

## Value for Money Self-Assessment

### Overview

Value for Money (VFM) is key to the Group. It ensures that we are making the best use of the money that we receive. This self-assessment sets out how both Parkway Green Housing Trust and Willow Park Housing Trust are achieving Value for Money services and how this is now consolidated into the Wythenshawe Community Housing Group.

### Regulatory Background

The Regulatory Framework for Social Housing in England published by the Homes and Communities Agency in March 2012 sets out the regulatory framework for social housing in England. This came into force on the 1<sup>st</sup> April 2012. This introduced a new VFM Standard which sets out Boards responsibilities for ensuring that VFM is promoted, developed and communicated across the business.

The regulations set out how the Standards should be developed in co-regulation with tenants, therefore Tenants are involved throughout the organisation and are supported with a clear involvement structure.

### What is Value For Money?

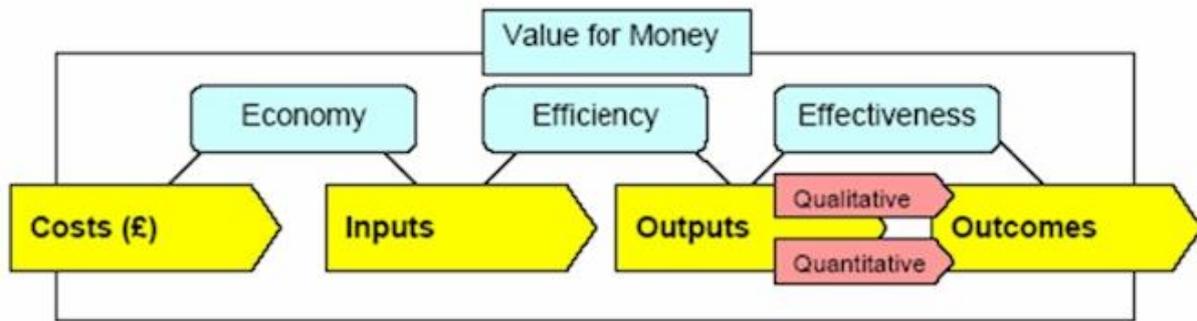
Value for Money for the Group is about ensuring that the most benefit has been obtained for every £1 that is spent and that the goods and services that it provides are to the requirements of the Tenants that the Group serves.

The Group and both subsidiary Boards actively work to ensure that all services are VFM in order to ensure that money is being spent wisely and that new projects and services can be developed with any resulting savings.

VFM can therefore be simplified into “the 3 E’s”, these are:-

- Economy – How much are we spending on services? - we are therefore working to reduce costs across the business.
- Efficiency – How much do we get done? – We are therefore trying to maximise the activities that tenants tell us are important to them and reduce any activities that do not add value to the tenants.
- Effectiveness – What is the outcome for tenant? – We are therefore working to ensure that performance and satisfaction levels improve across all services in order to improve the effectiveness of them.

This is sometimes shown in a diagram to show the 3E's



## WCHG Approach to VFM

### Costs of Services and the Performance it achieves

Costs and performance are monitored across the Group on a daily basis in order that services are developed for tenants and that the costs are monitored. On a monthly basis a finance and performance pack are produced and all managers are held to account for both, where there are areas of poor performance or spend appears to be out of line with budgets, this is challenged and actions put in place to ensure that value for money services are being developed. These meetings also help to highlight seasonal trends and plan for the future months, such as having more call takers available during the busy periods. Managers also compare their performance to other organisations to ensure that best practices are developed and performance better understood.

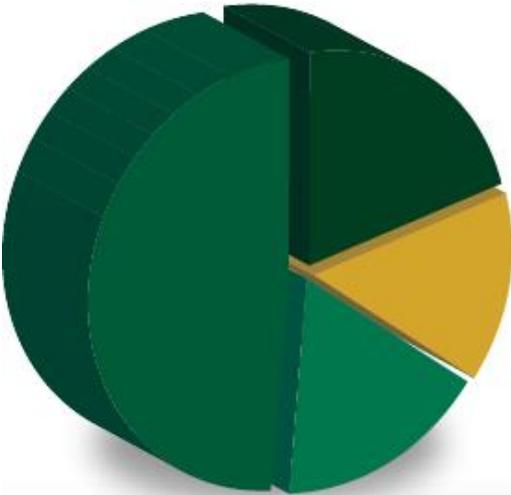
The Trusts have clear 30 year business plans in place which provide a sound financial basis from which they can provide housing for tenants and investment into the local communities. These plans are constantly tested in order to ensure that all financial decisions are affordable now and in the future. They also assess the opportunity cost of undertaking activities in order to ensure that the best decisions are made at the correct time.

The Group uses Zero Based Budgeting (ZBB) this ensures that all costs are reviewed each year, challenged and scrutinised. This means that all services are reviewed in order to ensure that only those services that are needed in the next 12 months receive funding. In doing so, waste is eliminated every year and services are continually developed.

Over the last 12 months (2012/13) the two subsidiary Trusts have spent

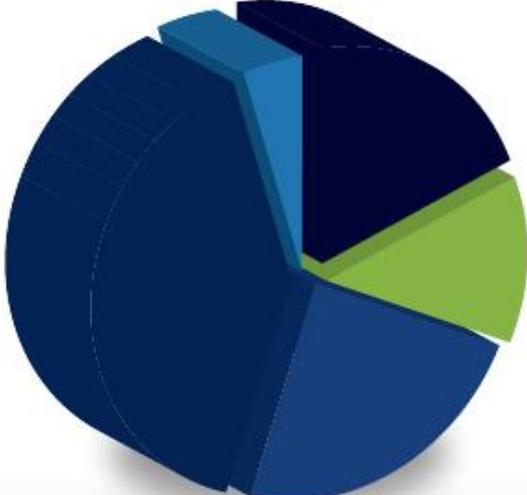
## How money is being spent

Parkway Green



Description (Amounts £'000)	
Investment in Stock	12,505
Management Costs	5,439
Responsive Repairs	4,277
Housing Costs	3,603
<b>Total</b>	<b>25,824</b>

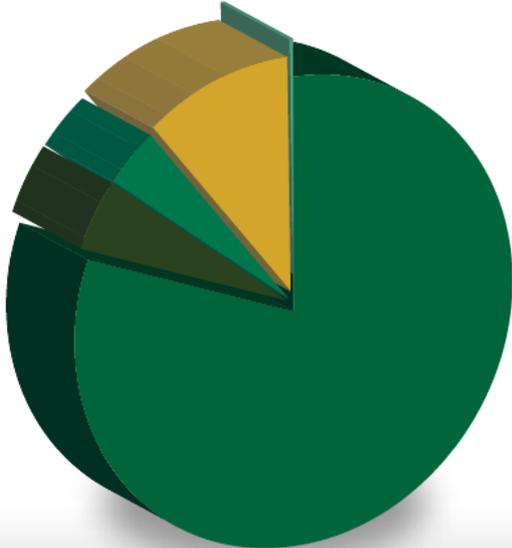
Willow Park



Description (Amounts £'000)	
Investment in Stock	11,799
Responsive Repairs	7,003
Management Costs	5,737
Housing Costs	3,662
Regeneration Activity	1,361
<b>Total</b>	<b>29,562</b>

Money has come into the Trusts from a range of sources, and these are summarised.

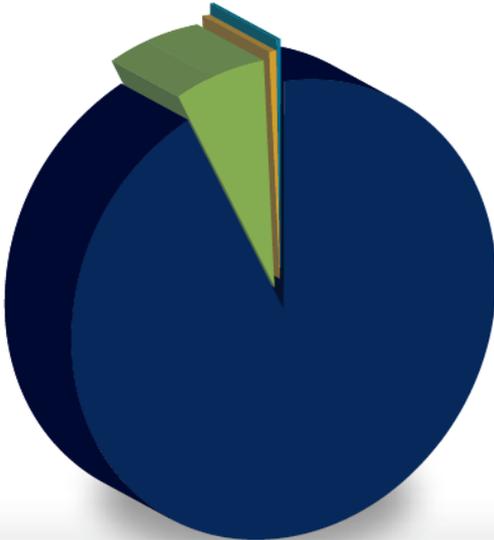
**Parkway Green**



**Where the Trust receives its money:**

Description	(Amounts £m)
Rental Income	21.98
VAT Shelter Income	1.27
Other Income	1.09
GAP Funding	2.89
Interest Receivable	0.01
<b>Total</b>	<b>27.24</b>

**Willow Park Housing Trust**



**Where the Trust receives its money:**

Description	(Amounts £m)
Rental Income	32.31
Other Income	2.30
Funding	0.25
Interest Receivable	0.02
<b>Total</b>	<b>34.88</b>

Whilst income and costs are actively managed so is the performance of the Trusts in order to ensure that the correct level of money is given to the correct activities.

### Parkway Green Housing Trust

91%	Tenant satisfaction with the Value for Money for rent they pay (1st place out of 88 organisations nationally)
92%	Overall satisfaction with services provide (6th of 91 organisations nationally)
90%	Overall Quality of your home (3rd out of 89 organisations nationally)
86%	Overall Satisfaction with your neighbourhood as a place to live (29rd out of 90 organisations nationally)
81%	Satisfaction with repairs service (38th out of 88 organisations nationally)

### Willow Park Housing Trust

85%	Tenant satisfaction with the Value for Money for rent they pay (29th place out of 88 organisations nationally)
90%	Overall satisfaction with services provide (19th of 91 organisations nationally)
85%	Overall Quality of your home (33rd out of 89 organisations nationally)
81%	Overall Satisfaction with your neighbourhood as a place to live (55th out of 88 organisations nationally)
83%	Satisfaction with repairs service (31st out of 88 organisations nationally)



Both Trusts deliver sector leading performance and work is on-going to ensure that this continues and improvements in service provision are made with Tenants at the heart of the organisation. A full range of performance information is available from the Trusts and the Group, so if you require any more information please contact the Groups Business Development Team and we can provide you more information.

## **Resources**

The Group is responsible for over 13000 properties in Wythenshawe and actively manages all its stock. On an on-going basis all properties are being monitored in order to ensure that they provide VFM accommodation for tenants in regards energy efficiency and standards of living. Both Trusts also have to assess the on-going viability of all its stock in order that decisions are made on future investments. This involves examining all the data that is collected on its properties including void costs, re-let time, repair costs and satisfaction data. When appropriate it may be more cost effective to retrofit a property with new insulation, remodel it completely or even demolish and rebuild the properties. This is all done with tenant consultation in order to ensure that it will improve the local community and create homes and neighbourhoods where people wish to live and work.

Opportunities for new homes for tenants are being maximised and new developments are appearing across Wythenshawe in order to address the shortages in social housing. These are further supported by seeking out relevant funding to support schemes and tenants are involved in shaping the specifications of the homes and interior space in order to ensure that they are in line with tenant expectations.

The Group continues to invest heavily in the training of its staff as it understands that well developed and motivated staff will deliver better services for the tenants that they support. This has been independently verified by the Investors in People and Customer Service Excellence Accreditations for both Trusts.

Staff are actively encouraged to use their own initiative to develop new ways of developing services and making sure that tenants are receiving the best possible service and that they are tailored to individual needs.

## **Decision Making and Involvement**

Key to all decisions for the Group is “what is the right thing for our tenants?” therefore tenant involvement is key. The Group has therefore established a clear framework in order to ensure that all services are scrutinised and challenged by Tenants.

## **Social Value**

Both subsidiary Trusts work extensively in the local community to develop Wythenshawe as a place where people want to live and work. It therefore adds considerable social value through a range of partnership workings, all of these are aimed at promoting a healthier more sustainable lifestyle, and examples of the projects and the benefit that they promote beyond social housing include:

- Wythenshawe Games – Helping to deliver improved health benefits to the wider and get more people into sport.
- Real Foods – Helping promote healthier living and encouraging people to grow their own foods.
- Real Neighbours – Helping to ensure that isolated groups are looked after

- Manchester United Foundation – Getting people into sport in order to keep fit and provide an outlet for young people to spend time.
- PG Turnaround – Providing opportunities for those with criminal records to help develop their skills and find employment.

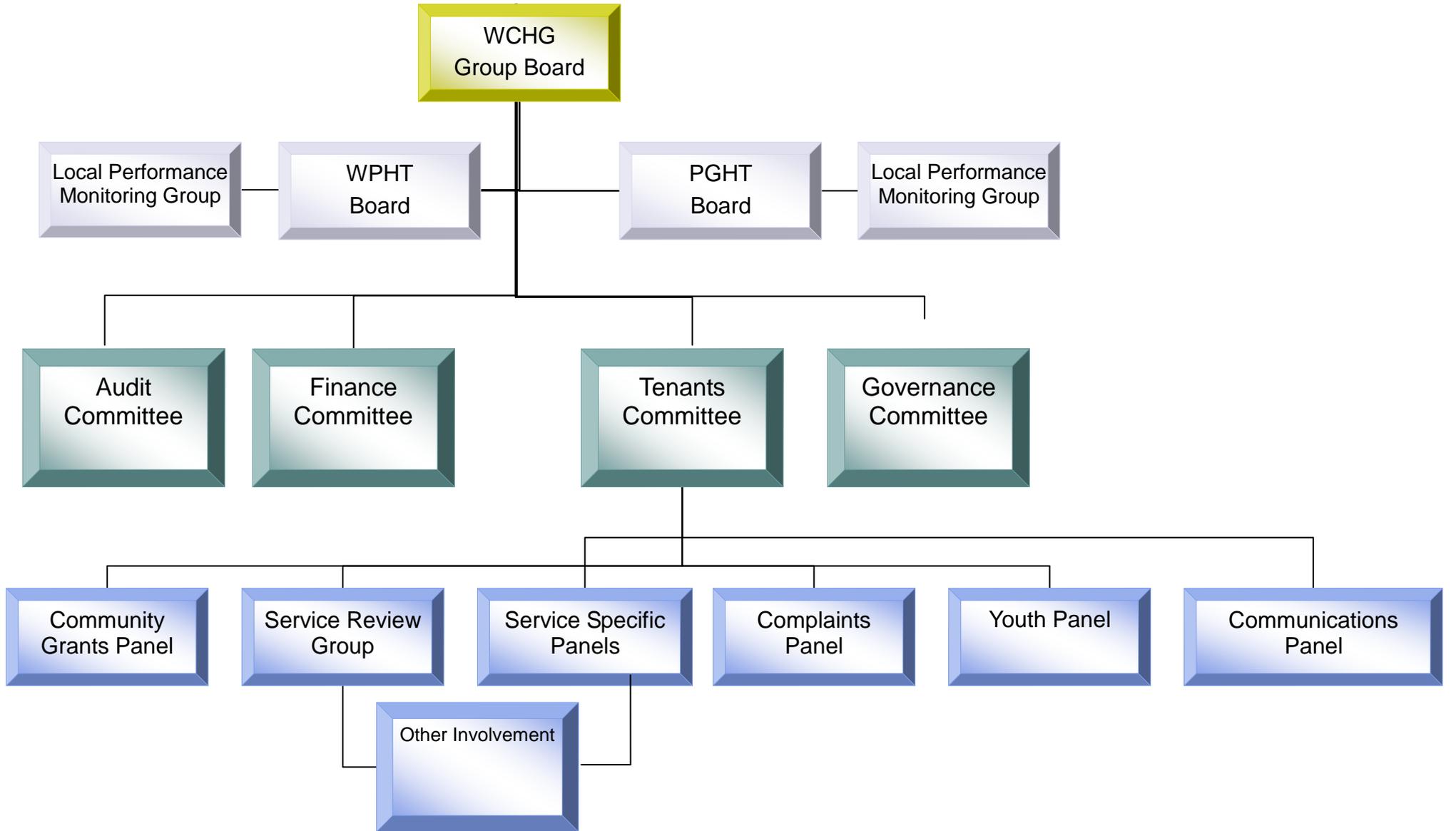
### **Value for Money Improvements**

Year on year both Trusts have managed to make VFM savings that have been reinvested into the local community. Examples of these can be seen by:-

- The introduction of LED lights in some blocks helps to save energy bills and also provide enhanced lighting.
- Savings in all procurement activities.
- Bringing major works such as roofing programmes in-house realised savings of 20% in unit costs.
- Savings made through proactive cash management and ensuring that the loans secured are at the lowest possible rates.
- Working with the web provider so that they provide additional services for free.
- Providing more information online has helped to reduce the printing and leaflets bill.
- Working with all our partners to support local businesses and local labour
- Reviewed services and made performance improvements that assist tenants.
- Made the best use of scaffolding whilst on site to stop the need to procure it more than once.
- Trained staff in driving a minibus, to reduce the need to hire a driver.
- Delivered training in house rather than use a consultant or out of office course.

### **Governance**

In order to ensure that all services are effected overseen by the Board a clear governance structure is in place. The Group has formally adopted the National Housing Federations Excellence of Governance Standard; this guide ensures that the correct decisions are being made at the correct level within the governance framework. All Board and its sub committee's papers include a clear link to VFM on the front page in order to bring to the attention of members the impact that any decisions will have on VFM across the organisation.



## **Key Terms**

**Benchmarking** - provides a snapshot of performance and helps understanding of how it compares to others

**Opportunity Costs** – This is about understanding that for every decision that is made there are other potential options available that can be done. So, if we spend £10 on x, then we can't spend it on y.

**Zero Based Budgeting** – This is an accountancy term which means that we start from £0 every time we do budgets, so instead of saying we spent £100 on stamps last year so we need £100 this year. We examine all the costs to ensure that we need £100, or we may want to do more communication by email, so costs may be reduced to £75.