



## **VALUE FOR MONEY STRATEGY**

**JULY 2007**

## **1. INTRODUCTION**

The importance of housing associations delivering value for money services has never been more acute. On the one hand, associations are faced with a climate of rent controls, costs outstripping income levels, increased focus on operating costs and their associated league tables, and the requirement to demonstrate year on year efficiencies. On the other hand, there are increasing customer expectations and increased competition within the social housing market.

This Value for Money Strategy has been developed to set out how Cosmopolitan Housing Group (the “Group”) will ensure that it delivers efficient and effective services in accordance with its customers’ expectations that lead to increased customer satisfaction whilst ensuring that the Group remains financially strong and viable. Consequently, the need to deliver Value for Money Services is a key facet of the Group’s approach to business planning and risk management.

## **2. CONTEXT**

The need to deliver Value for Money has been present for a number of years. Aside from any regulatory requirements, delivering Value for Money makes good business sense. It enables associations to deliver the services that its customers demand, effectively manage limited resources, compete more effectively within the social housing market, whilst enabling it to lever in private finance and maximise its financial strength.

As regulated bodies, housing associations have also come under increasing pressures to deliver Value for Money services from the following:

### **Best Value Reviews**

Introduced in 1999, and shortly after applied to the housing association sector, the Best Value regime aims to ensure the delivery of quality services. It represented a move away from lowest price tendering which did not necessarily provide the best quality and therefore most effective use of resources. Through the application of a robust Best Value Review methodology, the Group is able to place the customer as central, with service users influencing the review programme and subsequently assisting with shaping service delivery within available resource constraints. This involves the exploration and review of different service delivery models and the implementation of improvement programmes based upon a range of factors of which cost is only one aspect of a plethora of considerations.

## **Gershon Report**

Published in 2004, this report was commissioned by the government to drive the procurement and efficiency agenda. The overarching theme of the report was that by implementing sound procurement practices, the public sector should be able to redirect resources to front line services.

It is the Gershon Report that has given rise to the requirement for housing associations to submit Annual Efficiency Statements. It has also initiated other developments in the sector such as the Operating Cost Index.

The Gershon Report estimated that the public sector could generate £21.5 billion in efficiency savings over the three years from 2005 to 2008, of which £835 million could be contributed by the social housing sector. Of this amount, housing associations are expected to deliver £355 million in efficiencies over this period, which in cumulative terms is broken down as follows:

2005/06	-	£177m
2006/07	-	£260m
2007/08	-	£355m

In crude terms, the targets can be equated to 2.5% efficiency savings year on year for the period to 2008. Whilst this has not been translated into targets for individual housing associations, this remains a marker for housing associations when efficiency targets are being set.

The underlying rationale for securing efficiencies is in common with the Group's broader understanding of Value for Money. It is not strictly driven by a requirement to cut costs, but by a broader recognition that these savings can be released and recycled to improve service quality for the benefit of customers.

## **Audit Commission**

Since 2003, the Audit Commission have been responsible for undertaking periodic inspections of housing associations on behalf of their principle regulator, the Housing Corporation.

The inspection regime has acted as a key driver for service improvements within the sector, with a focus on outcomes for customers. Value for Money is a key focus of the inspection regime. It is worthy of its own separate Key Line of Enquiry (KLOE 32) in addition to it being embedded into all other KLOEs.

### 3. DEFINING VALUE FOR MONEY

Value for Money is closely aligned with efficiency, although the Group's approach to these is to recognise that there potentially remain subtle differences of interpretation between them. It recognises the Chartered Institute of Housing's assertions that:

*'the Audit Commission concept of value for money is the same as that of efficiency'* (Delivering Efficiency – Integrating Quality and Efficiency, March 06)

However, the Group prefers the use of the term Value for Money wherever possible. This involves the balance of cost, quality and quantity based upon the costs and benefits to customers. As stated by the Audit Commission within KLOE 32, an excellent service is one that:

*'delivers well above the minimum requirements for users, is highly cost-effective and fully contributes to the achievement of wider outcomes for the community'*

The Group considers there to be three aspects involved in achieving Value for Money:

- **Economy** – This relates to the price paid for a service, including staffing and commodities, taking both price and quality into account
- **Efficiency** – This relates to measures of productivity – how much you get out in relation to what you put in. Efficiency is therefore concerned with converting resources (inputs) into (outputs.)
- **Effectiveness** – This relates to the outcomes achieved as a result of the drive for economy and efficiency. These can be either quantitative or qualitative, and should link to the Group's objectives.

In order to achieve Value for Money, the Group must optimise its approach to all three aspects. As a consequence, the Group feels that the term 'efficiency' has a more narrow definition, and is an important aspect of achieving the broader goal associated with Value for Money. Therefore, wherever possible the Group will prefer to use the term Value for Money. However, it recognises that 'efficiency' is often used interchangeably with value for money and unless otherwise stipulated should be interpreted hereinafter as synonymous with the wider definition given for Value for Money. Ultimately, the Group's approach is concerned with increasing quality and quantity in a way that contributes to improved services for customers and the freeing up of resources for reinvestment in front line service delivery.

The Government has defined four ways in which efficiency can be achieved by the social housing sector. These are known as the "Four Es" and are set out in the following table:

Cashable Gains	Non-Cashable Gains
<p><b>E1.</b></p> <p><b>Reduced inputs</b> (money, people, etc.) <b>for the same outputs</b></p> <p>(e.g. fewer staff maintaining the same level of service provision)</p>	<p><b>E3.</b></p> <p><b>Additional or improved outputs</b> (extra service, productivity) <b>for the same level of inputs</b></p> <p>(e.g. carrying out capital works to a higher standard with the same budget)</p>
<p><b>E2.</b></p> <p><b>Reduced prices</b> (procurement, labour costs etc) <b>for the same outputs</b></p> <p>(e.g. less public subsidy needed for a new social home of the same size, quality and location)</p>	<p><b>E4.</b></p> <p><b>Getting more outputs or improved quality in return for an increase in resources that is proportionately less than the increase in outputs</b></p> <p>(e.g. if increased expenditure on partnership working leads to better outcomes than would have been achieved through the same increase in expenditure on the previous approach)</p>

#### 4. GROUP COMMITMENTS TO ACHIEVING VALUE FOR MONEY

The Group is committed to delivering services that represent the best Value for Money for its customers within available resources. In order to achieve this, the Group is required to achieve the following:

- Understand the costs of its services through effective benchmarking and cost comparisons
- Manage its resources as effectively as possible through effective cost controls and monitoring
- All staff are to take responsibility for identifying opportunities to identify innovative solutions and generate efficiencies
- All savings generated are to be recycled and invested in improvements for front line service delivery
- Contributing to the corporate objectives in which efficiency and value for money are enshrined

## 5. GROUP CURRENT POSITION

The Group has a long and established track record of operating prudent and tight financial controls. This has created a situation where the Group has no recourse to borrow in order to fund its capital investment, and generates year on year surpluses.

Structurally, the Group is designed around the needs of its customer base. Within the social housing aspect of the business, housing management services have been structured into functional teams following extensive tenant consultation to provide a more specialist and customer focussed experience. Similarly, repairs and maintenance services are focussed on the user through the establishment of a customer helpdesk approach. Within student housing, recent restructuring has taken place to enable a more responsive and tailored service to be delivered in accordance with the prevailing expectations within this particular market.

In addition, costs are maintained at competitive levels, both regionally and nationally, whilst customer satisfaction levels also remain high.

Some key points to highlight in relation to social housing activities are as follows:

- Net operating costs inclusive of major repairs are £1.3 million less than predicted by the Housing Corporation within its Operating Cost Index (as published in March 2007)
- Weekly operating costs of £43.76 (2006/07 year end) are 19.7% below the national average, 13.3% lower than the peer group comparator of North West RSLs with 250 – 5,000 units, and the lowest of its local Merseyside competitors.
- Operating costs as a percentage of turnover 74.9% (2006/07 year end) place the Association in the second quartile, below both the national average of 81.7% and its peer group comparators of 85.7%.
- Rent levels remain competitive, being 14.2% lower than the national average (end of 2005/06) and 40% below its peer group comparators.
- Overall satisfaction levels remain high, at 81% overall, 2% above the national mean average.
- 90% of tenants are satisfied with their homes.
- 88% of residents feel that their rents represent good value for money, and was the least important area requiring service improvement quoted by tenants.

## 6. VALUE FOR MONEY STRATEGY OBJECTIVES

The importance of achieving efficiencies and delivering value for money services is recognised within the Group's corporate objective to:

- *'deliver efficient and strong financial performance'*

This objective links directly with the Group Parent's role, and includes such issues as investment policy for stock, people and other assets; treasury management and borrowing; budget setting and approval; and maintaining an overall framework for staffing and deployment of resources.

It is also a corporate objective of Cosmopolitan Housing Association to

- *'deliver high standards of service that are value for money and accord with our customer needs and expectations'*

This recognises that Value for Money is not necessarily about cost control and reductions, but procuring and delivering services at competitive rates in accordance with our customers' needs and aspirations.

The objectives of this Value for Money Strategy cascade down from these corporate level objectives. They are as follows:

1. Integrate value for money into all planning and performance management structures within the Group.
2. Produce more efficient business processes wherever possible
3. Maximise income and resources
4. Operate a Best Value Review methodology that places the needs of residents as central and occasions continuous service improvements
5. Adopt effective procurement practices to maximise value for money
6. Provide Decent Homes and high quality accommodation thereafter that promote high levels of resident satisfaction

These objectives will be set out in more detail below.

## **7. CONSTRAINTS OF ACHIEVING VALUE FOR MONEY**

Before setting out how value for money is to be achieved, it should be recognised that delivering value for money is not without challenges. The current social housing sector presents a number of challenges to housing associations.

Some challenges facing the Association include the following:

- The Association's operating cost are already low compared to its competitors
- Stock is diversified increasing pressures on ability to engage with stakeholders and communities
- There are pressures to reduce development spend per property, but high levels of local development activity (e.g. HMRI; Capital of Culture etc.) is driving up labour and material costs.
- Expectations being placed on housing association to contribute to broader community agenda without corresponding increases in income levels.

## **8. CURRENT / FUTURE INTERNAL VALUE FOR MONEY PROCESSES**

The Group already operates a range of mechanisms and processes for monitoring and measuring efficiency and value for money. Some of these are driven by external regulatory requirements, but all are embraced by the Group as a mechanism to bring about improvements and value for money. They include the following:

### **Annual Efficiency Statement**

It is a regulatory requirement for housing associations to submit an Annual Efficiency Statement to the Housing Corporation by the end of July each year. These are submitted alongside the Annual Self-Assessment of Compliance with the Housing Corporation's Regulatory Code. The efficiency statement comprises the following:

- A backward look – Highlighting any efficiency gains achieved for the previous year, set against an adjusted baseline figure.
- A forward look – Highlighting planned efficiencies for the forthcoming year based upon budgetary projections.
- An analysis of the Group's overall approach to achieving value for money, including its approaches to monitoring and measuring efficiencies and engaging with residents.

The Efficiency Statement is primarily concerned with three principle work streams as follows:

- Capital works
- Management and maintenance costs
- Commodities – Relating to such items as overheads, including utilities, central costs, ICT, and overheads

The efficiencies identified will be identified and measured by the Group in accordance with guidance supplied by Housemark and the Chartered Institute of Housing. In particular, the Group will follow Housemark's '*Good Practice Technical Manual for Housing Associations*'. This will involve identifying efficiencies in accordance with the "four Es" as detailed above.

The Efficiency Statement requires housing associations to make a distinction between cashable and non-cashable savings. This recognises how some efficiencies can be attributed a clear and measurable cash value. However, it also recognises that other efficiencies may relate to non cash value items such as satisfaction levels. In these cases the Group will impute a cash value to these efficiencies. In order to do so, it will maintain a suite of performance indicators to firstly ensure that cashable efficiencies do not result in compromises in service quality, and secondly, to act as a baseline for calculating non-cashable efficiencies.

Although the Group recognises that it will be difficult to achieve given its current efficient status, the Group will aspire to deliver year on year efficiencies of 2.5% in accordance with the national guidelines for the sector.

### **Operating Cost Index**

The Group recognises this as a useful tool for engaging in high-level comparisons of relative efficiency between housing associations.

The Operating Cost Index (OCI) is published by the Housing Corporation on an annual basis. It involves comparing actual costs against an externally projected cost for housing associations based upon a range of factors including their size, type and area of operations.

The OCI is produced at the individual association level, as opposed to Group level. The Group will therefore give consideration each year in producing the Association's budget to its likely effect on its position within the OCI. This therefore creates a high level benchmark of testing the relative costs of the Association within the social housing sector.

## **Key Lines of Enquiry (KLOE 32)**

The Audit Commission has placed Value for Money as a key cross-cutting theme to all its KLOEs in addition to the dedicated Value for Money KLOE 32. The Group will use KLOE as a key driver for service improvement. It has self-assessed itself against the KLOE and produced a Value for Money Action Plan setting out the actions required for the Group to reach the “excellent” standard. It will maintain this Plan and periodically review progress against it.

There are two key questions that the Audit Commission expects housing associations to consider when they are addressing value for money issues:

1. How do costs compare to others, allowing for local context, performance and policy choice?
2. How is Value for Money managed, including through partnership and procurement, taking a long term view?

It is clear from this that Value for Money needs to be integrated within all aspects of the Group’s activities, and a key factor in its approaches to continuous improvement.

## **Continuous Improvement and Best Value**

The Group’s social housing activities are subject to a formalised Continuous Improvement Strategy, including a robust approach to undertaking Best Value Reviews. All Best Value Reviews involve engaging with customers, identifying costs and best practice, and assessing how improvements to both cost and quality can be achieved.

The Association will undertake three Best Value Service Review in accordance with the established methodology each year. Each will review will require benchmarking to take place in terms of cost, resident input, and best practice.

## **Benchmarking and Performance Monitoring**

At present, a suite of performance indicators is maintained and monitored at both Association and Group Board levels. These include a range of indicators that relate to both quantitative and qualitative efficiency measures, including such items as:

- Operating costs
- Operating costs as a percentage of turnover
- Rent levels
- Satisfaction levels

Targets are set for each performance indicator with reference to national and peer group comparators to drive up performance levels year on year.

In addition to these, there are a full range of management performance indicators maintained within individual departments. These relate to all aspects of the Group's activities and are used as a tool to ratchet up performance and efficiencies.

In addition, the Group also maintains additional information to inform decision-making and bring about value for money. This includes information relating to stock condition, as located within the Association's stock condition database, as well as regular customer feedback, such as that derived from the 3 yearly STATUS survey and more regular departmental service monitoring.

It is the intention of the Group to join Housemark, to enable to undertake more sophisticated benchmarking of costs and services, in order to enhance the Group's knowledge of relative social housing performances and costs and bring about further improvements and value for money.

### **Internal Audit**

The Group's Internal Auditors will fulfil a function in terms of assessing the Group's approaches to achieving Value for Money, and particularly in terms of validating claimed efficiencies.

### **Business Planning**

Each year the Group and its Subsidiaries will engage in a formal business planning process. The setting of clear objectives in relation to Value for Money will continue to be a key consideration. Through the performance management framework, clear and measurable actions will cascade through the business into departmental plans and individual actions and objectives.

Performance against the Business Plan and its association deliverables will be monitored at Board level on a quarterly basis.

### **Efficiency Register**

The Group will establish and subsequently maintain an efficiency register which will encourage staff to identify on-going efficiencies and enable the Group to capture and measure these.

## 9. RESIDENTS AND VALUE FOR MONEY

A key measure of Value for Money is customer satisfaction rates. A resident's view of the Group will be influenced directly by what they perceive they are receiving from their landlord, and therefore what they are getting for their money. Whilst it is necessary to maximise the resources coming into the Group, even when done efficiently and effectively, there are still only a finite level of resources available from which to make decisions about how to utilise them.

It is important that the Group engages with its residents in order to understand their needs and aspirations, so that informed decisions can be made about the most appropriate distribution of resources.

There are a range of different mechanisms already in place to assist the Group with this process and to ensure that there is accountability to service users. The level of importance attributed to this will increase from a regulatory perspective following the recommendation made in the *Cave Review*. However, this is not the primary driver for the Group, who recognises that meaningful engagement with customers is crucial as it makes good business sense to properly understand the needs and desires of an organisation's customers. Customer involvement is therefore an integral part of the Group's approach to achieving Value for Money.

The Group therefore makes the following commitments to its customers in relation to Value for Money:

- Engage with residents via a broad range of methods to inform priorities. This is also an integral part of the Association's Resident Involvement Strategy and Continuous Improvement Strategy. This includes such activities as consultation with the Tenants Forum, and involvement in service reviews and informing the programme of reviews to be undertaken.
- Assist the Group to shape their specifications for procurement of goods and services. This is done via consultation with established mechanisms such as the Repairs Review Team, and also by involving residents on selection panels. It also relates to such actions as involvement with the Development based resident forums to inform scheme design and specifications at a formative stage in the development process.
- Report performance on a range of issues to residents. This is done to ensure accountability, and covers such activities as the reporting of performance with benchmarked comparators in Continuous Improvement Newsletters, and through regular reporting to the Tenants Forum.
- Engage with tenants about where resources should go and what they should fund, within the range of available resources. This is about providing real choices. Such

discussions were held on issues such as making the decision to pay the Association's Chair, compared to the replacement of water boilers for instance.

Some examples of the broad range of activities which take place to ensure that residents are effectively and meaningfully engaged with decision-making processes and are able to hold the management to account include the following:

- Board Membership – There is currently 1 tenant Board Member on the Association's Board, but there is a recruitment programme underway to appoint a further 2 Board Members and increase tenant membership to 25%.
- Tenants Forum - There is a well established Tenants' Forum, which receives quarterly performance information and is involved in developing and consulted prior to any proposed policy changes being made. Forum is also engaged in Business Planning process.
- A dedicated Repairs Review Team has been established to monitor and influence Repairs related service delivery.
- A Development Review Team has recently been created to monitor and influence development based activity. Residents are also involved in design development and review of capital works, and selection of contractors for tender.
- The Association's Continuous Improvement Methodology requires involvement of a range of stakeholders in the undertaking of Best Value reviews. This includes tenants, including options and consideration of relevant service costs.
- The Association undertakes 3 yearly Tenant Satisfaction STATUS based surveys, to obtain customer feedback and inform business priorities. This also informs a Tenant Satisfaction Survey Action Plan and the Best Value Review programme.
- Various regular and service specific surveys and questionnaires are undertaken. This includes satisfaction surveys on areas including repairs delivery, anti-social behaviour, and resident involvement activities.
- A “Menu of Options” has been developed which contains details of tenants who wish to be involved in activities in some way, and records their areas of interest and their preferred ways of being involved.
- Tenants are engaged in the review of any decisions made arising from complaints received.

## **10. DETAILED VALUE FOR MONEY OBJECTIVES**

This section sets out in more detail the way in which the Group will implement its approach to achieving Value for Money.

### **Objective 1 - Integrate value for money into all planning and performance management structures within the Group.**

In accordance with the Audit Commission's KLOE 32, it is the Group's objective to fully integrate Value for Money into its planning and performance management structures.

This will include the following:

- Ensuring that Value for Money is a key consideration in the Business Planning process
- Requiring all Board reports to provide a full assessment of any Value for Money implications of any proposals being made
- Operation of an effective performance management system which includes a range of Value for Money indicators, which are monitored and regularly reported on at Board level
- Undertaking of a range of benchmarking activities, including participation in those operated by Housemark
- Utilising the Operating Cost Index as a tool in the budget setting process
- Completion, setting of targets, and subsequent monitoring of performance in achieving efficiency targets as set within the Annual Efficiency Statement
- Ensuring that customers are engaged in any key decision-making processes, including the setting of targets and subsequent monitoring of performance

#### Actions

- 1a - Obtain range of benchmark data through participation in Housemark and analyse and use to identify priorities for improvement
- 1b - Produce an Annual Efficiency Statement
- 1c - Include consideration of Value for Money as part of the 2008 business planning process
- 1d - Establish an Efficiency Register

- 1e - Consult at least once per year with tenants on overall efficiencies in addition to engagement in decision-making on all relevant issues throughout the year

## **Objective 2 - Produce more efficient business processes wherever possible**

Business processes should be streamlined to enable the Group to achieve greater efficiencies. The focus of these improvements should be increased customer satisfaction. This will include embracing new technology to assist with improvements in service delivery and the provision of timely information to inform decision-making.

This will include the following:

- Identify year on year efficiencies of 2.5%, as identified within Annual Efficiency Statement submission
- Introduce improved management information relating to both financial information and performance
- Make use of IT to automate processes where possible, freeing up resources to focus on customer service
- Review the ways in which the Group communicates with its customers
- Review processes against best practice through application of Best Value Reviews and other improvement actions

### Actions

- 2a - Devise and implement a revised ICT Strategy
- 2b - Provide Managers with accurate and timely management account Information
- 2c - Introduce an automated IT based KPI module
- 2d - Introduce an automated gas servicing correspondence module
- 2e - Introduce an automated void management module
- 2f - Produce a range of communication and service standards based upon customer feedback

### **Objective 3 - Maximise income and resources**

Through maximising the income to the Group, it is also able to maximise the services that it provides to its customers. This is an important consideration given that customer satisfaction rates will be influenced directly by what they perceive they are receiving from their landlord, and therefore what they are getting for their money. This is a true customer focussed measurement of Value for Money.

The key areas of consideration and action are as follows:

- Ensure continued compliance with Rent Restructuring
- Ensure that the cost of additional services are recovered through service charges where appropriate
- Operate a range of procedures that ensure efficient income collection
- Supplement income collection procedures with additional services such as benefit advice and the promotion of financial inclusion
- Bid to secure match funding for aids and adaptations to increase the number of adaptations that the Association is able to deliver each year

#### Actions

- 3a - Undertake annual review and update of Rent Plan
- 3b - Undertake annual service charge review
- 3c - Explore option for introducing a Welfare Benefits Advisor to maximise residents income

## **Objective 4 – Ensure continued growth across the Group to take advantage of economies of scale**

Continued growth across the Group is a crucial way for the Group to achieve continued, year on year efficiencies through taking advantage of economies of scale. This growth of the Group's non-social housing activities in particular are of benefit, through the contribution that they are able to make to Group overheads. The standard development models utilised for developing new student and key-worker accommodation schemes allow for off-balance sheet developments. These allow for increases in revenue without increasing the Group's debt.

The key features of this objective include the following:

- Continued development of social housing through traditional funding routes to maintain sustained growth in social housing portfolio. This will include bidding to secure Housing Corporation development funding as part of the Plus-Harvest Development Partnership.
- Explore range of procurement options for alternative and innovative funding models that allow for off-balance sheet developments.
- Continued and sustained growth of non-social housing schemes through these alternative funding models, particularly in relation to student, key-worker, and non-social supported housing developments.

### Actions

- 4a - Participate in Housing Corporation National Affordable Housing Programme 2008-11 bidding round
- 4b - Maintain links with funders and potential funders to support procurement of alternative and innovative funding models.

## **Objective 5 - Operate a Best Value Review methodology that places the needs of residents as central and occasions continuous service improvements**

The Group will maintain its Continuous Improvement Strategy which promotes improvements across all business activity, and for which Value for Money is a key consideration combined with the views of customers. This includes the implementation of the Best Value Review Strategy, but also acknowledges that improvements are not confined to formal Best Value Reviews and can be brought about through a broad range of improvement mechanisms. This objective will include:

- Undertaking 3 formal Best Value Reviews per year
- Applying the Continuous Improvement Strategy and identifying on-going improvements via a full range of improvement activities, including complaints monitoring; internal audit; and performance monitoring.

### Actions

- 5a - Undertake Best Value Reviews of IT; Responsive Repairs; and Anti-Social Behaviour
- 5b - Hold quarterly Continuous Improvement Group meeting to consider monitor and plan improvements

## **Objective 6 - Adopt effective procurement practices to maximise value for money**

The Group will operate robust procurement practices that seek to ensure value for money in its purchasing of goods and services. This relates to all business streams, but is particularly relevant to Maintenance and Development functions due to the scale of their purchasing activities.

In relation to development activity, the Group's social housing development activities will seek to ensure value for money through participation in the Plus-Harvest Partnership Framework. This arrangement seeks to deliver efficiencies and value for money through a consortia approach to purchasing. It also involves the collation of a range of cost comparison information that can be used for benchmarking purposes.

In relation to maintenance based activities, the existing programme of competitive tendering for services and the adoption of a partnership approach where possible will be maintained.

The activities undertaken in this area are therefore as follows:

- Participation in the Plus-Harvest Partnership Framework Agreement
- Development and implementation of a Procurement Strategy, particularly in relation to the procurement of Property Services related goods and services.

### Actions

- 6a - Develop a formalised Procurement Strategy
- 6b - Continue to participate in the Plus-Harvest Partnership Framework Agreement for development based social housing activities

### **Objective 7 - Provide Decent Homes and high quality accommodation thereafter that promote high levels of resident satisfaction**

This requires the Group, and particularly the Association, to invest in its properties in accordance with the actions set out within its Asset Management Strategy. This has been informed by a comprehensive Stock Condition Survey.

To an extent, this area of activity will be achieved through a combination of cost control and through the Group engaging in a range of diversified activities, including those private development activities undertaken by its commercial development arm, Cosmopolitan Enterprises, to generate surpluses for gift-aiding to the Group's charitable based activities, and in particular, its capital investment programmes. Targets for this have been set at £500,000 per annum.

In addition, efficiencies will be generated through effective procurement practices as detailed in the previous section.

This will allow for the investment in properties to firstly achieve 100% Decent Homes Standard compliance, and subsequently for continued improvements which will contribute to overall satisfaction levels.

In particular, the following areas will be monitored:

- Decent Homes compliance
- Resident satisfaction
- Repair completion times and other repairs based KPIs

## Actions

- 7a - Cosmopolitan Enterprises to generate surpluses of £500,000 to gift aid in support of the Group's social housing capital investment programme
- 7b - Achieve 100% Decent Homes compliance by March 2008

## **11. VALUE FOR MONEY OUTCOMES**

In essence, the Group's Value for Money Outcomes will be achieved when it is satisfied that its objectives have been fully delivered. This is a continuous process, which is intended to bring about the following:

- Value for Money is integrated into everything that the Group engages in, permeating the organisation at every level so that it is part of every staff member's "lived reality".
- Year on year efficiencies are being delivered and exceeded in accordance with targets.
- Customer satisfaction levels are improving year on year in response to the actions resulting from this strategy.
- External regulators confirm and validate that the objectives set out in this Strategy are being delivered, and which is leading to discernible improvements in customer service.

## 12. DOCUMENT CONTROL AND SUMMARY

Policy Title	Value for Money Strategy
Dated Created	26 <sup>th</sup> June 2007
Person Responsible	Group Corporate Services Director
Version	1.1
Date last amended	26 <sup>th</sup> June 2007
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