MOT pilot, evaluate its success and explore routes to scaling up more widely.	Knowing more about the condition of our homes, how they are used, and the broader customer experience will allow us to plan and deliver services proactively.
Mature our approach to asset disposals, securing 10 sales in-year, aligned to a Board ambition for 260 sales over the next 5 years.	Asset churn is healthy and necessary to ensure we avoid investing in homes that cannot meet financial viability thresholds, quality standards or customer demands, thereby limiting unreasonable abortive investment costs – proceeds from sale to be ring-fenced to invest in existing homes and building new supply.
Deliver our sustainability strategy including a baseline carbon reduction plan and acceleration of retrofit projects.	A review of our corporate strategy will ensure we have a vision and roadmap that connects with colleagues and customers, anchoring our 'north star' for the business for the next 5 years.
Deliver our ambition for new affordable homes, achieving a programme target of 175 build completions.	New homes provide future rental income and asset value that strengthens our long-term financial health.
Deliver our ambition for new affordable homes, achieving a programme target of 58 shared ownership sales achieving at least £515k surplus.	Building and selling shared ownership homes provides surpluses that support our reinvestment ambitions.




Getting the best from our colleagues

This principle ensures that we invest in our colleagues to create a high-performance culture with opportunities for development and promoting innovation. It addresses how we will support our colleagues to upskill, support and retain them as they deliver high-quality services in an agile way.

Our 2024/25 commitments	What have we achieved?	RAG
Implement actions arising from GPTW, aiming for re-certification in 2024/25.	<ul style="list-style-type: none">• GPTW is embedded as a colleague satisfaction measurement tool and actions from 2024/25 have been taken forward in collaboration with our colleague forum Your Voice.• We achieved accreditation with satisfaction gains, with 76% of colleagues believing Alliance is a great place to work which represents a 3% increase from the previous year.• We have refined our learning and development offer, developed a Leadership Excellence Framework and taken steps to understand our talent management approach through targeted service level conversations.• We have developed EDI plans and launched a refreshed EDI strategy. In the spring of 2024, we also completed a deep dive into our culture focusing on equality diversity and inclusion in conjunction with the Housing Diversity Network and RSM. In December 2024, we were awarded the RACE equality code accreditation.	

Our 2024/25 commitments	What have we achieved?	RAG
<p>Review our colleague offer to ensure it can keep pace with market movement.</p>	<ul style="list-style-type: none"> • We have made some steps to improve our colleague offer but know the employment market is competitive. • We have worked within our pay principles to make adjustment to roles where there is a business case. • We have continued to enhance our wellbeing offer to colleagues through a range of initiatives including events celebrating diversity, staff awards, learning and development opportunities, rethinking our Alliance Day to be taken at a time that works for colleagues and utilising our on-the-spot recognition budget more widely. • We have also reviewed with colleagues our benefits package to ensure we remain competitive. • We have been focusing on colleague professional development, with several managers successfully completing their CIH level 5 qualification. We also had several of our housing team colleagues successfully complete the Housing Professional Passport 	

Our 2024/25 commitments	What have we achieved?	RAG
<p>Embed the ASK performance framework for all colleagues.</p>	<ul style="list-style-type: none"> • ASK performance reviews are fully rolled out and embedded and now part of our performance culture / language. • ASK is manager driven, but the People team are engaged at a Business Partnering level to ensure it is used effectively to drive development and performance of our colleagues. 	
<p>Review organisation design to ensure the right resource balance to deliver ambitions.</p>	<ul style="list-style-type: none"> • We have made several key changes in our organisation design this year. Exiting the repairs partnership with Brighter Places created opportunity to make changes within our repairs structure including creating a Service Director tier under the COO to build resilience and capacity. 	

Our plans and priorities for 2025/26

2025/26 commitments	How this will drive VfM
Create a cultural storyboard that sets out the DNA of Alliance and supports the migration towards a performance culture, as well as creating a foundation for shaping the next iteration of our corporate strategy.	Clarity of purpose and the culture we want to support the delivery of our ambitions will create alignment between colleagues and customers, and that drives the right outcomes
Embed our leadership excellence framework and introduce a development programme against the framework.	Great leadership is a cornerstone of high performance and ensuring we have the right leadership capacity will support innovation, growth and measurable outcomes
Continue to work on our Great Place to Work action plan alongside our colleagues and continue to work on our EDI actions with our EDI champions.	Attracting and retaining talent, as well as promoting inclusion, is essential to our long term resilience and reduces the adverse impacts of a high turnover organisation.
Review our organisation design to ensure we are set up for success, with the right people in the right seats, with the right skills.	Deploying our people resources effectively will drive efficiencies in how we are organised to deliver against the agreed 'measures that matter'



Achieving the right outcomes

This principle sets out how we will self-assess our business effectiveness and measure how successful we have been in achieving our corporate plan objectives, and what value has been delivered.

Our 2024/25 commitments	What have we achieved?	RAG
Customer		
Continue to maximise opportunities for grant funding to support a range of services including our support contract and community investment activities.	<ul style="list-style-type: none">• We have continued to work in partnership with North Somerset Council to attract grant funding to support our service delivery. For the coming year 2025/26 we have secured:<ul style="list-style-type: none">- £1,143,579 towards overheads for 2025/26 and this will cover a range of community services, including: support, home for hospital and recovery of social care debt- £348,259 for our carers service- £57,942 for our social prescribing service- We have been awarded (jointly with partners within consortia grant bid) over £500k to support our community investment activities over the next 5 years.	

Our 2024/25 commitments	What have we achieved?	RAG
<p>Support customers with debt advice and protect primary rent debt payments.</p>	<ul style="list-style-type: none"> • Our money advice service has continued to generate measurable benefits to support customers, protecting primary rent debt payments. • In 2024/25 our service across a range of money matters generated total financial outcomes of £2,247,393. 	
<p>Publish full Tenant Satisfaction Measures to the RSH and track benchmarks, learning and other sector insights to promote continuous improvement in service delivery.</p>	<ul style="list-style-type: none"> • Our TSMs for 2024/25 were published within the regulatory deadlines and show a year-on-year increase in satisfaction of 6 percentage points - from 68% in 2023/24 to 74% in 2024/25. • We continue to monitor and benchmark against sector comparisons, accepting that there is a lag between reporting metrics and the annual RSH report of sector performance. 	

Our 2024/25 commitments	What have we achieved?	RAG
Financial		
Continue to understand our cost base and levers for greater efficiencies, particular around Social Housing Cost Per Unit.	<ul style="list-style-type: none"> • More effective job allocation, diagnosis and route management achieved an improved Maintenance Operative efficiency year on year from 55.0% to 58.5% - a 6.4% increase equivalent to approximately £525k of saved subcontractor costs. • Better property allocation and empty home processes achieved a reduction in the level of void loss from 2.94% in Q1 to 2.05% in Q4, an improvement equivalent to approximately £384k of rental income. 	
Maximise the potential of financial markets and potential funding mix to optimise our balanced loan portfolio as we plan in 2024/25 for refinancing.	<ul style="list-style-type: none"> • We consistently have an active dialogue with financial institutions and with our treasury advisers, Savills Financial Consultants, benchmark our lending portfolio to ensure we have a balanced portfolio which aligns to market trends. 	

Our 2024/25 commitments	What have we achieved?	RAG
<p>Conclude negotiations with funders to vary interest cover covenants to create additional business plan capacity / headroom.</p>	<ul style="list-style-type: none"> • We continue to renegotiate tight covenants with funders to achieve covenants that are set at a level that work in the current and forecast future Social Housing environment. We have made good progress with this and expect to soon agree a long-term conclusion that works well and creates significant capacity for Alliance. • We are finalising the new terms of a Revolving Credit Facility as part of our funding mix. The new terms will provide more capacity. 	
<p>Review of optimum balance of mixed economy for service delivery, including the insource / outsource opportunities for operational and back-office services.</p>	<ul style="list-style-type: none"> • Staffing levels are continually reviewed to ensure the correct balance for efficiency and service delivery. • 23/24 Income was £55,435k with a staffing cost of £17,586k compared to 24/25 Income of £63,259k and staffing cost of £17,299k which shows whilst revenue has increased significantly, we have maintained a stable cost basis for staffing. 	

Our plans and priorities for 2025/26

Measure	2025/26 Budget
Gearing	58.67%
EBITDA-MRI Interest Cover	143.85%
Headline SHCPU (£)	£6,460
Operating Margin	23.58%
Operating Margin: Overall (VFM)	21.83%
Operating Margin: social housing lettings	17.47%
Group surplus (before tax) (£'000)	£8,702
Return on Capital Employed	3.96%
New Supply: Social Housing	2.38%
Reinvestment	14.3%

2025/26 commitments	How this will drive VfM
Continue to maximise opportunities for grant funding to support a range of services including our support contract and community investment.	Securing grant funding enables us to continue to deliver added value community services that are financially independent of the core landlord service.
Support customers with debt advice and protect primary rent debt payments.	Providing debt support and money advice services drives down rent arrears and creates greater opportunity for income security.
Publish full Tenant Satisfaction Measures to the RSH and track benchmarks, learning and other sector insights to promote continuous improvement in service delivery.	TSMs provide transparency of our service experience and will direct continuous improvement in the things that matter most to customers and Alliance.
Continue renegotiations with funders to vary interest cover covenants.	Competitive and market aligned loan covenants will create additional business plan capacity / headroom to deliver our ambitions.
Tack the disposals programme sales frequency and values against required liquidity forecasts.	To ensure we raise funding at the right time, comply with the liquidity Golden Rule and Treasury Management Policy.
Maximise return alternative revenue streams, e.g. rental of commercial units and garages.	Generating more income into the business will create additional headroom gains for reinvestment.
Review processes within finance and procurement to create efficiency .	Lean processes and financial control enhancements will help support the business to become more cost effective.



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