



Value for Money Strategy

2019-2022

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1. Introduction

Value for Money (VFM) is a specific standard within the regulatory framework. The standard was revised in April 2018; and a code of practice was published to define the Regulators expectations. Registered Providers must:

- Clearly articulate their strategic objectives;
- The Board will have agreed an approach to achieve VfM in meeting these objectives
- Demonstrate their delivery of VfM to stakeholders
- Through the strategic objectives, articulate the strategy for ensuring that optimal benefit is derived from their Group resources and assets and optimise economy, efficiency and effectiveness in supporting their strategic objectives.

The Board must maintain a robust assessment of the performance of all assets and resources (including financial, social and environmental returns). This will take into account the interests of, and commitments to, stakeholders; and be available to them in a way that is transparent and accessible. This means managing resources economically, efficiently and effectively to provide quality services and homes, and planning for and delivering on-going improvements in value for money.

The Board must demonstrate to stakeholders how they are meeting this standard. As part of this process, it will publish performance against its own VFM dashboard which includes 7 mandatory VFM metrics set out by the regulator and how that performance compares with peers.

There are additional metrics which have been defined by the Board and reflect the Groups corporate objectives for improving VFM. Areas of underperformance should be identified with plans on how the issues will be addressed or the rationale if improvements would not be appropriate.

This Strategy defines what Value for Money represents to the new Group, and explains how Value for Money will be delivered.

2. What is Value for Money and why it is important

The definition of VFM used by the Housing Plus Group Limited and its subsidiaries ('The Group') is to manage their resources providing quality services and homes, and to plan for and deliver year on year improvement on their services.

We can achieve VFM in terms of the three components (3Es) as the process of optimum relationship between costs, inputs, outputs and outcomes. Inputs are primarily measured in cash, outputs and outcomes (social value) generally involve various combinations, such as social and economic benefits, service quality, environmental benefits, and financial benefits. Breaking it down into following components helps you to better understand VFM:

- Economy – careful use of resources to save expense, time, or effort, i.e. the price is competitive for the quality of service provided
- Efficiency – delivering the same level of service for less cost, time or effort, i.e. through streamlined processes that involve partnership with other organisations where necessary.

Outputs may be expressed in terms of:

- Quantity – e.g. reducing the number of accounts in arrears.
 - Quality – e.g. quality of housing service provided as measured by satisfaction results
- **Effectiveness** – delivering a better service or getting a better return for the same amount of expense, time or effort, i.e. at the right time so that services meet the needs of our customers.

Some of the Group's subsidiaries are social businesses that exist to produce social value in a broad sense. Like any business, the Group spends money on inputs such as physical assets (houses) and human assets (staff or procured services) to deliver **outputs** that produce **outcomes**.

The creation of social value within the Group is not limited to the outcomes that flow from housing assets owned by the housing subsidiaries; Stafford and Rural Homes (SARH), South Staffordshire Housing Association (SSHA) and Severnside Housing, for the provision of housing services, but it is also achieved by delivering goods and services to others through operational activities of all Group's subsidiaries. Additionally to that the Group's procurement of goods and services from external providers may also yield additional social value as well as represent a fair price for example, by supporting the local economy through the use of local labour and the provision of training.

The Group wants to maintain VFM and be transparent about it. The strategy is a means to an end – we have a vision which we want to achieve, where our principles are that our homes and services:

- Meet the needs of residents and service users at the right time and meet their expectations,
- Are of the right quality and are fit for purpose,
- Generate high levels of satisfaction and enhance our reputation and track record,
- Are delivered from suppliers (internal or external) whose prices are competitive for the quality of service delivered.

These principles improve our business sustainability, viability and opportunities for the future. And our assets deliver an optimal sustainable performance including financial, social and environmental returns, to achieve better outcomes for our customers.

3. Key Aim, Objectives, Approach and Measures of the Strategy

Aim

The Group's aim is to ensure that there are clear strategic objectives; with appropriate performance targets and that the Group's assets are fully optimised.

Objectives

- 1) Maintain a suite of strategy documents from across the Group clearly outlining its approach in achieving VFM.

This VFM Strategy, targets and measures clearly link with the frontline and strategic objectives set out in the Group's key documents e.g. Business Plan, Corporate Plan, Operational Plan, Asset Management strategy, Development strategy, Procurement strategy and Appraisal System with individual employees' objectives. As illustrated below:



- 2) Raise VFM awareness among our customers, share with them our achievements and commitment to VFM, and involve them to shape, improve and develop services based on their priorities.
- 3) Develop appropriate performance targets that highlight the VFM achieved, publish them and benchmark them against peers.

Approach

The Group wants to be transparent and accessible to all stakeholders on how we are achieving VFM in delivering our objectives. In order to do so we will:

- Demonstrate to all stakeholders an understanding of costs of delivering our services, factors that influence these costs and benchmarking of these costs
- Capture and present efficiency gains that have been and will be made over time
- Act on improving services based on results from benchmarking groups, governance and scrutiny of our services, and VFM contributions from our employees and customers
- Make decisions on the use of resources based on the trade offs and opportunity costs, which may include: new supply, improved services and housing stock, neighbourhood and community investments.
- Assess options for VFM improvements through delivery of the Group's strategies and such alternatives like: partnerships, mergers or contracting with other parties
- Look to maximise the return on our assets to generate capacity to build more homes and maximise funding opportunities
- Have in place effective performance management and scrutiny functions to drive and deliver improved performance with outcomes clearly demonstrated

- Publish an annual VFM statement and gain assurance in reaching our VFM and publish this in our annual financial statements.
- Build strong customer relationships by involving customers in VFM and the procurement decision making process

Measures

The new Group formed by the merger of Housing Plus and SARH has set out a number of benefits that are expected to be delivered.

The Group success measures will be reported in addition to and within the VFM measures with clear explanations to progress being made.

The success measures include:

- Ensuring financial resilience and creating capacity to build more homes
- Investing significantly in our existing homes and neighbourhoods
- Delivering top quartile performance
- Remaining focused on and accountable to our customers
- Investing in our current and future employees
- Providing significantly more services to our more vulnerable and elderly customers
- A successful integration to deliver the increased value from the merger

4. Communication and Implementation

We will communicate this VFM Strategy to customers, colleagues and stakeholders. The Strategy will be placed on the website, intranet and will be made available in an appropriate format upon request.

A VFM report including an update of VFM and the VFM dashboard will be presented to the Executive Team and Board on a bi-annual basis.

The Group's VFM statement will be communicated to all customers every year via the website as part of the financial statements and relevant articles in resident publications..

Comprehensive training and development plans are in place that provides support to employees to improve the Group's performance. Part of this programme includes inductions, briefing sessions, workshops and training courses designed to ensure that employees are familiar with relevant policies, procedures and strategies.

Performance Management and Business Improvement are key communication tools which are managed and monitored through the compliance process to ensure that meaningful objectives have been set and that there are strong links to VFM.

5. Responsibility

The responsibility for VFM lies with the Group Board, all other Boards within the Group and all employees and is not restricted to those with resource or budget responsibilities. The

Group is required to satisfy itself that VFM is being sought and achieved from all areas of the Group and not just the regulated landlords.

Boards are expected to develop and deliver a strategy to achieve continuous improvement in their performance on running costs and the use of their assets. They are expected to be transparent and to enable scrutiny of their performance. The Group Board and Directors have the executive responsibility to put in place arrangements that will ensure that VFM is being sought and delivered.

All employees have a responsibility to maintain an awareness of good practices in their own area of operation and to ensure that these are followed appropriately. Managers need to satisfy themselves that VFM is being secured in the services and functions that they manage.

The Customer Panel look at value for money as a cross cutting theme in all of their reviews which are reported to the landlord Board. This helps bring a customer perspective to Value for Money.

All members of staff should endeavour to achieve VFM in all their activities and to bring to management's attention any opportunities for improvement.