

Novi Dom Housing Support CIC

VALUE FOR MONEY STRATEGY

1.0 Introduction and key drivers

1.1 These are the key drivers of the VFM Strategy:

- A wish to invest our resources on the services that are the highest priority for residents.
- Improving performance of, and customer satisfaction with the services that are the highest priority for residents.
- Maintaining strong financial viability and delivering value for money.
- Regulatory requirement for Novi Dom to articulate and deliver a comprehensive and strategic approach to achieving value for money and meeting its overall objectives.

2.0 Definition of value for money

- 2.1 VFM is a term used to assess whether an organisation has obtained the maximum benefit from the goods and services it both acquires and provides, within the resources available to it. VFM not only measures the cost of goods and services and the financial returns from assets and resources. It also considers social and environmental returns and the mix of quality, cost, resource-use, fitness for purpose, timeliness, and convenience to judge whether, together, they constitute good value.
- 2.2 VFM is high when there is an optimum balance of relatively low costs, high productivity and successful outcomes. VFM is not achieved if, for example, cost is low, but quantity and quality are also low. This can represent wasted effort.
- 2.3 Good VFM is also achieved when financial, social and environmental returns from assets and resources are maximised.
- 2.4 High VFM is also defined as ‘optimum combination of whole-life costs and benefits which meet the customers’ requirements.
- 2.5 Effectiveness is often the hardest element of value for money to measure in housing particularly as there are few universal measures at national or local level. Quality tends to be forgotten in the equation. Value for money’ means to many ‘reducing expenditure and increasing outputs’. It will therefore be important that measures of success are developed under each heading of the ‘value for money’ equation to ensure decisions take each area into consideration.
- 2.6 It is important to reiterate that VFM is not just about cutting costs. It is also about achieving better quality and greater quantity and improving services that matter to stakeholders. This may include re-investing in front line service delivery.

3.0 Priorities for improving value for money

- 3.1 A good VFM Strategy should identify and generate action to improve activities with poor value for money and maximise financial, social and environmental returns of assets and resources.
- 3.2 This VFM Strategy is based on an understanding of the costs, performance and customer satisfaction with Novi Dom's services, (outputs and outcomes), and our strengths and weaknesses compared to other housing associations.

Cost information

- 3.3 The Strategy has been informed by detailed information on Novi Dom's costs, income and quality of services.

Stakeholder opinion

- 3.4 The views, concerns and priorities of Novi Dom's stakeholders (mainly our residents) combine to form a very important element in delivering VFM and deciding how to develop services to achieve excellence.
- 3.5 The Strategy is informed by the following feedback from engagement with residents:
- Residents' concerns and priorities identified by the current general feedback from residents.
 - Further consultation is planned in the form of an Annual Survey.

- 3.6 The VFM Strategy requires that those costs, outputs, and outcome, including residents' concerns and priorities are subsequently kept under regular review and that the priorities and focus of the Strategy are adjusted to reflect any changes.

Priorities for action

- 3.7 The above headline and other information points to several areas where action is required to achieve better VFM by reducing costs and/or improving performance and satisfaction. Action generated or prompted by the VFM Strategy should therefore focus on and facilitate improvements in the following areas:

Improving asset management service quality and cost

- Improving satisfaction with the repairs and maintenance service, including increasing the proportion of jobs completed right first time, improving quality, and speeding up the time taken to start and complete work.
- Reviewing the cost of responsive repairs and voids, including assessment of the scope to reduce costs whilst improving satisfaction with the service. Previous consultation with residents suggested that there may be significant opportunities to save money by better checking of contractors' work.

- Continuing to improve satisfaction with the overall quality and condition of the home via major works (including compliance with the Decent Homes Standard), cyclical programmes and better-quality responsive repairs.
- Improving satisfaction with the overall quality and condition of the home via provision of aids and adaptations, which meet the needs of residents who have disabilities.
- Ensuring that BME residents are as satisfied with the overall quality condition of property and the value for money of their rent as non-BME residents.

Improving resident engagement, estate management, other service areas

- Increasing residents' satisfaction that their views are listened to and acted upon, primarily by delivering excellent maintenance and communication by all staff, and better engagement with resident involvement and housing management staff.
- Improving the way enquiries are dealt with generally, including implementation of the above arrangements and ensuring that staff are more helpful to disabled residents when they call, and that they are more satisfied with the outcome of their queries.
- Improving motivation of Novi Dom staff by increasing empowerment, involvement, and satisfaction.
- Maximising rental income for the lowest possible cost and highest quality to the residents.
- Ensuring that residents where English is not their first language do not have difficulties obtaining access to services.

4.0 Resident involvement in the development and delivery of the VFM Strategy

- 4.1 Residents have been and will continue to be involved in the development and delivery of the VFM Strategy via consultation and agreement of VFM priorities, and feedback from surveys, other questionnaires, and resident engagement.
- 4.2 Consultation will enable us to ensure that costs, outputs, and outcomes, particularly residents' concerns and priorities are kept under regular review and that the priorities and focus of the Strategy are adjusted to reflect any changes.
- 4.3 Residents will be consulted on and involved in regular service reviews and development of future standards because of the implementation of the VFM Strategy.

Involvement will comprise:

- Consultation and discussion with Residents.
 - Findings and recommendations from Residents meetings.
 - Regular consultation via questionnaires and surveys.
- 4.4 Residents will receive regular progress reports. The website will be an important means of reporting to residents and other stakeholders.

- 4.6 We will regularly seek residents' views on the efficiency of Novi Dom's services and associated processes and suggestions for improving processes, eliminating waste, and saving money.

5.0 Strategic objectives and associated actions to achieve value for money

- 5.1 Novi Dom's over-arching VFM objectives are:

- To articulate and deliver a comprehensive and strategic approach to achieving value for money and meeting Novi Dom's objectives.
- To integrate fully VFM principles at a strategic and operational level and within all management, planning and review processes.
- To deliver excellent services in terms of value for money in line with the Audit Commission's key lines of enquiry (KLOE32) and the RSH Value for Money Standard.
- To engage with residents to ensure they are properly consulted and can play an active part in securing VFM services.

- 5.2 The following objectives and associated actions will ensure that Novi Dom has a robust approach to value for money, VFM is embedded throughout the association and VFM targets are achieved.

5.3 Promotion and maintenance of a culture of continuous improvement.

Promotion and maintenance of a culture of continuous improvement will be achieved by implementation of measures agreed with staff and residents.

5.4 Ongoing implementation of the performance management system to ensure a robust approach to performance, particularly in the priority service areas, which is effective at driving and delivering improved value for money performance.

- 5.4.1 This will be achieved by implementation of measures agreed with staff and residents. This includes the following key actions:

- Delivery of a range of challenging targets and a suite of mandatory and local performance indicators (PIs) to drive and measure progress towards better VFM in service provision.
- Development and implementation of good performance management, including robust management of staff and sufficient development, support, involvement, and empowerment to enable them to do their jobs and maintain high levels of morale and commitment.
- Continuing development and delivery of the current Novi Dom action plans to ensure the delivery of a range of specific service improvements.
- Negotiating the best lease terms with head landlords to ensure that the lease charges provide Value for Money.

- Ensuring that new leased properties are handed over to Novi Dom in a good state of repairs.
 - Working closely with head landlords to ensure that cyclical maintenance and major repairs are carried out as necessary.
- 5.5 Developing a clear understanding of the costs and outcomes of delivering services and which underlying factors influence these costs and how they do so.**
- 5.6 Regular benchmarking and comparison of activities, costs and outputs against other organisations using information from Housemark and other suitable benchmarking clubs.**
- 5.7 Developing a clear understanding of the return on Novi Dom’s assets and resources, and a strategy for optimising the future financial, social and environmental returns on assets and resources – including options appraisal of all potential options for improving VFM including the potential benefits in alternative delivery models measured against Blue Square Residential’s purpose and objectives. This will include:**
- 5.7.1 Maintenance of a robust Procurement Strategy covering the procurement of goods and services, particularly asset management and development contracts, but also a range of central and back-office functions.
 - 5.7.2 Develop an investment strategy for optimising the future financial, social and environmental returns on assets and resources.
- 5.8 Adoption of specific good practice in relation to repairs and maintenance.**
- 5.8.1 This should reflect feedback from the current customer survey and improvements proposed by residents via consultation exercises.
- 5.9 Development of a robust contract mobilisation processes, good contract awareness and subsequent contractor management.**
- 5.10 Development of partnering.**
- 5.11 Minimising process and transaction costs using Information Technology.**
- 5.12 Maintaining strong financial controls and good financial stewardship to control costs, eliminate the risk of loss and ensure viability is maintained.**
- 5.13 Improving general communications with residents, particularly in relation to the priority areas identified by residents.**
- 5.14 Coordinating and servicing the Board to oversee VFM work.**
- 6.0 Responsibility for delivering VFM and internal reporting**
- 6.1 The VFM Strategy and subsequent reviews and revisions to the Strategy will be approved by the Board.

- 6.2 Progress with the VFM Strategy action plan will be discussed by the Board.
- 6.3 The Board will receive annual progress reports.
- 6.4 The responsibility for VFM lies with all members and staff and is not restricted to those with resource or financial responsibilities. Novi Dom is required to satisfy itself that VFM is being sought and achieved by all parts of the association, particularly achieving high levels of resident satisfaction with the repairs service.
- 6.5 The Board and Senior Management team have the executive responsibility to put in place arrangements that will ensure VFM is sought.
- 6.6 Managers have the executive responsibility to maintain an awareness of good practice in their own areas of operation and ensure that these are followed appropriately. Managers need to satisfy themselves that VFM is being secured in the budgets that they manage.
- 6.7 All members of staff should endeavour to seek and achieve VFM in all their activities and to bring to the management's attention any opportunities for improvement.

7.0 How will we know we have been successful? Indicators of success

- 7.1 We will have been successful in delivering the VFM Strategy when we have achieved the following:
- KPIs demonstrate that service quality has been maintained and improved for the same or lower financial inputs.
 - Improved customer satisfaction with services.
 - Production of a robust VFM self-assessment.