



POLICY: VALUE FOR MONEY

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Copies of this Policy may be made available in alternative formats on request.

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POLICY: VALUE FOR MONEY

All reference to 'we', 'our' or 'us' in this Policy should be read as meaning Sandbourne Housing Association.

1. Purpose and aim of the Policy

- 1.1 We aim to ensure our resources are utilised as efficiently and effectively as possible in delivering our strategic objectives and managing resources.
- 1.2 Our overall purpose is to provide the best possible service to our current and future residents while still remaining financially viable.
- 1.3 The intention of this Policy is to set out our approach to delivering value for money. It is based on the regulatory framework that is published by the Regulator of Social Housing (RSH) which sets out their requirements and expectations for this area in the economic standards and more specifically the Value for Money Standard.

2. Definition of Value for Money

- 2.1 We have adopted the Chartered Institute of Housing definition of Value for Money as the relationship between:
 - 2.1.1 Economy – (costs) 'a measure of what goes into providing a service'. Unit costs are typically used as a measure. The whole life costs of input such as direct and indirect costs of acquiring, running and disposing of assets or resources should be considered. "Paying the best price".
 - 2.1.2 Efficiency – 'a measure of productivity, in other words how much you get out in relation to what is put in'. This examines the relationship between inputs and outputs; for example, planned versus actual delivery, or benchmarked comparison. "Doing this in the best way".
 - 2.1.3 Effectiveness – Qualitative and quantitative measures of increase or decrease in outcomes that show a programme 'is effective in delivering its intended objectives'. This examines the relationship between outputs and outcomes. "Doing the right things".
- 2.2 The government issued a consultation document on 'Funding for Supported Housing' in November 2016 and refers to changes that are due to take place for housing costs funding arrangements that will then come into effect from April 2019.

- 2.3 The government's stated intention (page 21, III. 58. Q7) is 'to provide greater oversight and assurance to taxpayers that supported housing services are providing value for money, are of good quality and are delivering outcomes for individual tenants'.
- 2.4 We are mindful of this direction of travel from the government and the HCA and will embed this into all areas of our work.
- 2.5 The HCA has specific expectations within the Value for Money Standard which are stated below and incorporated within this Policy.

3. Required outcomes

- 3.1 We will articulate and deliver a comprehensive and strategic approach to achieving Value for Money in meeting our objectives.
- 3.2 The Board will maintain a robust assessment of the performance of their assets and resources (including for example, but not limited to, financial, social and environmental returns).
- 3.3 We will manage our resources economically, efficiently and effectively to provide quality services and homes, and plan for and deliver on-going improvements in Value for Money.

4. Specific expectations

- 4.1 We have a robust approach to making decisions on the use of resources to deliver our objectives, including an understanding of the trade-offs and opportunity costs of our decisions.
- 4.2 We understand the return on our assets by having a strategy for optimising the future returns on assets - including rigorous appraisal of all potential options for improving Value for Money in alternative delivery models - measured against our aims and objectives.
- 4.3 We have performance management and scrutiny functions in place which are effective at driving and delivering improved Value for Money performance.
- 4.4 We understand the costs and outcomes of delivering specific services and which underlying factors influence these costs and how they do so.

5. Self-assessment

- 5.1 We will publish a robust self-assessment on an annual basis setting out how we are achieving Value for Money in delivering our purpose and objectives. The assessment will:
 - 5.1.1 Enable stakeholders to understand the return on assets measured against our aims and objectives.
 - 5.1.2 Set out the absolute and comparative costs of delivering specific services.

5.1.3 Evidence the Value for Money gains that have been and will be made and how these will be realised over time.

6. Equality impact assessment/Protected characteristics (as at 8 January 2019 or later amendments/additions)

6.1 Neutral.

7. Consultation arrangements

7.1 Our staff will be consulted on any substantive changes to this Policy and their views will be taken into account before the Policy is approved by the Board.