

Onward

Value for Money Strategy 2017-20



1. Introduction

1.1 Our purpose is:

‘to make a positive difference in the communities we serve’.

1.2 For Onward, Value for Money (VfM) is about being effective in how we plan, manage and operate our business. It means making the best use of the resources available to us to provide quality homes in our communities backed by high quality services and support.

1.3 Onward is committed to providing high quality VfM services, and will seek to achieve more for less or more for the same, where VfM savings or efficiencies can be achieved. VfM should allow us to multiply the investment we make in neighbourhoods and communities, sometimes financially but also in other terms so there is real impact and we make a real difference.

1.4 The VfM Strategy is agreed by the Board who also monitor performance on VfM in order to gain assurance that the strategy is being delivered. How we approach VfM and the results we achieve will be transparent. Over time our VfM standards will continue to rise.

2. What VfM means to us

2.1 VfM is not about cutting cost, or the cheapest price; it is about achieving the best possible outcomes with the best use of finite resources.

2.2 VfM can be delivered through a wide range of tools, including expenditure control, forecasting and benchmarking to drive cost reduction and enable an increase in quantity, quality and appropriateness of our homes and services.

2.3 As a registered provider of social housing, we are obliged to undertake certain activities, such as essential repairs and maintenance. But there are other areas where we, as a good landlord, can exercise greater discretion and apply innovative techniques to drive VfM. We provide services that aim to improve customers’ financial wellbeing enabling them to sustain their tenancies, and deliver social value over and above social housing.

2.4 VfM is:

spending less, spending well, spending fairly and spending wisely

3. Why VfM is important to us

3.1 To be effective, VfM needs to be a continuous process. There is no beginning or end as it is a continual review of information, including customer feedback, benchmarking and performance information. This information creates new actions and projects which must be delivered and assessed for their effectiveness.

3.2 We have developed a Strategy to create a vision for our approach because we want to ensure VfM is a high priority, promote VfM throughout the organisation and make sure that tools to support, embed and deliver VfM are in place and regularly reviewed.

3.3 The Homes and Communities Agency (HCA) Standard on VfM published in March 2012 sets out a framework and expectation on providers in relation to VfM. The core elements

of this standard are at the heart of this Strategy whilst we seek to demonstrate VfM in relation to our own operations.

- 3.4 Our Strategy, though, is in place because it is what a good business should be doing. We therefore need to;
- have a robust approach to making decisions on the use of resources to deliver the provider's objectives, including an understanding of the trade-offs and opportunity costs of its decisions
 - understand the return on assets, and have a Strategy for optimising the future returns on assets including rigorous appraisal of all potential options for improving VfM including the potential benefits in alternative delivery models measured against the organisation's purpose and objectives
 - have performance management and scrutiny functions which are effective at driving and delivering improved VfM performance
 - understand the costs and outcomes of delivering specific services and which underlying factors influence these costs and how they do so.
- 3.5 We have a clear vision of “making a positive difference in the communities we serve” and we aim to do that by delivering VfM through everything we do in order that we can do more. If we get that right we can protect what we have, strengthen our viability, retain and attract customers, invest more in neighbourhoods, communities and people and make better decisions over the risks and challenges that we face.

4. How we will deliver VfM

- 4.1 The HCA expects us to demonstrate a robust approach to how we use our resources to deliver our objectives. We do this by developing other strategies and action plans for key areas of our business, such as Asset Management, Development, Treasury, Procurement and ICT, which determine how we invest to ensure the best VfM.
- 4.2 This Strategy will form the basis for our communication to our customers, colleagues and to the HCA. It is critical to our VfM delivery that we have a greater understanding of the relative value and costs of the decisions we make, and of the return on investment we will get from our assets and investments. We report our progress in these areas on an annual basis to the regulator and our stakeholders.
- 4.3 The VfM Strategy is agreed and approved by our Board, who will also monitor our performance and hold us to account to ensure delivery. Regular and frequent updates and monitoring reports will be made available, ensuring that the actions identified within the Strategy are delivered on time and to budget. To ensure further transparency, we will regularly publish our progress and will invite scrutiny and challenge from our customers, colleagues and stakeholders.
- 4.4 We will:
- Deliver VfM through agreed outcomes in all organisational strategies and departmental plans;
 - Embed VfM across the business, and make it easier for colleagues to progress innovative ideas in their day to day work;
 - Measure VfM consistently, transparently and objectively;
 - Report our VfM achievements using our 'spend less; spend well; spend fairly; spend wisely' approach;

- Monitor our progress as part our performance framework;
- Share, with our colleagues and our customers, real life examples of our success.

Economy

Delivering our services on budget, on time and within other resource constraints. We must be able to demonstrate we have procured services and resources (inputs) at the lowest possible cost without harming quality.

It is about spending less

Efficiency

Ensuring that we and our customers get a good return on the money and resources we invest in our services. We must be able to show the value of what we have obtained (outputs) in terms of what we have invested.

It is about spending well

Equity

The extent to which services are available to and reach all people for whom they are intended. We must be able to demonstrate all services and benefits are distributed equally.

It is about spending fairly

Effectiveness

The extent to which we have delivered what we set out to do.

We must be able to demonstrate we have achieved everything we intended (outcomes) in relation to the total cost of what we have put in.

It is about spending wisely

5. Achievement measures

- 5.1 Action and performance measures will be developed in each area to show how we are achieving our Strategy.
- 5.2 The performance measures relating to VfM will be published in the monthly financial reports. As part of the performance framework they will be also published in our performance scorecard.
- 5.3 Annually, the Board publishes a robust VfM self-assessment setting out how Onward is achieving VfM whilst delivering our values and objectives. This assessment is available to all residents and other Onward stakeholders.
- 5.4 The annual self-assessment:
 - Defines VfM in terms of Onward's values and objectives;
 - Describes our approach to VfM and use of resources;
 - Details our arrangements to ensure we deliver VfM;
 - Enables residents and stakeholders to understand the return on assets measured against our objectives;
 - Sets out absolute and comparative costs of delivering specific services;
 - Evidences the VfM gains that have been made and will be made and how these will be realised over time;
 - Details how the Board has gained assurance of the VfM self-assessment.