

Value for Money Strategy



1. Executive Summary

The Value for Money Strategy addresses the following areas:

- a) Impact will prioritise the direction and use of its resources in order to maximise the benefits to its residents and customers.
- b) Impact will pursue economies, efficiencies and effectiveness in all aspects of the business. A detailed action plan will focus on embedding a culture of operating to Value for Money principles in order to enhance and improve services to existing and future residents and customers

2. Links to our Business Plan's Strategic Objectives

Value for Money principles will be embedded *throughout* the organisation and will therefore contribute to the achievement of each of our nine Key Strategic Objectives.

However, this document will be particularly important in contributing to achieving the following Key Strategic Objectives:

3. Understanding & Involving Customers

Placing customers at the heart of our organisation, ensuring a strong customer focus in delivering excellent services and outcomes.

6. Contribute to Environmental Sustainability

Developing efficient use of energy and resources and assisting our staff, contractors, tenants, residents and customers to live and work sustainably.

7. Financially Secure

We will operate to sound financial principles, ensuring the most effective use of our resources for the benefit of our customers and the sustainability of our organisation.

3. Key Priorities in Value for Money

The key priorities in the Value for Money strategy are set out below:

a) Economy

1. Impact will benchmark its costs with other organisations and will impact will develop more detailed costing systems to ensure that value for money choices can be made and improvement targets can be set.

2. Impact will develop effective procurement procedures in order to ensure that opportunities for cost reduction, income generation and quality improvements are achieved.

3. Impact will prioritise the direction and use of its resources in order to maximise the benefits to its residents and customers

b) Efficiency

4. Impact will seek to identify opportunities for improved productivity, streamlined, focused services, targeted at improving value for its customers

5. Impact will implement a performance management framework which will drive forward the most efficient use of resources whilst retaining a strong value base and encouraging creativity and flexibility throughout the organisation.

c) Effectiveness

6. Impact will invest in the performance and development of its staff to ensure that a Value for Money Culture is embedded throughout the organisation.

7. Impact will work with customers and stakeholders to ensure that they have a strong influence in the direction of resources.

4. Key Performance Indicators for 2009

The detailed Value for Money Action Plan appended to this strategy sets out the key targets for the organisation for 2009-2013.

The identifies three key performance indicators that will be measured in 2009:

Key Priorities	Key Performance Indicator	Outcomes
Economy Impact will prioritise the direction and use of its resources in order to maximise the benefits to its residents and customers.	Introduction of a revised budget setting process in 2009.	Impact will identify its key priorities and the formal link between key priorities and resource allocation. Budget allocations for 2010 and beyond will reflect any changes.

Key Priorities	Key Performance Indicator	Outcomes
<p>Efficiency</p> <p>Impact will implement a performance management framework which will drive forward the most efficient use of resources.</p>	<p>Completion of Inspection Action Plan.</p>	<p>Impact will receive confirmation from the Housing Corporation that the IAP is fully completed and implemented</p>
<p>Effectiveness</p> <p>Impact will work with customers and stakeholders to ensure that they have a strong influence in the direction of resources.</p>	<p>Monitoring of customer feedback to identify continued service improvements shaped around their needs linked to VFM.</p>	<p>Impact will identify areas for service improvement and will direct resources to those areas.</p>

5. Monitoring and Delivery

The following table identifies where the responsibilities for monitoring and delivering on the action plan will held:

	Staff	Governance
Developing the Value for Money Action Plan	Value for Money Working Group, Senior Management Team External validation by HQN	Audit Committee Board
Implementing the Value for Money Action Plan	VFM Working Group, SMT	Audit Committee Board
Completing the Value for Money Targets within the Inspection Action Plan	VFM Working Group SMT	Audit Committee Board

6. Other Strategies/Policies Linked to the Value for Money Strategy

i. Internal

- Impact Value for Money Action Plan
- Impact Financial Strategy
- Impact Asset Management Strategy
- Impact Single Equality Action Plan
- Impact Community Investment Strategy
- Impact Environmental Strategy
- Impact Young Peoples and Community Strategy
- Impact Treasure Management Strategy
- Impact HR Strategy
- Impact Customer Care Strategy

ii. External

- Audit Commission KLOE 32
- Inspection Action Plan

Appendix to Value for Money Strategy

Value for Money Action Plan 2009-2013

Priority 1.					
Impact will benchmark its costs with other organisations and will develop more detailed costing systems to ensure that value for money choices can be made and improvement targets can be set.					
Priority	Measures of success and outcomes	Action	Lead Officers	Target Date	Progress
1.1	Cost Benchmarking and VFM projects – receipt of regular management information on the costs of services.	1.1.1. Develop and implement a rolling programme of service specific benchmarking using HQN services. This will start with benchmarking Income Management and Maintenance Costs. The programme will be rolled out across all services.	GW, KAD, JH	Start March 2009 (Then Annually after).	
		1.1.2. Use Benchmarking data to inform strategic budget decisions and develop action plans.	GW/KAD/ Ops Managers.	August 2009 onwards.	
		1.1.3 Ensure that the budget setting process is clearly linked to Impact's priorities and to be explicit on how this will lead to service improvements.	GW – all budget holders	Sept 2009 and annually thereafter.	
1.2	Annual Efficiency Statements	1.2.1 Identify targets for efficiency	GW/JH		

		savings and monitor performance against targets.			
1.3	Produce half yearly reports on actions taken that have led to improved vfm in service areas	<p>1.3.1 Internal training to be provided to all budget holders on demonstrating cost efficiencies in service improvements.</p> <p>1.3.2 All budget holders to report on actions taken to deliver cost efficiencies</p>	<p>GW/JH</p> <p>All Managers and Budget Holders</p>	<p>Feb 2009</p> <p>June 2009 and December 2009 to continue in June 2010 and December 2010 onwards.</p>	

Priority 2.

Impact will develop effective procurement procedures in order to ensure that opportunities for cost reduction, income generation and quality improvements are achieved.

Priority	Measures of success and outcomes	Action	Lead Officers	Target Date	Progress
2.1	Procurement Methodology- to ensure that the principles of effective procurement are adopted throughout the Association and that staff are trained in procurement principles	2.1.1 Establish Procurement Champion 2.1.2 Develop Procurement Toolkit to be used in conjunction with the Procurement Procedure 2.1.3 Implement Procurement Toolkit and Procedure 2.1.4 Implement Equality and Diversity Standard in Procurement 2.1.5 Train and develop staff 2.1.6 Undertake annual compliance audit checks on procurement processes 2.1.7 Establish and implement set of Procurement Performance Indicators 2.1.8 Undertake annual review of Pis 2.1.9 Review the Approved List of Contractors and Consultants together with Procedure	PSM PSM PSM and OMs PSM and OMs PSM JH PSM/FD PSM/FD PSM and OMs	01/09 01/09 02/09 01/09 02/09 onwards 12/09 and annually thereafter 06/09 12/09 and annually thereafter 02/09	

		2.1.10 Direct a minimum of 70% in terms of value of uncommitted contracts through CHP/GMP Consortium	PSM	01/09 (ongoing commitment)	
2.2	<p>Maximising income and funding opportunities- To increase additional income and further savings for the organisation</p>	<p>2.2.1 Investigate the potential for extending purchasing through Procurement for Housing (PfH), e.g in respect of responsive repairs</p> <p>2.2.2 Routinely include PfH in tender price evaluation for major purchasing decisions for goods and services</p> <p>2.2.3 Explore opportunities for joint procurement of services with other RSLs where possible</p> <p>2.2.4 Maximise disposals of unsustainable properties through the Option Appraisal Process</p> <p>2.2.5 Maintain consistently low void turnaround times in line with targets and national high performance</p> <p>2.2.6 Improve rent collection and other income collection rates in line with targets and national high performers</p>	<p>PSM with OMs</p> <p>FD</p> <p>OD</p> <p>PSM</p> <p>OMs and PSM</p> <p>OMs</p>	<p>04/09</p> <p>01/09 onwards</p> <p>01/09 onwards</p> <p>01/09 onwards</p> <p>01/09 and monthly thereafter</p> <p>01/09 and monthly thereafter</p>	

Priority 3.**Impact will prioritise the direction and use of its resources in order to maximise the benefits to its residents and customers**

Priority	Measures of success and outcomes	Action	Lead Officers	Target Date	Progress
3.1	Review Budget Setting Process	Consult with staff, board & committee members and customers during 2009, approve budget setting process in June and implement for December board.	GW	Start November 2008 Progress in - -April 2009 -May 2009 -June 2009 -Sept 2009 Implement in Dec 2009	
3.2	Develop and maintain list of priorities for reinvestment	Identify key priority areas for ongoing expenditure through discussion within Teams, committee and at Board.	GW/KD	April 2009	

Priority 4.**Impact will seek to identify opportunities for improved productivity, streamlined, focused services, targeted at improving value for its customers**

Priority	Measures of success and outcomes	Action	Lead Officers	Target Date	Progress
4.1	People and Resource Management – services delivered at optimum costs with adequate resources leading to increased customer satisfaction.	4.1.1 Review existing and investigate new ICT systems to deliver more efficient services and train staff in these systems.	HC/GW/KAD	Jan 2009 onwards.	
		4.1.2 Maximise joint working between all teams using cost benchmarking information.	JH	May 2009 onwards	
4.2	Working in partnership revised practices in partnership that lead to better service delivery	4.2.1. Review systems of invoicing for all contractors consultants and suppliers.	GW and Finance Team with Budget Holders.	March 2009 onwards	
		4.2.2. Implement findings of HQN Review of Responsive Repairs.	KAD and DT	March 2009 onwards.	
		4.2.3. Develop partnerships with advice agencies to develop Debt Prevention and Housing Income Management Strategies.	SW and DT	March 2009.	

Priority 5

Impact will implement a performance management framework which will drive forward the most efficient use of resources whilst retaining a strong value base and encouraging creativity and flexibility throughout the organisation.

Priority	Measures of success and outcomes	Action	Lead Officers	Target Date	Progress
5.1	To undertake service reviews – of both services and service contracts that will lead to better working practices and renegotiated/new service contracts.	5.1.1 Carry out Service Reviews that include VFM Healthchecks on the service. Reviews to start with Responsive Repairs, Income Management and Supported Housing.	KAD	March 2009 onwards	
		5.1.2. Review all existing and new Service Contracts to achieve VFM	GW	Jan 2009	
5.2	To monitor performance against measurable outcomes through PIs.	5.2.1 Provide clear audit trails behind all performance information through robust quality assurance frameworks.	JH	March 2009	
		5.2.2 Produce impact assessments to determine success of VFM in procurement initiatives.	GW/BHG	June 2009	

Priority 6

Impact will invest in the performance and development of its staff to ensure that a Value for Money Culture is embedded throughout the organisation.

Priority	Measures of success and outcomes	Action	Lead Officers	Target Date	Progress
6.1	Strong Leadership – from the Board, SMT, Operations Managers to demonstrate a corporate commitment to VFM	6.1.1 Ensure highest level commitment incorporated in Business Plan	SMT/GW	Dec 2008	
6.2	Raising awareness of staff and stakeholders – to ensure all staff and stakeholders understand VFM and its importance in service delivery and are committed to improving VFM in the organisation.	6.2.1 Establish a VFM working group. To include staff across functions and ensure all areas are represented. 6.2.2 Appoint VFM Champion at Board level and Lead Officer for VFM to establish and lead VFM forum. 6.2.3 Implement a training programme for all staff and Board/Committee members with aim of embedding general principles of VFM and its importance to effective service delivery. 6.2.4 Ensure annual appraisal process includes clear links to how individuals' roles meet key objectives in the VFM strategy.	GW GW VFM Group KD	Oct 2008 Oct 2008 June 2009 Oct 2009	

		<p>6.2.5 Produce a communications plan in relation to VFM to include residents and staff, ie. tenant/staff newsletters, Kwikscan, etc.</p> <p>6.2.7 Review customer priorities via customer feedback methods and self-assessment by teams.</p> <p>6.2.8 Produce action plans within teams to explore and implement changes to working practices to reflect customer priorities.</p> <p>6.2.9 Regular team meetings to consider VFM issues. Teams to identify measures to ensure that VFM and costs of services are considered in their day-to-day work.</p> <p>6.2.10 Team annual plans to incorporate VFM objectives as outlined in VFM strategy</p>	<p>NB/SB</p> <p>KD/SB/NB</p> <p>GW/KD</p> <p>GW/KD</p> <p>GW/KD</p>	<p>June 2009</p> <p>Oct 2009</p> <p>Oct 2009</p> <p>Feb 2009</p> <p>Dec 2009</p>	
6.3	Recognising achievements in VFM – through incentive schemes that reward staff for their commitment to VFM	<p>6.3.1 Introduce method of capturing staff suggestions and ideas in relation to VFM and procurement.</p> <p>6.3.2 Introduce annual staff award scheme to recognise innovation and creative effort in relation to VFM and which aims to award achievement in this area.</p>	<p>NB/SB</p> <p>NB/SB</p>	<p>Jan 2009</p> <p>Oct 2009</p>	

Priority 7**Impact will work with customers and stakeholders to ensure that they have a strong influence in the direction of resources.**

Priority	Measures of success and outcomes	Action	Lead Officers	Target Date	Progress
7.1	Increase customer involvement in monitoring the VFM strategy	7.1.1 Customer panel to communicate progress in VFM to all customers, through existing resident involvement structures, I.T processes, resident newsletters etc.	KD	Sept 2009	
		7.1.2 Introduce a training programme to enable tenant panels to gain an overview of the general principles of VFM and its importance to effective service delivery.	KD	Sept 2009	
7.2	Customers to be fully involved in service decisions and ensure services are shaped around customers in relation to VFM	7.2.1 Tenant panel to under-take regular review of performance information including repairs satisfaction, major works satisfaction	KD	Dec 2009	
		7.2.2 Involved in monitoring performance standards	KD	Dec 2009	
		7.2.3 The views of customers to be fed directly into strategic decision-making process through the tenant	KD	Dec 2009	

		panel and a number of special interest groups.			
7.3	Increase the level of quality information provided to the customer in relation to VFM	<p>7.3.1 Provide customers with access to cross-domain information, to create genuine choice in relation to VFM.</p> <p>7.3.2 Continue to monitor customer feedback to identify continued service improvements shaped around their needs linked to VFM.</p> <p>7.3.3 Performance against service standards in relation to VFM from all teams to be monitored by board, management and customers. Performance to be disseminated to the above via Impact's website, residents meetings, newsletters and tenants panel.</p>	<p>KD/BS/NB</p> <p>KD/SB/NB</p> <p>KD/SB/NB</p>	<p>Dec 2009</p> <p>Dec 2009</p> <p>Dec 2009</p>	