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## VALUE FOR MONEY POLICY

### 1. Policy Statement

Tamar's Value for Money (VFM) Policy aims to set out a comprehensive approach for managing the resources of Tamar to provide cost-effective, efficient, quality services and homes to meet residents' and potential residents' needs.

### 2. What is Value For Money

VFM is the relationship between economy (the price paid for providing a service), efficiency (measuring what is gained from the inputs) and effectiveness (the measure of the impact achieved and the extent to which our objectives are met).

### 3. Policy Objectives

- To have a robust approach to making decisions,
- To have a clear understanding of return on assets
- To have strong management and scrutiny practices.
- To have a full understanding of the costs of services

**This policy sets out how VFM will be achieved as Tamar works towards each of its business objectives.**

### 4. Policy

#### a) IMPROVE PERFORMANCE

##### **Strong leadership to ensure positive outcomes**

- Consider the social impact the Board wants Tamar to make on its environment and agree a process to capture the information
- Monitor VFM through the annual action plan.
- Review performance Indicators regularly in detail, using comparative data and benchmarking to help understanding of how well Tamar is performing.
- Ensure that all actions taken by management and approved by the Board have a mechanism to consider VFM.

**Manage and maintain homes to a high standard**

- Ensure that all properties give VFM and continue to meet resident's needs.
- Monitor operational performance indicators regularly, analysing and questioning why variances are occurring.
- Ensure that competitive quotes and tenders are obtained in line with our standing orders
- Assess contractors for cost and quality during the tender process and thereafter periodically.

**Maintain enthusiastic, motivated workforce**

- Ensure that VFM is kept prominent for staff, through meetings and training.
- Ensure all staff receive communication via the quarter end pack giving details of business targets.
- Encourage staff to consider VFM in their area of work through continuous involvement with VFM, e.g. in process reviews.
- Carry out detailed VFM reviews on all areas of the business over a period of time

**b) GROWTH WHILST RETAINING FINANCIAL STABILITY****Increase in size**

- Continue to develop the RENTplus model and evaluate for VFM.
- Ensure that all new areas of spend considered by the management team demonstrate a valid business case maximising value for money.
- Complete the transition over to the new IT system, review the process and analyse the outcomes.
- Report on return on assets annually and assess the factors affecting this figure.
- Assess the financing requirements for future developments, evaluating the options for VFM and ensure through long term forecasting that the options are sustainable.
- Monitor appraisals of future development schemes to deliver quality and affordable homes cost effectively

**New ways of working with a range of partners**

- Promote ways of achieving cost reduction and efficiencies through working with other organisations.
- Work with Plymouth City Council in partnership

## **To control finances prudently and access a range of funding streams**

- Assess budget virements arising from budget variances for VFM prior to approval
- Monitor impact of future welfare changes.
- Ensure that income (rents and service charges) are set in accordance with relevant policies and continually assess for VFM.
- Monitor budget and actual variances throughout the year. Check that costs are correctly allocated to cost centres to ensure that income received fully covers related costs.
- Maintain a record of VFM achieved by Tamar in a log and compare results through SWBC
- Monitor resident arrears and methods to reduce arrears.

## **c) ENHANCE RESIDENT INVOLVEMENT AND SATISFACTION**

### **Engage with residents**

- Encourage resident participation on the Board
- Consult residents, through Board members and resident groups, on VFM policy, and encourage their involvement with the annual VFM action plans.
- Involve the resident's scrutiny panel in the budget setting process.
- Publish information for residents in an annual report.
- Continue to develop different forms of communication with residents, i.e. web site, and newsletter.
- Monitor resident satisfaction surveys, and ensure any appropriate action is taken.

### **Encourage partnerships to improve services**

- Continue to develop relationship with current repairs contractor
- Monitor Tamar's performance using SWBC (South West Benchmarking Club), this will be done through the quarterly report
- Develop consortium of housing association partners to provide RENTplus

## 5. Risk Management

Risk	Mitigating action
The implementation of this policy will require resources to carry out the actions listed but the savings that will be delivered will more than offset the resources required.	The main resource is staff hours. Supervision and annual appraisals will ensure that staff time is appropriately allocated to the task.
Tamar's risk register does not include any specific risks relating to value for money. Implementing a value for money policy does however address the underlying risk of wasting resources and hence enhancing the financial viability of the association.	This policy will be monitored regularly by the management team and the audit committee, and an action plan drawn up

## 5. Relevant legislation

HCA Value for Money standard

## 6. Equality and diversity

This policy will have direct implications for Equality and Diversity. There will be decisions made to improve VFM that will directly impact Tamar's stakeholders. As decisions are made the impact on individuals will need to be considered to ensure that their rights and needs are not adversely affected.

## 7. Monitoring / review

The management team is responsible for executing this policy and the Audit Committee has overall responsibility for monitoring progress, and reporting to the full board.

An annual action plan will be reviewed by the Audit Committee

An annual report will be presented to the Audit Committee.

The policy will be reviewed in 3 years.

**8. Author**

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