

## Value for Money Strategy

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## 1. Introduction

### 1.1 Group Mission Statement

The MHA vision and strategic objectives have been developed out of the Spectrum Housing Group Mission, Values and Vision, in response to local needs and priorities. The Golden Thread which runs through the Medina Plan originates in this Spectrum Group strategic framework.

#### Spectrum Group Mission

To be recognised and respected for providing quality homes and services. Empowering people, supporting active communities and building better futures.

#### Spectrum Group Values

- Committed to quality
- Committed to equality
- Committed to partnership working
- Committed to growth
- Committed to staff

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## Spectrum Group Corporate Objectives

- One organisation
- Tenants at the heart
- Working communities

### 1.2 Medina Vision for 2014

In its interpretation of the Spectrum strategic framework, MHA is committed first and foremost to its residents. It is also fully committed to improving the neighbourhoods in which it works and contributing in partnership to the enhanced well-being and the development of a sustainable economic, social and environmental future for the Isle of Wight.

The vision of MHA for 2014 is to be the best landlord possible with a solid reputation for providing quality homes and environments, delivering excellent services to residents and neighbourhoods, and providing increased choice and influence to residents. Its established reputation will enable MHA to engage with the local authority as a recognised management agent of choice, thereby securing opportunities to increase the affordable housing stock of the Island in conjunction with the Spectrum Housing Group and its development partnership.

Working in partnership with residents and local stakeholders, MHA will aim to secure as an outcome what we call '**Vibrant Neighbourhoods**' – cohesive environments in which people choose to live, work and play.

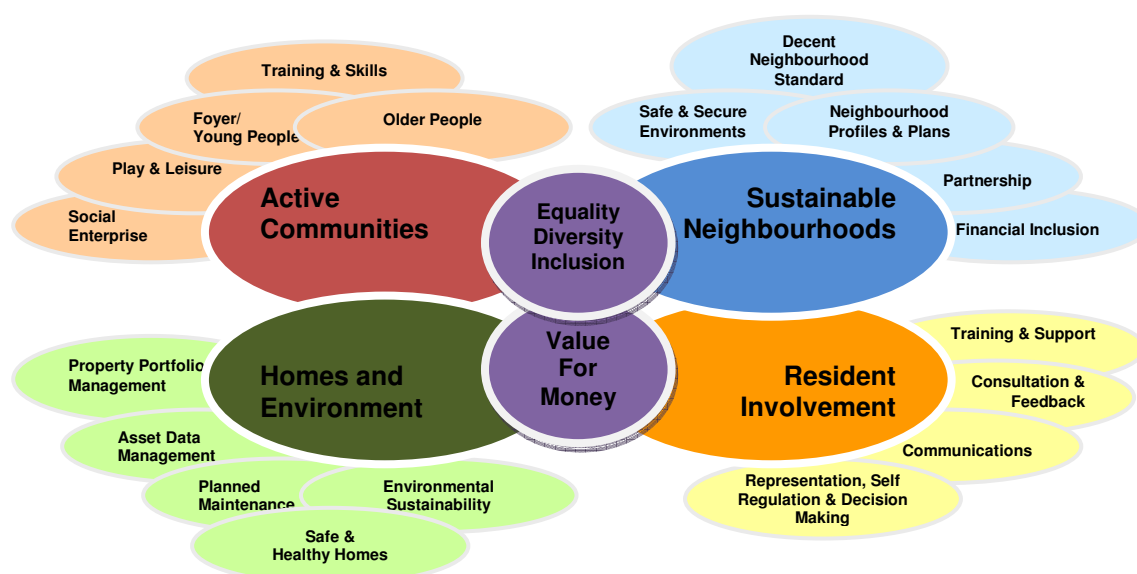
Achievement of this vision will be measured by:

- Sustained levels of performance improvement in service delivery [e.g. level of QHS accreditation, STATUS % uplift in satisfaction, peer group positions, KPIs].
- Homes and Neighbourhood improvement [e.g. DHS +, DNS %, social indicators].
- Tenant involvement and influence [improvement in perceived levels of influence measured in STATUS, numbers of residents involved through the Menu of Involvement, impact assessment].
- Increased social and economic opportunity [e.g. reducing benefit dependence, higher levels of residents in work, number undertaking training].
- Increased contribution to provision of new affordable homes [e.g. % new affordable homes by SHG managed by MHA].
- Effective engagement with local authority and other partners [e.g. leadership in single conversation, contribution to Housing Strategy, Island Plan and Island Strategic Partnership].
- Value for Money – achieving targets in the Annual Efficiency Plan, benchmarked costs against peers [e.g. annual review of VfM strategy, review of Efficiency Plan, Housemark cost benchmarking].
- Equality, Diversity and Inclusion – high satisfaction levels across all groups, impact assessments, feedback from Stakeholders Group [e.g. annual EDI Audit, Impact Assessment, Annual Resident Survey].

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This vision will be delivered through **six** core strategies that are described fully in their respective strategy documents where the detailed objectives for each strategy are also elaborated:

- Homes and Environment Strategy – *quality homes*
- Value for Money Strategy – *quality services*
- Resident Involvement – *empowering people*
- Active Communities Strategy – *active communities*
- Sustainable Neighbourhoods Strategy – *better futures*
- EDI Plan – *better futures*



Each strategy has a strategic objective for 2009-14 which, combined, contribute to the achievement of the overall vision for this five-year plan.

Annual action plans detail the objectives, targets and actions for the coming year and link to the annual budget. Personal objectives are set in conjunction with the annual action plan and are extrapolated into Neighbourhood Action Plans, which reflects local needs and circumstances. The Golden Thread, which begins with the Spectrum Group mission, values and vision, flows through the Medina Vision, the core strategies and annual action plans to personal objectives. The Spectrum Continuous Improvement Policy ensures that the Golden Thread also runs through the review and report process to drive continuous improvement.

### 1.3 Our Core Strategic Objectives

- To contribute to the improvement of social and economic opportunity and inclusion
- To achieve high quality homes and neighbourhood environments
- To develop resident involvement mechanisms and initiatives which

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comply with the requirements of the Tenant Services Authority, meet residents' needs and enable residents to exercise choice, influence and effective governance in the way in which MHA delivers services and develops plans for the future.

- To contribute to improved baseline social indicators as appropriate to each neighbourhood by 2014
- To contribute to MHA's financial viability by ensuring the most productive use of resources through achieving cost-effectiveness and value for money
- To support and empower communities and individuals to achieve the quality of life to which they aspire irrespective of their personal characteristics, values or beliefs. To promote harmony and awareness amongst residents, staff, contractors, partners and stakeholders to ensure that all who come into contact with MHA are valued, supported and respected.

#### 1.4 Purpose of this Strategy

VFM reflects a common sense approach to selling a product or delivering a service. In the commercial sector, businesses are motivated to ensure that they increase their profitability in order to meet the aspirations of their owners (and to some extent the aspirations of their employees, and the communities in which they operate). In order to do so they will seek to deliver a product that their customers want at the lowest possible cost.

Housing Associations are not hugely different from this "commercial" model although of course they do not have owners in the sense that commercial companies do. Housing Associations have their residents as their key stakeholders and the overriding objective for the Housing Association is to deliver high quality services to their residents.

Notwithstanding the overriding objective **NOT** being one of profitability, Housing Associations want to deliver more and better services. They can do this by being more efficient and embracing VFM as an integral part of service delivery. This approach will lead to increased surpluses which can then be used to improve or extend services to residents.

The desire to provide improve and extend services to residents is fundamental to the planning process of Medina Housing Association and is reflected both in the Group Mission Statement and in the Medina Plan.

#### 1.5 Scope of this Strategy

This strategy focuses on Medina HA specifically. It reviews the initiatives undertaken to date and aims to link them together to ensure that a co-ordinated approach is taken to achieve future objectives and improvements.

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## 1.6 Aims of the Strategy

It is important that the Strategy sets out an overall set of aims. This will ensure that the key objectives of the Strategy are agreed and can be monitored in terms of delivery. In particular this Strategy will:

- Give some background to the concept of Value for Money and the context in which VFM needs to be viewed as far as Housing Associations are concerned
- Reflect on Medina's existing performance in respect of delivering value for money
- Look at the key mechanisms for identifying service areas for improvement
- Examine the ways in which VFM performance can actually be improved
- Reflect on how residents, staff and the Board are involved in the process of delivering VFM
- Look at mechanisms for reporting on VFM performance in order that all stakeholders receive information on the organisation's success in delivering the Value for Money Strategy
- Set key objectives over a 3 year period in relation to the Strategy

Appendix 1 to the Strategy will set specific efficiency targets agreed in respect of the 2009-10 financial year.

## 1.7 Who is the focus at MHA for this strategy?

It is the role of the Finance Director acting as VFM Champion, working with MHA's Management Team, Board, Stakeholders and Service Users, to develop the VFM Strategy.

VFM will be reflected in all staff roles and demonstrated in the organisation's plans, budgets, strategies, objectives and operational policies and procedures.

## 1.8 Equality, diversity and inclusion

We will strive to ensure that there will be no discrimination or unfair treatment on the grounds of gender (and gender reassignment status), background (e.g. gypsies and travellers, asylum seekers), race, colour, ethnic or national origin, faith, sexual orientation, marital/civil partnership status, age, disability, social position, politics, trade union membership or social disadvantage. We aim to ensure that everybody is treated equally and has equal opportunity to receive the services and employment opportunities we offer.

We recognise that there are many barriers to true equality of opportunity, ranging from overt prejudice in favour of, or against, particular groups or individuals to unwitting ignorance of different lifestyles and needs. On whatever level it exists, discrimination is neither acceptable nor tolerable. Our

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commitment therefore is to ensure that no group in society is less likely than another to be housed or recruited by us and that the other services we provide, such as housing advice, repairs and rent collection, are carried out fairly.

We will develop a positive action culture, through which achievement of equality is a “golden thread” to our business, to achieve this we will set clear objectives for all of our services, regularly measure our performance and take positive action to deal with any imbalances we find. We will work to ensure that appreciation of issues relating to Equality, Diversity and Inclusion are embedded throughout the organisation.

## 2. Background and Context

### 2.1 What is VFM and why is it important?

#### 2.1.1 The 3Es

There are three components of VFM:

- **Economy** relates to keeping down the cost of **inputs**, i.e. reducing costs.
- **Efficiency** relates to the **transformation of inputs to outputs** during a production process, i.e. how much you put in, in relation to what you get out. Outputs may be expressed in terms of **performance** and **quality**.
- **Effectiveness** relates to **achieving desired outcomes**. Outcomes are what matter to the customer and should map across the association’s high-level objectives.

Bringing these three components together effectively should result in the association producing a range of quantitative and qualitative outputs across a range of services which collectively deliver the desired outcomes for the best possible cost.

Judging whether a service is delivering VFM is about reaching considered opinion based on a range of information, such as performance and benchmarking data, customer feedback on services, and self-assessment against the VFM Key Line of Enquiry (KLOE).

#### 2.1.2 VFM as a business driver

Achieving VFM in a business should ensure:

- **Customer satisfaction** – the right product is being produced, of the right quantity and quality, at the right price. Achieving this involves:
  - focussing on and resourcing the right things.

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- involving customers in difficult choices around priorities and service standards.
- **Profitability** – selling the product at the right price and quality enables the business to realise a profit, or a surplus. These surplus resources can be ploughed back into new and improved services as well as making the organisation viable.

VFM is therefore a fundamental business driver both from within the housing association and in terms of regulatory expectations.

### 2.1.3 VFM and regulation

Obtaining VFM has been a priority of central Government for some years. Key drivers include:

- **Best Value** – introduced in 1999, the Best Value regime aims to ensure the delivery of quality services, not lowest price tendering.
- **Byatt Review** – published in 2001, this set out a number of recommendations to align procurement and best value.
- **Gershon Review in 2004** – report commissioned by the government to drive the procurement and efficiency agenda.
- **The Operating Cost Index (OCI)** – developed by the Housing Corporation and used by the Tenant Services Authority to sit alongside its other performance indicators.
- **Self Assessment Compliance Statement (SACS)** – it is a regulatory requirement for associations to submit an efficiency statement as part of their annual SACS to the Tenant Services Authority. This requires associations to self-assess efficiency gains secured in the previous year and to forecast against in the year to come.
- **Annual Regulatory Judgement** - consideration of VFM is picked up in this assessment which is used by the Tenant Services Authority to pull together a range of information from regulator returns and Audit Commission inspections. Associations striving for a full set of green traffic lights need to take VFM seriously.
- **VFM Key Lines of Enquiry (KLOE)** - produced by the Audit Commission to direct the inspection process against which the performance of housing organisations is being measured. VFM is one element of the KLOE covering the quality of delivery for each activity. In addition, there is a cross-cutting KLOE (32) specifically considering VFM that also contributes to the assessment of Prospects for Improvement. Achieving and demonstrating VFM has become a critical factor in achieving a favourable inspection result.

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### 3. VFM at MHA

#### 3.1 External verification of VFM at MHA

Whilst the VFM Strategy aims to improve MHA's position in achieving and demonstrating economy, efficiency and effectiveness in this area, it is worth noting that its starting point is a position of strength which can be demonstrated as follows:

- MHA is in the top 25% of the Housing Corporation (now the Tenant Services Authority) Operating Cost Index.
- MHA has submitted Annual Efficiency Statements in the past which detailed cost and efficiency savings over a 2 year period and met the targets set by the Housing Corporation (now the Tenant Services Authority).
- MHA has been accredited with the Quality Housing Standard (QHS) for two consecutive years and was the first association in the country to be awarded the enhanced level of accreditation. This is an external validation of the quality of service provision.

#### 3.2 Internal verification of VFM at MHA

MHA invests significantly in its internal performance monitoring, reviewing and reporting. The following internal mechanisms are in place:

- MHA operates within a strong financial framework which ensures good planning and budget monitoring. Its surplus at the end of 2007/8 was £1.573 million.
- The Association has a strong history of Continuous Improvement. This is currently underpinned by a three-year programme of Service Reviews in line with stated policies and timescales and in accordance with the Continuous Improvement Policy.
- The Association has a strong track record in measuring and reporting resident satisfaction to the MHA Board. This is supported three yearly by an external STATUS Survey.

#### 3.3 Benchmarking at MHA

The results will inform decisions about priorities for review and future objectives.

Greater benchmarking will assist in identifying areas of high cost and these will be challenged and reviewed. It will also provide the organisation with the information it needs to understand its own cost structures to ensure that there is an understanding of the related costs for each activity as well as the quality measurement that accompanies these. Over the years, this information will create a bank of comparable data that will help MHA to ensure that it keeps pace with its competitors.

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Key benchmarking tools to be used are:

- QHS standard for housing management, maintenance, involvement and diversity to benchmark the quality of services to customers.
- Housemark annual return to benchmark the cost and performance of housing services in areas such as rent arrears, tenancy and estate management, responsive repairs and lettings.
- Tenant Services Authority (formerly the Housing Corporation) performance indicators for financial, housing management and repairs and maintenance.
- Other global indicators such as the Operating Cost Index and global accounts.

The key benchmarking groups will be:

- Other members of QHS nationally as the standard is independent of type of organisation.
- Other members of Housemark in the South East and South West.
- Other members of the Spectrum Housing Group in order to establish consistent and effective systems for recording and comparing VFM .
- Other housing associations in the South East and South West for Housing Corporation.

In addition, the Association will work with other peer group partners in benchmarking for the purposes of Best Value and Service Reviews or specific work in the area of operation. This may include analysis of comparable data, site visits and joint projects.

## 4. Economy

MHA aims to fully integrate VFM into its business planning frameworks at both corporate and subsidiary level. The Group Business Plan contains the overarching corporate aims and targets. The implementation of these is detailed in the Objectives for each subsidiary which are produced and approved by Board annually, monitored monthly and reported quarterly.

### 4.1 Planning

A clear timetable for the business planning process, including the involvement of residents, staff and Board is set each year. MHA's objectives, which are included in the Group Business Plan, are set and prioritised in consultation with residents and staff, whilst balancing the needs of other stakeholders. Operationally the objectives are split into a series of thematic action plans, one of which is the VFM action plan. The objectives aim to:

- Deliver quality, performance and value.
- Meet local and national priorities.
- Have short-term and long-term goals.

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For the objective setting process to be successful at MHA, input is essential from the following:

- Residents and customers.
- Staff.
- Key stakeholders.
- Board Members.

## Residents and customers

MHA will consult with residents and customers in determining the Associations' objectives and priorities in line with the Continuous Improvement Policy. This will be in accordance with the Association's Resident Involvement Strategy and include:

- debate at TCC.
- consultation through the Money Matters.
- consultation with active residents/groups.
- consultation with members of various Special Interest Groups (SIGs) which includes the Medina Homes Panel.

As the end users, it is important that residents believe they are receiving the best quality and most efficient service with the funds that are available to MHA.

At an operational level a key emphasis for residents will be the issue of shared responsibility for achieving VFM. This includes adherence to the tenancy and lease agreement, meeting responsibilities for the upkeep of homes and communal areas and reporting breaches of tenancy / lease conditions, vandalism and any waste that they see. The costs of any enforcement action taken by the Association will be recorded and used to recharge perpetrators where possible and in the promotion of the VFM 'message' to residents in the quarterly Newsletter.

Active residents will be invited to actively participate in service reviews and this will start at an early stage in the process. The reviews will include consideration of the reasons behind various options, which will include VFM considerations as specific service delivery options. These offer a group of active residents an opportunity to have a full understanding of the issue and air their views and opinions in order to shape the new proposals.

The Association will continue to offer the wider resident body opportunities to feedback on specific topics and Policies especially where major service delivery changes are being considered.

In order to maximise on involvement initiatives and support active residents in their roles, MHA provides a wide range of training opportunities, support and resources, and links with other organisations and involvement agencies.

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The Association also employs a number of mechanisms to collect customer feedback which directly influences decision making and these are detailed in the Effectiveness section below.

The information collected through the various mechanisms is fed into the Objectives setting process in order to identify priorities for the coming year. MHA recognises the need to formalise the existing practices to fully integrate residents into this process in order to truly represent customers' priorities and the following actions have been identified:

- To consult with residents to ascertain their views on headline objectives and priorities.
- Specific consultation with the Money Matters Group (and other Groups where appropriate) in service reviews and proposals for changes which impact on VFM and to agree and develop VFM objectives and priorities.
- To routinely gather information from numerous sources including residents surveys and performance monitoring as well as benchmarking information, budgets and service reviews to assist in prioritising objectives.
- To further develop the TCC Business Plan as a mechanism to feedback to residents on outcomes of previous actions and proposals for future actions.

## Staff

The Association will consult and involve staff in all aspects of objectives setting and the delivery of the resulting action plans. The Association recognises the importance of staff involvement and ownership of objectives in order that these are achieved successfully. Staff are consulted on objectives and priorities prior to the annual Staff Conference. Their feedback is collated with the resident consultation and these are then shaped into specific actions which detail how these will be achieved, the department responsible for the delivery and the proposed timescale for this.

Staff are also actively involved in best value and service reviews and where possible operational staff will lead these and be part of cross-departmental working groups. This ensures that they have a direct influence and ownership of the Association's policies and procedures.

Managers have responsibility for budget control and monitoring as well as service delivery and this ensures that any issues in terms of resource pressures are identified at an early stage. Delivery of activities within budget, service delivery and meeting objectives and targets all form part of monthly review meetings and feed into the annual appraisal process. Management accounts are also a standing item on the monthly MHA Management Team meetings.

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The Association has developed a culture which encourages staff input and open communication, both top-down and bottom-up, through various means. This includes one-to-one meetings and annual appraisals with line-managers, team and department meetings, Management and Executive meetings, Big News presentations and via the Staff Association – all these forums encourage comments and feedback.

The Association introduced a staff suggestion scheme, known as Big Ideas, in 2008. This encourages creativity and innovation which improve services to residents and increase efficiency. A reward structure exists which reflects the differing contributions that suggestions will make to service and cost efficiencies.

In addition, the Group has an annual awards scheme which is based on staff nominating colleagues and teams for their contribution over the previous year.

## Key Stakeholders

MHA will continue to work closely with key stakeholders such as the Tenant Services Authority, strategic partners including Local Authorities, RSL partners, the Supporting People Authorities and key support agencies, and lenders in identifying in order to meet local and national priorities in time to feed into the objectives setting process each year.

The key mechanisms for this include:

- Analysis of the Association's performance against the national Key Performance Indicators (previously produced by the Housing Corporation – now the Tenant Services Authority) annually to identify and agree targets for future performance.
- To compare the Association's performance using the benchmarking tools identified in section 2.3 of this strategy to identify areas for improvement.
- To work with Strategic partners including Local Authorities and Supporting People Authorities and support agencies in reviewing the Association's performance in areas of operation and agreeing priorities for the future.
- To continue to hold regular meetings with lenders to take advantage of interest rate fixing and renegotiating loan terms in order to obtain the best financial deals.
- To continue to subscribe to 'Sector' in order to obtain regular updates from the money markets.

## Board Members

One of the key roles of the Board is to develop and approve the overall strategies of the organisation, from business objectives in the long-term through to operational strategies and policies for service delivery as well as the annual objectives for MHA.

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It is the role of the Board to ensure that any specific decisions that they take are made after full consideration of all the relevant factors including VFM. Board reports are presented in a standard format which includes mandatory statements of relevance.

Board Members are provided with performance information on a quarterly basis which includes reference to the Association's position in relation to its peers. Consultation with Board Members has identified further enhancements to this VFM information which include:

- Enhancements to the Quarterly Review report which include national and local key performance indicators and targets and compare the Association's performance in these areas with the upper and median quartiles.
- The development of an Annual Impact Assessment against the Strategy and Action Plan which will detail the progress made in achieving and demonstrating VFM.
- Explicit reference to the impact on VFM and inclusion of cost benefit analysis in all reports to Board where this is applicable
- Training on VFM for Board Members .

The Association also recognises that Board Member involvement in specific reviews and actions has mutual benefits and this is an area which will be further developed and encouraged where possible.

## 4.2 Financial Performance

Sound financial management is the basis for a successful business and is clearly an essential component in demonstrating VFM. The Association operates strictly in accordance with its Financial Regulations and Treasury Management Policy in order to be financially viable and minimise risks, whilst also meeting the requirements of the Regulatory Code. Numerous internal and external mechanisms exist which audit financial practices and monitor income and expenditure. This means that growth in expenditure is tightly controlled and all opportunities to maximise income and make efficiency savings are explored. Regular meetings are held with lenders to take advantage of interest rate fixing and renegotiating loan terms in order to obtain the best financial deals.

The annual budget setting process, which is co-ordinated by the Finance Director, takes a 'zero based' approach to setting the detailed budgets for all areas. Managers must demonstrate the need for all budgets as well as areas where savings can be made in order to deliver new service developments or service improvements. This feeds directly into the business planning and objectives setting processes.

Responsibility for the management and monitoring of budgets rests with Operational Managers. Financial performance reports are scrutinised monthly

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and assist in monitoring and controlling budgets. Actual cost savings and quality enhancements are recorded in the VFM Log (detailed below) which all staff have access to and are required to update. Potential cost savings and quality improvements through changes to services or the development of new services must include a cost-benefit analysis as part of reports to the Board.

Key financial management actions are:

- To remain in the top 25% of the Operating Cost Index.
- Budgets will continue to be challenging and include financial targets for cost savings and efficiency gains. Budget holders will continue to be held to account for actual expenditure against their respective budgets.
- Targets for efficiency savings will be included in the Efficiency Plan and performance in meeting these targets will be reported in the annual impact assessment for VFM.

### 4.3 Partnering and procurement

MHA seeks to work in partnership with contractors and suppliers and access procurement opportunities where possible, in accordance with its Procurement Policy which needs to be considered in line with this Strategy. This is done to:

- Keep costs at an affordable level.
- Provide some predictability in costs.
- Reduce administration of contracts and invoices.
- Maintain the provision of good quality services.

In addition, MHA is mindful of its position as a relatively large procurer in a fragile local economy. We will seek to support local business where appropriate and to promote local skills and employment through social enterprise, partnerships and our services at the Foyer.

MHA has a number of successful arrangements in place for the provision of repairs, planned maintenance, estate services and resident training through partnering and consortiums. Residents have been involved in the selection of contractors and products, particularly in planned and cyclical works and gas servicing and the Association intends to continue and expand these opportunities moving forward. Contractors have also been supportive in the delivery of community events held by the Association on its schemes.

Partnering and procurement have produced significant cost savings and created efficiencies as well as maintaining or improving the quality of service provision over a number of years. Similarly, the Association has made considerable savings over some years through the procurement in areas such as utilities, white goods and stationery. As an additional benefit to the partnering and procurement work the Association is also able to enhance local employment opportunities through apprentice schemes offered by contractors.

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Key partnering and procurement actions are:

- To continue to explore opportunities for further procurement with a view to maximising efficiency and cost savings as well as improvement service quality.
- To extend consultation opportunities with residents in order that they have further choices in contractors and products.
- To extend contractor and partner involvement in community events.

#### 4.4 Measuring success

The key measures of success for this Strategy are:

- The Association will remain in the top quartile of the TSA's Operating Cost Index.
- The Association develop a greater and more detailed understanding of its costs through effective benchmarking.
- The Association will maintain an inclusive Objectives Setting Process which involves residents, staff, key stakeholders and Board members.

### 5. Efficiency

Whilst the key focus of VFM is providing good quality homes and services to residents, there is a cost to this which customers pay for through their rents and service charges. MHA will strive to keep costs down without reducing performance or quality in order that residents can see VFM in the services they receive for the rent and service charges they pay.

#### 5.1 Performance

Direct and indirect cost savings through efficiency gains and the outcomes of new initiatives will be re-invested for the benefit of residents providing all the organisations commitments are met.

There is an expectation that in delivering efficiency savings and demonstrating VFM, service levels should improve or at least remain the same. MHA can demonstrate improved performance levels as well as increased satisfaction levels in a number of operational areas where efficiency savings have been made over recent years.

In consultation with residents and staff, the Association will identify areas where efficiency gains can be achieved without a detrimental affect on the quality of the service. Priorities for the re-investment of efficiency gains will also be determined with residents and this will focus on the following areas:

- Investing in existing and new services.
- Investing in existing and new homes.
- Repayment of bank loans to secure stronger cash flows in the future

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- for re-investment in services in the longer term.
- Investing in front-line staff and support functions (such as communication and IT).
- Investing in non-social housing opportunities.

Performance, both financially and against Key Performance Indicators (KPIs) is monitored throughout the organisation. Managers review performance as part of monthly review and team meetings and the Management Team review the performance of the whole department through monthly meetings. The Executive Team and Board also review performance information on a quarterly basis.

Standard and self-generated financial and performance reports are available and these continue to evolve to meet the needs of Managers. This ensures that they have the necessary information and tools to enable them to assess structures, processes, proposals and changes in terms of VFM and efficiency specifically.

## 5.2 Quality

The Association will deliver quality services in accordance with its Customer Service Standards which details standards and targets in key areas of service delivery. Performance in each area is measured and reported to TCC quarterly.

As a member of Quality Housing Services (QHS), MHA operates to quality targets nationally approved in conjunction with residents, other RSLs and key stakeholders. QHS targets are constantly reviewed and updated to drive continuous improvement in service delivery through performance against these standards. QHS offers an important service to MHA as it is independent and the assessment of performance is triangulated in the form of resident surveys, mystery shopper activity and office audits. MHA is proud of its achievement as the first RP to achieve enhanced accreditation through QHS.

- The Association has achieved QHS accreditation for the last 2 years and aims to maintain this.
- The Association will work towards maintaining enhanced QHS certification.

## 5.3 Measuring success

The key measures of success for this Strategy are:

- The Association meets or exceeds 2<sup>nd</sup> quartile TSA KPI targets in all areas of operation by 2009 and works to achieve top quartile performance by 2010.
- The Association retains enhanced QHS certification.
- The Association develop maintain a detailed understanding of its

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service performance through effective benchmarking.

## 6. Effectiveness

A key aim of this strategy is to co-ordinate MHA's approach to VFM in a more structured way but also to outline how the Association will measure its effectiveness in achieving and delivering VFM services. This is clearly important for residents, staff and Board members but also for external auditors and regulators.

### 6.1 Self assessment

MHA's budgetary processes record actual investments and cost savings – these are tangible and easily accessible. However in order to demonstrate the effectiveness of VFM initiatives the impact and outcomes of the Association's actions need to be recorded and measured. These are often less tangible as they may relate to indirect cost and efficiency savings and service delivery and quality improvements.

### VFM log

MHA has adopted a VFM log which is used to record all activities which have resulted in cashable and non-cashable cost or efficiency saving. The outcome and impact of the actions is also recorded and this has proven to be an effective tool for recording, measuring and demonstrating VFM. All operational staff are required to populate the log with details of activities, including procurement, that they have undertaken which have an impact in VFM. The log is monitored monthly and will form part of the annual VFM impact assessment.

The VFM log will continue to be maintained by MHA and its use will be extended across the Group to ensure consistency in recording VFM actions and assessing their effectiveness.

### 6.2 Customer assessment

MHA will continue to consult residents and customers to ascertain their experiences of the services they receive from the Association. This enables the organisation to identify areas of weakness and take action to improve its performance. Redesigning processes and systems based on this feedback enables the Association to focus on what matters most to its customers - striving to get things right first time, avoid wasted resources and effort and meeting their expectations.

### Customer satisfaction

MHA collects satisfaction feedback from residents in a number of ways. These include satisfaction returns linked to specific actions and activities, questionnaires and activities at resident-focused events and independent

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surveys. The outcomes are reported to the TCC and the MHA Board.

The results are used to track trends in satisfaction but more importantly to influence priorities for the future. The same measurement will be extended across the Group structure which will enable accurate comparisons to be made.

MHA will continue to collect information on satisfaction with service delivery from its residents in the following ways:

- Through Quality Housing Services (QHS) which undertakes independent satisfaction surveys with residents and secret shopper activities as part of its assessment of the Associations performance against set standards.
- Through internal Satisfaction Surveys – these are conducted by MHA and include:
  - an Annual Satisfaction Survey (which includes specific VFM questions)
  - New Resident Surveys
  - Specific surveys of service users e.g. ASB, Complaints, repairs, etc.
- Through the STATUS survey which is undertaken every 3 years by an independent provider. This also includes specific questions on VFM.

The Association operates a Complaints Policy which can be accessed by all residents and customers in the event that they are dissatisfied with any aspect of the service they receive.

## Resident feedback

MHA will continue to act on direct feedback from residents and customers in the following ways:

- Acting on learning points from Complaints. This provides vital information where the Association has got things wrong and any learning points from each individual complaint are recorded and acted upon.
- Recording citations – this is also important feedback as the Association also needs to know when it has got things right to ensure that this continues.

## Direct consultation with residents

MHA will continue to act on feedback from residents who are actively involved with the organisation through the following ways:

- In discussion with Neighbourhood Voices and Neighbourhood Residents Groups.
- Through the TCC which meets monthly and has a role in examining

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- performance and considering changes to service delivery.
- At the annual Residents' Conference which all 'active' residents are invited to attend.
- Through the Money Matters and Medina Homes groups.
- In discussion with Resident Board Members.

### 6.3 Measuring success

The key measures of success for this Strategy are:

- Continued high or improving levels of satisfaction through internal and external measures reaching second quartile performance in the RSR satisfaction measures by 2010 and top quartile by 2011.
- The Association will maintain a detailed understanding of the outcomes of its service provision through effective customer satisfaction measurement.
- Actions, outcomes and impact are recorded on the VFM log and are consistent with the costs incurred.

## 7. Key Objectives

### 7.1 Key economy objectives

Objective	Timescale	Responsibility
To achieve greater Resident, staff, stakeholder and Board involvement in objectives setting	Dec 2009	MD
Produce Annual Business Plan for residents advising them of outcomes of previous actions and commitments for the future	Apr 2009	FD/RIM
To remain in the top quartile of the Operating Cost Index and use this information for comparisons on global financial accounts	Apr 2009	FD
To complete the Housemark annual return of the costs and performance of housing services	Sep 2009	FD

### 7.2 Key efficiency objectives

Objective	Timescale	Responsibility
To maintain QHS accreditation	Apr 2009	MD
To maintain QHS enhanced certification	Apr 2010	MD
To set and exceed the national 2nd quartile Key Performance Indicators and use this information to benchmark against other associations	Oct 2009	MT
To set and exceed the national top quartile Key Performance Indicators and use this information to benchmark against other	Oct 2011	MT

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<b>Objective</b>	<b>Timescale</b>	<b>Responsibility</b>
associations		

### 7.3 Key effectiveness objectives

<b>Objective</b>	<b>Timescale</b>	<b>Responsibility</b>
Extend use of VFM log across Group	Dec 2008	FD
Continued monitoring and reporting of internal and external customer satisfaction and feedback mechanisms	Oct 2009	PPM
Achieve national 2 <sup>nd</sup> quartile in RSR satisfaction measures	Oct 2010	MT
Achieve national top quartile in RSR satisfaction measures	Oct 2011	MT

### 7.4 Monitoring and Implementation

<b>Objective</b>	<b>Timescale</b>	<b>Responsibility</b>
Create common format for Impact Assessments	Oct 2009	PPM
Extend VFM Working Group to include residents	Oct 2009	RIM

## 8. Realising the Strategy

### 8.1 Strategy development

This strategy will evolve as MHA's scope of operations changes and as the requirements of the various communities it serves change.

This Strategy will be reviewed by the TCC and approved by the Board.

### 8.2 Reviewing the Strategy

#### Annual review

Each year the VFM activity will be reviewed and progress against the strategic outcomes assessed. The review will include staff, customers and the Board as well as feedback from other stakeholders.

This will be reported to Board and Resident Panels through a VFM Audit which will:

- Assess the impact of the activity and actions taken.
- Identify progress against the key objectives.
- Identify key areas for action the following year in the form of a one-year action plan.
- Identify any necessary revisions to the strategy.

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## Quarterly review

Each quarter a report on progress against the VFM action plan will be taken to Board.

Efficiency, performance and satisfaction measure will be reported to Board.

### 8.3 VFM action plan

WCHA will produce an annual VFM Action Plan which will detail all VFM objectives over the following 12 – 24 months.

The VFM action plan covers the following areas:

- Business Plans.
- Economy and Procurement.
- Efficiency and Quality.
- Effectiveness.
- Monitoring and Impact.
- 3\* Services.

### 8.4 Embedding VFM

MHA has had some success in embedding a VFM culture over recent years and recognises that this must be part of the everyday processes and procedures that staff use in order to be effective.

The Association required Operations staff to input all efficiency and quality gains that they have achieved through initiatives that they have implemented on the VFM log. This enables staff to see the impact they have made in cost and efficiency terms as well as the outcome of their actions on residents and customers.

Staff will continue to be actively involved in Best Value and Service Reviews in order that they have a direct influence on Policy and Procedures. This ensures that staff have ownership of performance targets and the quality and/or efficiency benefits through recommended changes to policies, procedures or practices.

Service Reviews help to achieve VFM at a strategic level but MHA is keen to reward staff who can suggest efficiency and/or cost savings at an operational level and therefore a Staff Suggestion scheme and Annual Staff Awards have been developed to facilitate this.

MHA will provide all staff with VFM training in order that they are equipped with the knowledge of the principles of VFM and understand the role they play in achieving and delivering VFM services. All MHA staff and Board members will receive mandatory VFM training and further awareness training will be undertaken with involved residents.

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## 9. Related Documents

1. Continuous Improvement Policy.
2. Procurement Policy.
3. Resident Involvement Strategy.
4. Medina Plan.
5. Equality, Diversity and Inclusion Policy.
6. Asset Management Strategy.

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