



**PEAKS & PLAINS**  
Housing Trust

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# The Trust

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Value for Money  
Strategy

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V2

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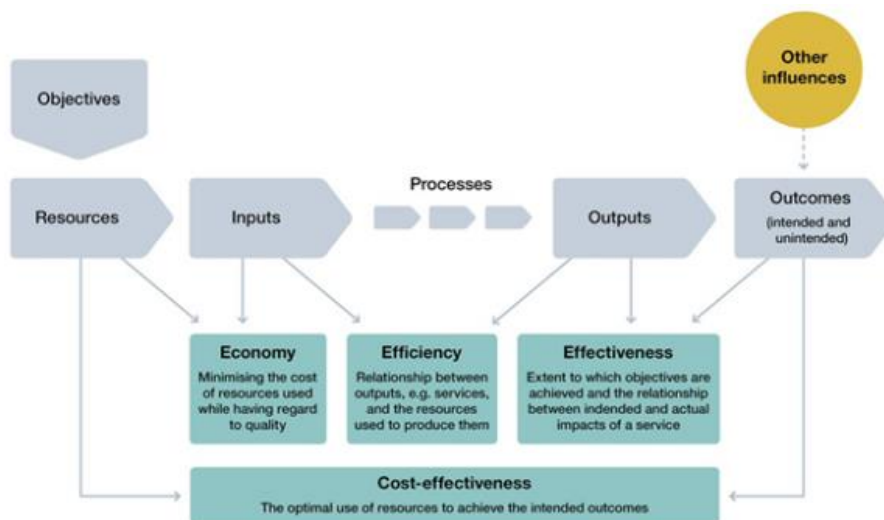
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## 1. PURPOSE & AIMS

- 1.1. Peaks & Plains Housing Trust manages over 5,000 homes across East Cheshire and the High Peak and we exist to work together to provide safe homes and thriving communities.
- 1.2. For Peaks & Plains, 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 safe, quality homes in our communities backed by high quality services and support.
- 1.3. Peaks & Plains 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 increase 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 which also monitors 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.

## 2. WHAT VALUE FOR MONEY MEANS TO PEAKS & PLAINS

- 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, benchmarking and efficient procurement to achieve target costs, cost reduction and enable an increase in quantity, quality and appropriateness of our homes and services.

- 2.3 As a provider of social housing, we are obliged to undertake certain activities, such as essential repairs and maintenance. There are other areas where we, as a good landlord, are able to exercise greater discretion and apply innovative techniques to drive VfM, such as providing services that aim to improve customers' financial wellbeing enabling them to sustain their tenancies.
- 2.4 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 the tools to support, embed and deliver VfM are in place and regularly reviewed.

### 3. LEGAL & REGULATORY REQUIREMENTS

3.1. The RSH determines the regulatory framework including the regulatory standards that social housing providers must meet. The Board is responsible for ensuring that the Trust meets these standards. The Value for Money Standard is one of three economic standards which are actively and rigorously regulated. The standard sets out the following required outcomes and specific expectations.

3.2. Required Outcomes:

Registered providers must:

- a) *clearly articulate their strategic objectives*
- b) *have an approach agreed by their board to achieving value for money in meeting these objectives and demonstrate their delivery of value for money to stakeholders*
- c) *through their strategic objectives, articulate their strategy for delivering homes that meet a range of needs*
- d) *ensure that optimal benefit is derived from resources and assets and optimise economy, efficiency and effectiveness in the delivery of their strategic objectives.*

3.3. Specific expectations:

Registered providers must demonstrate:

- a) *a robust approach to achieving value for money – this must include a robust approach to decision making and a rigorous appraisal of potential options for improving performance*
- b) *regular and appropriate consideration by the board of potential value for money gains – this must include full consideration of costs and benefits of alternative commercial, organisational and delivery structures*
- c) *consideration of value for money across their whole business and where they invest in non-social housing activity, they should consider whether this generates returns commensurate to the risk involved and justification where this is not the case*
- d) *that they have appropriate targets in place for measuring performance in achieving value for money in delivering their strategic objectives, and that they regularly monitor and report their performance against these targets.*

*Registered providers must annually publish evidence in the statutory accounts to enable stakeholders to understand the provider's:*

- a) performance against its own value for money targets and any metrics set out by the regulator, and how that performance compares to peers*
- b) measurable plans to address any areas of underperformance, including clearly stating any areas where improvements would not be appropriate and the rationale for this.*

#### **4. VFM STRATEGY**

4.1. The Board has agreed its strategic priorities as:

- Be a great landlord
- Be a resilient organisation
- Create great places to live

VfM is a golden thread that runs through the Trust's corporate strategy, and the Board recognises the need to continue to improve value for money throughout the organisation, in order that we can continue to build homes, whilst delivering great services at costs that are optimum to our agreed level of service.

4.2. During 2022 the Trust has refreshed its values and these include "Think like a customer, act like a business owner" We take pride in our homes and our work and we give our customers the service and value for money we'd expect ourselves. We always try to do more with less. Setting this value ensures that VfM is a golden thread that runs throughout the business.

4.3. The Board has a clear understanding that continuing to invest in our homes and making our services more efficient, while also maintaining quality, is essential to protecting our financial returns. Protecting our financial position enables us to deliver more new homes and provide high quality services to all of our customers.

4.4. The aim of this VfM strategy is to deliver the strategic priorities by continuing to improve our understanding of the Trust's costs, performance and quality of services and by taking action to ensure that the right balance is achieved. This strategy and the associated action plan (attached at appendix 1) is intended to follow on from previous VfM strategies, building upon the progress already made.

4.5. Taking account of the Trust's current position and the VfM strategic goal, the VfM objectives of the Trust are to:

- Deliver more affordable homes and help to create sustainable communities, we are committed to increasing our development strategy with a clear focus on affordable homes; we will develop other tenures in order to support this.
- Ensure that the value of our assets and costs relating to them are well understood and that decisions for investment take both into account. Our approach will detail plans for improving the net present value of our stock portfolio through investment, divestment or tenure change.
- Ensure procurement is planned and used effectively to secure cost savings and/or better services

- Maintain a rolling plan of service reviews, to identify VfM efficiencies; these reviews will also generate VfM performance indicators so that the effectiveness of the reviews can be measured.
- Direct resources to the right balance between frontline services, maintaining existing assets and providing new homes.
- Embed a VfM culture throughout the organisation. We recognise our people are vital to our success as an organisation and to our ability to deliver VfM across the Trust.
- Improve tenants' involvement in our approach to Value for Money and supporting the wider customer voice in their awareness and understanding of The Trusts approach to Value for Money.
- Maintain customer satisfaction levels, and work with our customers to identify priorities in their neighbourhoods.
- Strengthen our approach to job costing in our repairs and maintenance services to ensure it is robust and enables us to target savings.
- Look to increase digital choice and digitalised services in order to deliver improved operational efficiency for our customers, whilst recognising that digital access will not suit everyone and a range of access methods will always be available. Invest in commercial activity in order to generate a return to fund further investment in the services we provide to our customers.

## 5. DELIVERY AND IMPLEMENTATION

- 5.1. We will ensure that the KPIs chosen for regular reporting to the Board indicate delivery of VfM. In part this may be achieved with the help of benchmarked information from local benchmarking clubs.. Good VfM outcomes are achieved by a combination of top quartile results for outcomes and lowest quartile for costs. The ambition of the targets being set, the rigour in which performance against them is monitored and the way they compare with others will all impact on our VfM delivery.
- 5.2. In addition to the VfM metrics which will be reported regularly to the Board, the Trust will measure other indicators such as rent collection; average cost for repairs and voids and asset performance against NPV.
- 5.3. VfM forms a key part of our procurement strategy. One of the main objectives of the procurement strategy is to achieve VfM in the provision of goods and services. This is built into the processes for reviewing all tenders received by the Trust. The Procurement Manager will maintain a procurement timetable, which includes involvement with customers, to ensure sufficient time is given to the process to enable us to maximise VfM.
- 5.4. We control costs and increase margins by clearly articulating service standards and expectations. This brings a degree of consistency and cost predictability. VfM is about the balance between cost and outcome, so our aim is to deliver enhanced outcomes whilst reducing cost. Regular service reviews will enable us to ensure service standards and expectations are being met at an appropriate cost.

- 5.5. Key Board decisions with VfM implications will be informed by an impact summary included in each Board report which summarises the VfM implications. The Board will challenge whether there has been a rigorous option appraisal taking sufficient account of costs and outcomes.
- 5.6. The Trust's VfM steering group oversees the delivery of VfM at an operational level, it's role includes but is not limited to:
- Responsibility for the review and update of the VfM Strategy.
  - Oversight of service reviews and monitoring of resulting savings or performance indicators.
  - Review of benchmarking reports.
  - Deliver training and embed a VfM Culture.
  - Value for Money reporting to Executive Management Team and Challenge Group
  - Undertake the annual assessment of the Trust against the VfM Standard.
- 5.5 Service reviews are carried out on a rolling basis, in each area of the business we have set an agreed programme. The service reviews will be led by the relevant Head of Service.
- 5.6 We will seek to both learn from others (e.g. through benchmarking or good practice) and work in partnership with other organisations (e.g. through procurement clubs, joint procurement etc.) where we believe this will bring benefits such as cost savings and/or improvements to services.
- 5.7 This strategy will be reviewed in 2 years, unless there are changes to regulation or process that require it to be changed more frequently.

## 6. EQUALITY, DIVERSITY & INCLUSION

- 6.1. An equality impact assessment for this strategy did not identify any ways in which the strategy would have any foreseeable negative or adverse effect on any groups.
- 6.2. The social aspects of VfM are set out in our Social Value Strategy, these will have a greater impact in terms of equality, diversity and inclusion.
- 6.3. In line with the Trust's Equality, Diversity and Inclusion Strategy, the Trust's procurement exercises have been improved to identify our suppliers and contractors' commitment to equality, diversity and inclusion.

## 7. RESPONSIBILITIES

### 7.1. Board

The Board has ultimate responsibility for VfM and is responsible for:

- Approving the Trust's VfM strategy.
- Agreeing targets in relation to VfM (progress against which will be monitored and reviewed by the Audit Committee), ensuring that general key performance indicators (KPIs) indicate delivery of VfM.
- Receiving and reviewing an annual summary of VfM performance for inclusion (in full or in summary) in the annual accounts.

- Certifying compliance with the VFM standards set by the Regulator of Social Housing, including specific 'sign off' of any VFM submissions to be made to the Regulator, following recommendations from Audit Committee

#### 7.2. **Audit Committee**

- Responsible for monitoring the implementation of the VfM action plan and achievement of VFM targets recommended by the Committee and agreed by the PPHT Board, receiving reports on these at least annually.
- Ensuring that the Group has effective arrangements in place to meet the regulatory requirements in relation to VFM, including annual review and approval of a self-assessment of compliance with the VFM standard and receiving and reviewing any related reports.
- Scrutinising any VFM submissions to the Regulator and related documents recommending its 'sign-off'/approval by the PPHT board, where required.

#### 7.3. **Value for Money Steering Group**

- Responsible for the review and update of the VFM Strategy.
- Oversight of service reviews and monitoring of resulting savings or performance indicators.
- Review of benchmarking reports.
- Deliver training and embed a VfM Culture.
- Value for Money reporting to Executive Management Team and Challenge Group
- Undertake the annual assessment of the Trust against the VfM Standard.

#### 7.4. **Executive Management Team is responsible for:**

- Challenging all staff that Value for Money has been considered in any reports and decisions.
- Approving the schedule of service reviews to be completed each year and challenging VfM outcomes of service reviews.
- Consideration of value for money across the whole business including an agreed approach to investment in non-social housing activity.

#### 7.5. **Managers are responsible for:**

- Ensuring the Value for Money culture is embedded within their teams and included as a standard agenda item within team meetings
- Lead on the review of services and processes, the identification of VfM savings and efficiencies and the implementation of improvements.
- Ensuring all reports consider VfM.

#### 7.6. **All Staff are responsible for:**

- Ensuring they have read and understood the strategy
- Consider VfM in all activities they undertake
- Report any VfM delivered or contribute ideas for improving VfM to the VfM Steering Group via the VfM/Bright Ideas form.



## 8. ASSOCIATED DOCUMENTS

- Social Value Strategy
- Equality, Diversity and Inclusion Strategy
- Procurement Strategy
- Procurement Policy
- Service Review Process Flow Chart and guidelines
- Bright ideas form

## POLICY INFORMATION

Policy Name:	Value for Money Strategy
Status:	APPROVED
Approved by:	PPHT Board
Drafted By:	Sarah Hogg-Robinson, Procurement & Risk Manager
Date approved:	29 <sup>th</sup> November 2022
Next Review Date:	November 2024

## Appendix 1: VFM Action Plan

VFM Strategy Objective	Year 1 Actions	Year 2 Actions
Deliver more affordable homes and help to create sustainable communities, we are committed to increasing our development strategy with a clear focus on affordable homes; we will develop other tenures in order to support this.	Continue to work with all stakeholders (including local authorities and agents) on developing needs and right tenure types.	Consider alternative methods of construction (including modern methods) within development appraisals.
Ensure that the value of our assets and costs relating to them are well understood and that decisions for investment take both into account. Our approach will detail plans for improving the net present value of our stock portfolio through investment, divestment or tenure change.	Complete option appraisals for schemes with the lowest net present value.	
Ensure procurement is planned and used effectively to secure cost savings and/or better services.	Create Procurement Strategy to cover next 3 years.	
Maintain a rolling plan of service reviews, to identify VfM efficiencies; these reviews will also generate VfM performance indicators so that the effectiveness of the reviews can be measured.	Improve tenants involvement in service review planning.	
Embed a VfM culture throughout the organisation. We recognise our people are vital to our success as an organisation and to our ability to deliver VfM across the Trust.	Develop the VfM Sharepoint site with guidance documents and consider options to enhance approach to improve VfM initiatives raised by staff.	Undertake an independent review of VfM culture across the business.
Improve tenants involvement in our approach to Value for Money and supporting the wider customer voice in their awareness and understanding of The Trusts approach to Value for Money.	For all procurement that has a direct impact on tenants, tenants are involved either through Challenge Group or a bespoke panel.  Create and deliver a perception survey with tenants on what VfM means .	Review options of creating a Procurement Panel for residents expressly wanting to be involved in procurement activity.
Maintain customer satisfaction levels, and work with our customers to identify priorities in their neighbourhoods.	Undertake a number of repair hot topic sessions in and around our neighbourhoods to look to identify key local priorities.	
Strengthen our approach to job costing in our repairs and maintenance services to ensure it is robust and enables us to target savings.	Establish a methodology of providing automated job costing data.	
Look to increase digital choice and digitalised services in order to deliver improved operational efficiency for our customers, whilst recognising that digital access will not suit everyone and a range of access methods will always be available.	Complete service review on portal to deliver basic functionality improvements to extend service offerings to Customers.	Complete review of basic functionality improvements made Deliver further enhancements.
Invest in commercial activity in order to generate a return to fund further investment in the services we provide to our customers.	Further develop the potential of offering shared services to other providers (Years 1 & 2).	