

Value for Money Strategy (VFM)

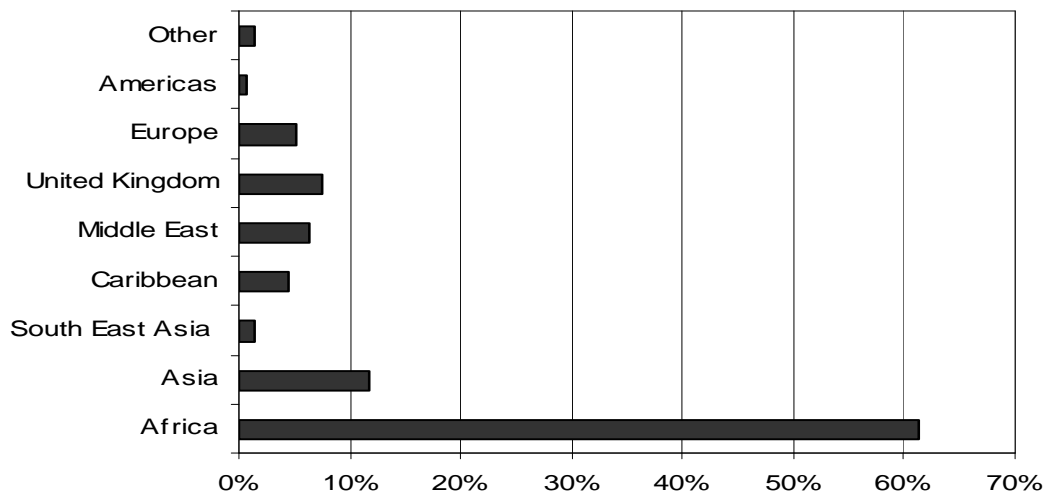
“A positive living experience for migrants and refugees, in homes to be proud of”

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1. Introduction

- 1.1 ARHAG Housing Association is a specialist housing association committed to delivering fair and inclusive services for all and in particular, refugees and migrants.
- 1.2 ARHAG was founded in 1979 as a campaign group to challenge the housing disadvantages experienced by African migrants and refugees. ARHAG developed as a housing association under the Housing Corporation's strategy for Black and Minority Ethnic (BME) housing associations. ARHAG registered with the Registrar of Friendly Societies in 1979 and with the Housing Corporation in 1988.
- 1.3 Since inception we have broadened our remit to provide housing, support and associated facilities for refugees and migrants from all countries and continents. The table below shows our global reach.



- 1.4 We currently own and manage 860 homes in inner and outer London which include a range of permanent and high quality temporary accommodation and supported housing.

- 1.5 Our vision for ARHAG is to provide a positive living experience for refugees and migrants in homes to be proud of. Achieving our vision means that we will be a tenant focused organisation providing the highest quality service for tenants as they build new lives and homes.
- 1.6 Our corporate strategy is built on 3 key themes which describe our approach to achieving our goals over the next five years. These are:
- To deliver the highest quality service for tenants and stakeholders
 - To grow to meet our customers needs by working effectively with strategic partners
 - To improve the quality of life and opportunities for refugees and migrants
- 1.7 Our plans for growth over the next 5 years are built on meeting the changing needs of London's refugee and migrant communities. We operate on the principle that our growth will better enable us to provide high quality services and to remain financially strong.
- 1.8 Underpinning our strategy are 3 corporate goals which cut across all our business and operating strategies. Our cross cutting goals are:
- To be a high performing and efficient organisation with good governance, financial management and quality standards
 - To attract, develop and retain high quality staff
 - To be a beacon for equality and diversity in the sector

2. The Purpose of this Strategy

2.1 Value for money (VFM) is a term used to assess whether or not an organisation has obtained the maximum benefit from the goods and services it both acquires and provides, within the resources available to it.

- Value for money in practical terms can be expressed as:

-doing the same with the same

-doing more with the same

-achieving more for less

Our strategy will demonstrate the robust framework in place to manage our resources economically, efficiently and effectively to provide quality services and homes, and planning for and delivering on-going improvements in value for money.

It will also confirm our compliance with regulatory requirement.

2.2 From our goal (see 1.8 above), to be a high performing and efficient organisation with good governance, financial management and quality standards, flow the objectives of this strategy.

These objectives are to:

- Maximise the resources available to Arhag, working within agreed deadlines.
- Invest in our housing stock ensuring that it gives high levels of resident satisfaction.
- Deliver a cost effective, economical and efficient housing management service that gives high levels of resident satisfaction

- Fully integrate VFM into our strategic planning and performance management framework.
- Benchmark our activities against similar activities and organisations where this is considered useful, adopt good practice where relevant.
- Undertake VFM studies on areas of activity identified as worthy of study.
- To be effective, VFM needs to be a continuous process of the review of information, including customer feedback, benchmarking and performance information.

2.3 Our formal VFM strategy, will demonstrate our commitment to ensuring:

-that VFM is a high priority and is promoted throughout the organisation.

-that tools to support, embed and deliver VFM are in place and regularly reviewed

-that we involve our residents on the delivery of the VFM Strategy as part of the scrutiny part of the process.

2.4 We will publish a robust self assessment which sets out in a way that is transparent and accessible to our stakeholders how we are achieving value for money in delivering our purpose and objectives. This will enable our stakeholders to understand the return on assets measured against the organisation's objectives, set out the absolute and comparative costs of delivering specific services, evidence the value for money gains that have been and will be made and how these have and will be realised over time

2.5 Our strategy will demonstrate our commitment to providing services that represent the best value possible for our residents.

3. The Legal and Regulatory Framework

- 3.1 Obtaining value for money has been a priority of Central government for some time and ultimately led to the requirement of Social Housing providers to embed VFM in everyday business processes and management activities that seek to continuously enhance the potential of each pound of tax payers (grants), tenants and residents money that is expended.
- 3.2 Government & Homes and Communities Agency (HCA) -Regulatory Code and Guidance include: The VFM standard as contained within the new Regulatory Framework for social housing in England from 2012

4. Meeting Our Strategic Objectives

- 4.1 ARHAG's Board of Management is committed to leading a high performing and efficient organisation with good governance, financial management and quality standards. Responsibility for overseeing this work has been delegated to the Chief Executive who will ensure that the Association's VFM strategy is promoted and delivered through its governance and business management processes.
- 4.2 The sections that follow outline the actions that we will take to demonstrate that in line with the resources available to us, we will derive maximum benefits from the goods and services that we acquire and or provide.
- 4.3 To maximise the resources available to Arhag, working within agreed deadline we will:

- Implement our procurement strategy that will achieve savings (cashable/non-cashable), develop innovative and collaborative practices and also improve both our staff skills and our procurement processes. The principle of resident involvement is enshrined in our procurement processes.
 - Ensure that any new loans are competitive and favourable to us in prevailing market condition by obtaining the most efficient margins/terms possible for our size/sector. Our existing loans will be continuously reviewed and where economical refinanced.
 - Strengthen our investment in our staffing resources through the implementation of our training strategy and our staff rewards and incentive strategy.
 - Allocate additional resources to our infrastructure, i.e. I.T and Offices. Continue to explore the use of relevant new technology to support our processes and to improve the likely efficiencies.
 - Continue to explore innovative ways of for procuring services to deliver our VFM objectives including partnership working and shared services
- 4.4 To invest in our housing stock to ensure that it gives high levels of resident satisfaction we will:
- Maintain our investment in our property assets by a continuation of a rolling asset management plan.
 - Continue to explore innovative ways procuring our repairs and maintenance programme
 - Ensure tenant involvement in the procurement process for works and services that most affect them.
 - Introduce a number of initiatives that will benefit our residents e.g. seeking a commitment from service providers and contractors to

make available work experience and apprenticeships to ARHAG residents who face barriers to employment in the jobs market

4.5 To deliver a cost effective, economical and efficient housing management service that gives high levels of resident satisfaction we will:

- Continue to explore a variety of ways for procuring housing services and these will range from direct procurement to partnering and outsourcing.
- Work with our residents to help scrutinise our performance, service standards and make recommendations for service improvements.
- Involve our residents in our decision making process regarding the communal areas of their estate. This is of great importance to our residents as costs are passed on to them through service charges.

4.6 To fully integrate VFM into our planning and performance management framework we will:

- Continue to develop our performance management systems
- Ensure that the annual performance targets set and agreed reflect continual improvement
- Consider the need to develop further Service Improvement indicators
- Ensure that Organisation's business plans and goals are cascaded down to staff and that they are trained and empowered to take responsibility for the actions necessary in carrying out their roles. This will be monitored regularly through formal performance reviews.
- Develop the required suite of financial and budgetary control information to support decision makers and maximise the use of the financial resources available in delivering the company's vision.

- 4.7 To benchmark our activities against similar activities in other organisations where this is considered useful, adopt good practice. Where relevant we will ensure:
- That the Association continuously benchmarks its efficiency
 - That we maintain a membership with a sector related benchmarking group where we will make use of relevant performance indicators such as costs and satisfaction data to drive service improvement.
- 4.8 To undertake VFM studies on areas of activity identified as worthy of study we will:
- Place benchmarking and cost comparisons at the heart of our procurement and purchasing activity.
 - Seek the extensive use of benchmarking, for instance relevant comparator groups will be undertaken on a service-specific basis to further assist with the improvement of performance.
 - Regularly review our service contracts
 - Review at least annually our cost base and our income streams with a view to achieving VFM savings. In accordance with the principles of VFM the Organisation will not always opt for the least cost but will give due regard to the benefits to be generated and the longer term whole life costs for each option.
- 4.9. We acknowledge the need for continual improvement in the means and impact of stakeholder involvement. Stakeholder involvement is a central feature of our VFM strategy. We have identified the following main stakeholder groups:

Residents (includes; tenants and leaseholders, local communities)

Regulators & Authorities (includes; H.C.A, Local authorities, Financial conduct authorities, HMRC etc.)

Investors/Funders /strategic partners (includes; HCA, financial institutions, contractors/suppliers, industry reps and peer group)

Our challenge will be to achieve our overall VFM objectives whilst balancing the conflicting interests of the different stakeholder groups.

5. Managing Performance

- 5.1 This strategy will be monitored and reviewed by the Senior Management Team. The Senior Management Team will meet once a year to review annual goals and targets and make recommendations to the Board.
- 5.2 The Senior Management Team has delegated authority to monitor the Association's performance against the Action Plan and to produce a report which will be received by the Board of Management annually.
- 5.3 A suite of performance indicators are included in the action plan, a summary of which is provided below.