



## **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 in the Value for Money Standard, the Value for Money Code of Practice and the Value for Money metrics guidance.

### **2. Definition of Value for Money**

- 2.1 The Value for Money Code of Practice states that "achieving value for money should include achieving economy, efficiency and effectiveness in all areas of activity" within Sandbourne. These terms are defined as:
  - 2.1.1 Economy – minimising the cost of resources used while having regard to quality.
  - 2.1.2 Efficiency – the relationship between the output from goods or services and the resources to produce them.
  - 2.1.3 Effectiveness – the extent to which objectives are achieved and the relationship between intended and actual impacts.
- 2.2 The RSH has specific expectations within the Value for Money Standard which are 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 agree strategic objectives for Sandbourne and will demonstrate, in an annual report, how these objectives achieve value for money for the Association.

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 will 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 Value for money will be considered at both a strategic and an operational level.

4.3 A range of data will be collected and used to assess the value for money of all material areas of the business, both current and planned.

4.4 We will seek to 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 in the statutory accounts 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.

5.1.4 Include a calculation of all the Value for Money Metrics required by the Regulator and compare these metrics to other social housing providers.

5.2 We will particularly focus on any areas of underperformance in the business (identified through sector benchmarking) and look at ways of addressing and/or explaining the issues.

#### **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.