



## **VALUE FOR MONEY POLICY**

**Updated**

**July 2018**

## **1. INTRODUCTION AND LEGISLATION**

- 1.1. Value for Money (VFM) is an important part of East Midlands Shelter for the Homeless (EMSH) ethos and directive. It is a standard that is required from the regulator of all social housing providers.
- 1.2. Value for money means managing our resources economically, efficiently and effectively to provide quality services and homes.

## **2. EMSH'S OBJECTIVES**

- 2.1. The association is formed for the benefit of the community with a particular interest in tackling homelessness. Its objects shall be the business of providing housing, accommodation, and the assistance to help house people.

## **3. OUR VISION AND MISSION**

- 3.1. EMSH will help prevent homelessness in Nottingham by providing good quality, affordable homes and services.
- 3.2. To deliver this we will focus on:
  - 3.2.1. Choice - to provide a range of affordable, quality homes and services ensuring choice where possible
  - 3.2.2. Cost - to provide excellent customer service at a price which is good value
  - 3.2.3. Creativity - to bring added value to the communities where we work
  - 3.2.4. People – to develop our people to achieve their potential and live a comfortable and enjoyable life.

#### **4. OUR VALUES**

- 4.1. We care about our customers - defined as anyone who touches the business in any way and at any time.
- 4.2. Excellence in Customer Service – We want all service users to get the most out of what we have to offer at a reasonable price which has little impact on their day to day living.
- 4.3. Communication - we will communicate effectively and positively, creating credibility and trust
- 4.4. Achievement - we will set ourselves challenging targets, review ourselves with others and continually improve our individual skills and collective performance.

#### **5. WHY IS VFM IMPORTANT?**

- 5.1. As we primarily produce income from the public sector and tax payers, EMSH is under great scrutiny, and needs to ensure the public that the money it uses is offering a public benefit by reducing public sector finance. In the current economic environment of increasing costs of funds and the impact of the proposed welfare benefit reforms, VFM has a crucial role developing long-term business plans to enable development to continue and to maintain service standards.

#### **6. OUR COMMITMENT**

- 6.1. By adopting a formal VFM Policy, EMSH is making a commitment to:
  - 6.1.1. Ensure VFM is a high priority at Board level
  - 6.1.2. Promote VFM throughout the organisation
  - 6.1.3. Make sure that tools to support, embed and deliver VFM are in place and are regularly reviewed
  - 6.1.4. Involve residents and staff in the delivery of the VFM Strategy
  - 6.1.5. Report the performance of delivering VFM (annual self assessment)

## 7. GOVERNANCE

### 7.1. The Board

- 7.1.1. The board will ensure that VFM policy is always referred to when making decisions and that the tenants benefit from this policy directly. All financial decision should ensure that the policy has been consulted and taken into account.

### 7.2. Director

- 7.2.1. The Director has responsibility for the delivery of the VFM Strategy. They will ensure that the VFM Strategy and action plan is put in place, reviewed on a regular basis and make any suggestions for changes to the Board as appropriate. They will also:

- 7.2.1.1. Be responsible for the implementation & delivery of the VFM Strategy
- 7.2.1.2. Provide leadership throughout the organisation on VFM issues & embed it in the organisation's culture
- 7.2.1.3. Produce annual Board self assessment of VFM delivery.

7.2.1.4. Use of benchmarking to highlight areas of spend for service review and challenge current practices

7.2.1.5. Identify efficiency drivers

7.2.1.6. Annually review this policy

### 7.3. Managers

7.3.1. Managers are responsible for ensuring VFM in the day-to-day management of their service and in helping to consider VFM in any new proposals or reviews of their service area.

### 7.4. Staff

7.4.1. All staff are to be made aware of the importance of VFM through briefings and team meetings, and encouraged to contribute ideas for the efficiency agenda via the staff suggestion scheme.

## 8. DELIVERING VFM

8.1. In order to deliver VFM EMSH will:

8.1.1. Optimise the utilisation its assets & resources to deliver its objectives.

8.1.2. Optimise the return on assets as measured against our objectives both financial & social. Key to delivery of this aspect of VFM is the Asset Management, Development and Sustainability Strategy which should be viewed in tandem with the VFM strategy.

8.1.3. Evaluate alternative options for use & delivery – cost sharing groups, mergers & Outsourcing

8.1.4. Implement an effective performance management & scrutiny function to help drive & deliver improved performance

8.2. In assessing the success of delivering VFM consideration will be given to each of the following components of VFM:

8.2.1. Financial

8.2.2. Social

8.2.3. Environmental

8.2.4. Service quality

## **9. FRAMEWORK**

9.1. To achieve the above deliverables EMSH will:

9.1.1. Having the right allocation of resources between these activities – understanding of cross subsidy, trade-offs and opportunity costs

9.1.2. Having the right housing assets and operational delivery system to provide the desired financial, social, environmental and service quality outcomes. Active asset management & benchmarking will play a major role

9.1.3. Productivity e.g. smart business processes, appropriate staffing levels and sickness management

9.1.4. Good business practices- ensuring costs are no higher than market price and fully justified.

9.1.5. Good business practice includes getting at least 3 quotations from contractors or any other business that EMSH intends to do business with to ensure the best price is obtained

9.1.5.1. Performance management and governance

9.1.5.2. Risk management

9.1.5.3. Financial management and cost control

9.1.5.4. Income management

9.1.5.5. Commercial decisions based on business case and clear

understanding of risk

9.1.5.6. Professional approach to procurement

## **10. SAVINGS**

10.1. Savings will be reinvested to meet service development and community investment targets including supporting residents into work, reducing fuel poverty and financial and digital inclusion.

## **11. CONSULTATION AND RESIDENT SCRUTINY**

11.1. Resident views are central to our business and we will ensure that they are kept involved in determining our VFM Strategy, in carrying out any service reviews and in scrutinising our performance. Residents will be included in in decisions regarding:

11.1.1. Processes related to procurement decisions

11.1.2. Thorough analysis of complaints and customer satisfaction

11.1.3. The determining of targets

11.1.4. Help to identify areas for improvement

11.1.5. Review of the annual VFM strategy

11.1.6. Determining resource priorities

## **12. MONITORING AND REPORTING**

12.1. The Board will monitor the implementation of the VFM Strategy and action plan and progress on delivering VFM will be reported regularly.

12.2. The Board will publish annual reports of the performance in delivering VFM in line with its objectives. This report will be available to the public domain.

**13. REVIEW OF VFM POLICY & STRATEGY**

13.1. This Policy and Strategy will be reviewed annually at the general meeting.