

<b>Title</b>	<b>Value for Money Policy</b>
<b>Document Owner</b>	Director of Finance
<b>Next Review Date</b>	June 2018
<b>Corporate Aim</b>	Deliver a strong business, fit for today and prepared for tomorrow

## **1 POLICY PURPOSE AND AIMS**

- 1.1 whg defines value for money (VFM) as the delivery of the maximum possible amount of benefit to our customers and communities using the limited resources we have available. VFM is not simply about reducing costs.
- 1.2 whg is committed to ensuring that all services represent VFM for our customers and communities. This is fundamental to our mission ‘Dedicated to the success of our people and places’.
- 1.3 whg aims to achieve VFM gains year on year through pursuing excellence and challenging waste. This Policy is intended to provide an overarching framework to guide work within whg on VFM.

## **2 OUR POLICY**

- 2.1 whg will seek to embed VFM principles in all we do, ensuring our approach compliments the objectives of the Corporate and Business Plan and conforms to the Homes Communities Agency (HCA) Regulatory Standards.
- 2.2 whg will ensure all colleagues understand their individual and collective responsibilities for achieving VFM. Specifically this will involve:
  - including VFM as an integral part of any financial plans
  - making VFM a key consideration in all work-streams, reports, projects, initiatives and service reviews
  - ensuring colleagues are aware of whg’s commitment to VFM, through briefings, training and other initiatives and the requirement to contribute to VFM through the work they do
  - training colleagues in the use of benchmarking techniques to enable meaningful evaluations of the efficiency of activities at service level
- 2.3 Ultimate responsibility for whg’s strategic approach to delivering VFM rests with the Group Executive Team (GEXEC) and WHG Board. The Director of Finance is responsible for the effective implementation of this Policy across the business.

- 2.4 WHG Board and its committees will demonstrate robust and thorough decision making in line with whg's corporate objectives. Board and committee members will challenge the VFM implications of decisions and take a lead on benchmarking the efficiency of whg services against those of our peers.
- 2.5 Decision making at all levels of management will be focused on optimising the value of our assets and services and whg will take a proactive approach to asset management and service delivery. We will research best practice and consider alternative delivery models and rationalising our assets where such actions would be appropriate and in the best interests of our customers.
- 2.6 Effective decision making requires high quality evidence. whg will maintain accurate records of our assets and customers and strive for a high standard of data quality.
- 2.7 whg will engage with customers in order to set VFM priorities. Customers will also play a key role in scrutinising whg's activities and benchmarking our performance with our peers. whg will ensure our involved customers are given appropriate training and development opportunities to enable them to hold whg to account as effectively as possible.
- 2.8 whg will seek to maximise VFM gains in the procurement of all contracts. All procurement activity will follow the diligent processes set out in whg's Procurement Policy and accompanying guidance notes. Of particular importance is whg's commitment to rigorous market testing where appropriate and fully optimising the benefits of our significant purchasing power.
- 2.9 VFM is not an end in itself and any savings gained as a result of whg's VFM work will be reinvested into our homes and neighbourhoods and the services we provide to customers.
- 2.10 In implementing this Policy, whg will seek to avoid adding to bureaucracy and will instead endeavour to use and build on existing working groups, processes and structures.

### **3. PERFORMANCE MEASURES AND TARGETS**

- 3.1 whg will set ambitious measurable VFM targets on an annual basis. Specific details of the targets and whg's performance will be reported in whg's annual VFM statement.
- 3.2.1 whg will also measure the social impact to ensure our activities deliver the maximum benefit possible to customers and communities. Social impact assessments will help to evidence which interventions are most effective and embed VFM considerations into our work.

## **4. MONITORING AND REVIEW**

- 4.1 whg will produce an annual VFM statement in line with the HCA's Regulatory Framework. This will outline our most significant VFM achievements from the previous twelve months and evidence the year on year improvements we are making. whg will exceed the regulatory requirements by producing annual VFM statements at service level as well as at a corporate level.
- 4.2 whg will also monitor VFM improvements through WHG Board and GEXEC reports, quarterly reviews of operational plans and long term financial forecasting.
- 4.3 This Policy will be reviewed every three years or sooner in the event of significant regulatory or legislative change.

## **5. ASSOCIATED DOCUMENTS**

whg Procurement Policy and guidance notes

whg Acquisitions and Disposals Policy

HCA Regulatory Framework 2012 and 2014

HCA Financial Viability and Governance Standards 2015

HCA Value for Money Standards 2015

HCA Code of Practice 2015