Value for Money Strategy

1. Background

Abbeyfield The Dales (ATD) aim is that resources are utilised efficiently and effectively in delivering the strategic objectives, freeing up extra resources which can be re-invested into new homes and additional services for older people in furtherance of our charitable objectives. Our approach to Value for Money (VFM) is to embed a culture in the organisation where VFM is considered in everyday decisions and service delivery. VFM is deemed to be the responsibility of all Abbeyfield staff.

2. Objectives

ATD is committed to providing services that enhance the quality of life for older people and developing services that will meet the needs of future generations. This commitment is based on the Mission and Values of ATD. ATD will also comply with all relevant and current legislation.

3. Scope

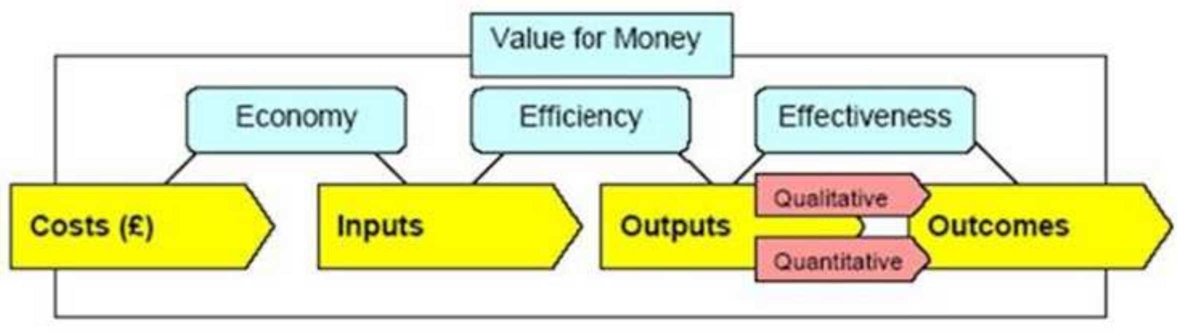
The policy will apply to all ATD staff, volunteers and trustees. The policy should be read by all.

4. Policy

4.1. Definition

VFM is defined as the relationship between economy, efficiency and effectiveness. VFM is high where there is optimum balance between all three – relatively low costs, high productivity and successful outcomes. It is not just about cutting costs, it's about getting more quality and quantity, and improving and enhancing what we do. This added value is linked to ATD's business objectives to increase business effectiveness.

VFM is illustrated by the diagram below:



4.2. Context

The Regulator of Social Housing regulates social landlords. The RoSH expects Abbeyfield to:

- Have a robust approach to making decisions on the use of resources to deliver our objectives, including an understanding of the trade-offs and opportunity costs of our decisions;
- Understand the return on our assets and have a strategy of optimising the future return on assets – including rigorous appraisal of all potential options for improving VFM

including the potential benefits in alternative delivery models – measured against our values and objectives;
- have performance management and scrutiny functions which are effective at driving and delivering improved VFM performance;
- Understand the costs and outcomes of delivering specific services and which underlying factors influence these costs and how they do so;
- Provide evidence of VFM achievements across its whole operation that can be qualified and quantified;
- Produce an annual Value for Money statement in ATD Financial Accounts in line with the expected format and narrative; and
- The Regulatory Framework for Social Housing In England 2012 introduced the Value for Money standard for private registered providers, which places an increased onus on boards to develop and deliver a clear strategy to drive value for money improvements.

4.3. Methodology

VFM is at the centre of everything we do to achieve our Business Plan objectives and targets. The VFM Strategy is linked to the key objectives and strategies of the business planning process including internal and external influences.

The Business plan sets out the strategic direction and detailed financial information about ATD and its operations:
- The Business Plan identifies VFM targets to be achieved in delivering the values and objectives. These will include financial, social, environment and other relevant outcomes.
- The Asset Management Strategy sets the priority for the future of our stock in terms of performance and cost;
- The Procurement Policy sets out a framework for achieving best value when procuring goods and services; and
- The role of staff, residents and volunteers in achieving VFM is defined.

4.4. Initiatives and Evidence of VFM Culture

In ensuring VFM is achieved across the organisation, a range of initiatives can be put in place:
- Clear targets are set through the Business Plan, annual appraisals, service delivery assessments and the budget process to ensure quality is maintained in an effective and efficient manner;
- VFM is an integral part of all senior management, staff and departmental meetings.
- VFM / continuous improvement in each department that is led by the appropriate manager;
- Awareness training on VFM is provided to the Board and staff;
- On-going consultation with tenants and leaseholders on the allocation of resources;
- Identify, quantify and record VFM outcomes throughout all ATD's activities;
- Through benchmarking from Abbeyfield's quality assessment regime and use the information to identify improvements;
- All reports to Board and Committees consider the implications of recommendations in terms of VFM; and/or
- To identify VFM savings including non-financial savings and good practice across ATD.

4.5. Review & Monitoring

The overall responsibility for the delivery and monitoring VFM Strategy rests with the Board and senior management team. On an annual basis, the Board should publish a robust self-assessment setting out how ATD is achieving VFM in delivering the values and objectives. The nature and form of the self-assessment is to be defined and agreed within 12 months. The assessment will be available to all tenants and other stakeholders. The assessment will:

- Identify the financial and other benefits to ATD from VFM processes, activities and initiatives and use this information to shape and plan future activities;
- Define VFM in the context of ATD's values and objectives;
- Describe Abbeyfield's approach to VFM and use of resources;
- Detail the arrangements to ensure delivery of VFM;
- Enable stakeholders to understand the return on assets measured against objectives;
- Set out absolute and comparative costs of delivering specific services where appropriate;
- Evidence the VFM gains that have been made and will be made and how these will be realised over time; and
- Detail how the Board has gained assurance from the VFM self- assessment.

5. Finance, Value for Money & Social Value
N/A

6. Supported Appendices
N/A

7. Linked Policies
N/A

8. Legislation/Regulation
Regulatory Framework for Social Housing In England 2012

9. Review
Every 3 years, subject to regulatory and legislative changes.

10. Procedure/Guidance
N/A